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CONSOLIDATED FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2018

**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 consolidated financial statements for the fiscal year ended 31 December 2018 including the combined financial statements of the Corporation and its subsidiaries (generally called "the Group").

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 22 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 22th amended License No. 41A/GPĐC22/KDBH dated 28 September 2018 regarding the additional establishment of Branch.

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, Tinh 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, Nha Chinh Ward, Thanh Xuan District, Hanoi 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
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. Park, Je Kwang	Member	Appointed on 22 April 2015
Mr. Bui Xuan Thu	Member	Appointed on 22 April 2015
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. Ki, Hyun Park	Member	Appointed on 22 April 2015
Ms. Nguyen Thi Ha Ninh	Member	Re-appointed on 22 April 2015
Mr. Bae, Taeg Soo	Member	Appointed on 22 April 2015

The General Directors

Full names	Position	Appointing date /Re-appointing date/Resigning 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. Huynh Viet Khoa	Deputy General Director	Resigned on 27 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	Appointed on 21 July 2018
Ms. Doan Kien	Deputy General Director	Appointed on 22 July 2018
Mr. Nguyen Duc Binh	Deputy General Director	Resigned on 1 January 2018

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 consolidated financial statements for the fiscal year ended 31 December 2018 of the Group.

Responsibilities of the Management Board

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

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No. 1.0510/19/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 consolidated financial statements of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation"), which were prepared on 21 March 2019, from page 9 to page 63, including the consolidated balance sheet as of 31 December 2018, the consolidated income statement, the consolidated cash flow statement for the fiscal year then ended and the notes to the consolidated financial statements.

The General Directors' Responsibility

The Corporation's General Directors are responsible for the preparation, true and fair presentation of these consolidated 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 and the legal regulations related to the preparation and presentation of consolidated financial statements and responsible for such internal control as the General Directors determine is necessary to enable the preparation and presentation of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated 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 2018, 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 and the legal regulations related to the preparation and presentation of consolidated financial statements.

A&C Auditing and Consulting Co., Ltd.



Nguyen Hoang Duc – Deputy General Director

Audit Practice Registration Certificate:

No. 0368-2018-008-1

Hanoi, 21 March 2019

Le Trong Toan – Auditor

Audit Practice Registration Certificate:

No. 0963-2015-008-1

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

CONSOLIDATED BALANCE SHEET

As of 31 December 2018

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS (100=110+120+130+140+150+190)	100		5,070,461,764,540	4,355,044,867,692
I. Cash and cash equivalents	110	V.1	124,625,653,602	108,166,401,355
1. Cash	111		124,550,653,602	103,841,401,355
2. Cash equivalents	112		75,000,000	4,325,000,000
II. Short-term financial investments	120		2,761,963,711,798	2,471,836,460,879
1. Trading securities	121	V.2a	599,508,668,818	287,384,199,971
2. Provision for devaluation of trading securities	122	V.2a	(76,375,920,784)	(5,688,220,092)
3. Investments held to maturity date	123	V.2b	2,238,830,963,764	2,190,140,481,000
III. Short-term accounts receivable	130		843,739,007,959	760,004,899,423
1. Short-term receivable from customers	131	V.3	575,195,385,088	457,924,172,439
1.1 Receivable on insurance policies	131.1		540,132,640,419	430,865,393,828
1.2 Other receivable from customers	131.2		35,062,744,669	27,058,778,611
2. Short-term prepayments to suppliers	132	V.4	134,568,153,375	145,159,083,299
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	194,807,723,717	222,422,365,263
7. Provision for short-term bad debts	137	V.6	(60,832,254,221)	(65,500,721,578)
8. Deficient assets to be treated	139		-	-
IV. Inventories	140		9,591,183,779	9,346,424,435
1. Inventories	141	V.7	9,650,078,554	9,346,424,435
2. Provision for devaluation of inventories	149		(58,894,775)	-
V. Other current assets	150		250,638,628,078	184,574,577,135
1. Short-term prepaid expenses	151	V.8a	233,972,440,744	176,674,027,242
1.1 Unappropriated commission expenses	151.1		233,777,609,509	176,030,723,016
1.2 Other short-term prepaid expenses	151.2		194,831,235	643,304,226
2. VAT deductible	152		5,121,944,585	6,166,850,082
3. Taxes and accounts receivable from the State	153	V.9	11,544,242,749	1,733,699,811
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-
VIII. Reinsurance assets	190	V.22c	1,079,903,579,324	821,116,104,465
1. Reinsurance premium ceded reserve	191		732,477,619,828	525,983,018,605
2. Claim reserve for reinsurance ceded	192		347,425,959,496	295,133,085,860

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Consolidated balance sheet (cont.)

ASSETS		Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS		200		1,038,909,339,873	1,043,938,002,639
I. Long-term accounts receivable		210		18,793,237,023	17,855,779,676
1. Long-term 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	18,793,237,023	17,855,779,676
6.1 Insurance deposit		216.1		10,280,000,000	10,280,000,000
6.2 Other long-term receivable		216.2		8,513,237,023	7,575,779,676
7. Provision for long-term bad debts		219		-	-
II. Fixed assets		220		96,075,940,013	84,919,980,334
1. Tangible assets		221	V.10	87,503,404,901	75,058,333,415
Historical costs		222		188,385,738,303	163,289,641,505
Accumulated depreciation		223		(100,882,333,402)	(88,231,308,090)
2. Financial leasehold assets		224		-	-
Historical costs		225		-	-
Accumulated depreciation		226		-	-
3. Intangible assets		227	V.11	8,572,535,112	9,861,646,919
Historical costs		228		16,641,592,486	15,741,792,486
Accumulated depreciation		229		(8,069,057,374)	(5,880,145,567)
III. Investment property		230	V.12	114,494,403,529	115,891,902,279
Historical costs		231		122,642,128,702	121,055,366,654
Accumulated depreciation		232		(8,147,725,173)	(5,163,464,375)
IV. Long-term assets in progress		240		35,649,432,480	18,713,028,705
1. Long-term operating expenses in progress		241		-	-
2. Construction in progress		242	V.13	35,649,432,480	18,713,028,705
V. Long-term financial investments		250		736,584,183,377	776,172,899,424
1. Investments in subsidiaries		251		-	-
2. Investments in associates and joint ventures		252	V.2c	127,708,554,179	128,546,442,525
3. Investment, capital contribution in other entities		253	V.2d	155,759,412,685	245,429,793,280
4. Provision for devaluation of long-term financial investments		254	V.2e	(83,623,256,530)	(72,873,506,190)
5. Investments held until maturity date		255	V.2b	536,739,473,043	475,070,169,809
VI. Other long-term assets		260		37,312,143,451	30,384,412,221
1. Long-term prepaid expenses		261	V.8b	35,524,405,797	28,350,995,769
2. Deferred income tax assets		262		51,895,065	-
3. Long-term equipment, materials, spare parts		263		-	-
4. Other long-term assets		268		-	-
5. Goodwill		269		1,735,842,589	2,033,416,452
TOTAL ASSETS		270		6,109,371,104,413	5,398,982,870,331

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Consolidated balance sheet (cont.)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
C - LIABILITIES		300		4,293,391,782,678	3,497,833,280,112
I. Current liabilities		310		4,283,877,097,039	3,489,490,963,504
1. Short-term payable to suppliers		311	V.14	528,841,629,022	373,657,837,794
1.1 Payable on insurance policies		311.1		495,355,369,813	340,259,182,198
1.2 Other payable to suppliers		311.2		33,486,259,209	33,398,655,596
2. Short-term prepayments from customers		312	V.15	10,489,194,940	7,116,109,079
3. Taxes and other obligations to the State budget		313	V.16	29,403,221,848	32,039,305,278
4. Payable to employees		314		7,168,174,330	47,815,610,237
5. Short-term accrued expenses		315		4,161,366,528	580,399,234
6. Short-term inter-company payable		316		-	-
7. Short-term unrealized revenue		318.1	V.17	102,451,079,528	91,476,858,119
8. Short-term unearned commission		318.2	V.18	155,855,656,519	137,118,307,828
9. Other short-term payable		319	V.19a	109,721,954,499	86,924,008,371
10. Short-term loans and financial lease debts		320	V.20a	126,064,008,530	197,777,181,284
11. Provision for current liabilities		321	V.21	70,000,000,000	-
12. Bonus and welfare funds		322		51,968,001	137,968,001
13. Price stabilization fund		323		-	-
14. Transaction of repurchasing the Government's bonds		324		-	-
15. Technical reserve		329		3,139,668,843,294	2,514,847,378,279
15.1 Written premium and reinsurance assumed reserve		329.1	V.22a	2,144,592,205,609	1,647,879,368,341
15.2 Claim reserve for written insurance and reinsurance assumed		329.2	V.22a	896,915,750,913	797,519,969,351
15.3 Catastrophe reserve		329.3	V.22b	98,160,886,772	69,448,040,587
II. Long-term liabilities		330		9,514,685,639	8,342,316,608
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.19b	1,501,442,386	1,120,456,136
8. Long-term loans and financial lease debts		338	V.20b	7,529,552,184	6,738,169,403
9. Transferable bonds		339		-	-
10. Preferred shares		340		-	-
11. Deferred income tax payable		341		483,691,069	483,691,069
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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Consolidated balance sheet (cont.)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY		400		1,815,979,321,735	1,901,149,590,219
I. Owner's equity		410	V.23	1,815,979,321,735	1,901,149,590,219
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		22,644,374,262	21,059,046,903
9. Compulsory reserved fund		419		49,884,763,553	48,967,380,576
10. Other funds		420		-	-
11. Retained profit after tax		421		110,585,835,597	198,191,072,708
- Retained profit after tax accumulated to the end of previous period		421a		94,531,680,457	198,191,072,708
- Retained profit after tax of the current period		421b		16,054,155,140	-
12. Capital sources for construction		422		-	-
13. Interest of non-controlling shareholders		429		964,205,519	1,031,947,228
II. Other sources and funds		430		-	-
1. Sources of expenditure		431		-	-
2. Fund to form fixed assets		432		-	-
TOTAL CAPITAL SOURCES		440		6,109,371,104,413	5,398,982,870,331

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Consolidated balance sheet (cont.)

OFF-CONSOLIDATED 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		213,376,854,353	255,384,755,378
5. Foreign currencies			
US Dollar (USD)		10,715.45	930,637.42
Euro (EUR)		28,167.19	26,066.04
Pound Sterling (£)		334.63	342.88

Prepared on 21 March 2019

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2018

PART I: CONSOLIDATED INCOME STATEMENT

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Net sales of insurance operation	10.1		3,377,065,124,664	2,781,985,447,762
1.2 Net sales of selling other goods and providing other services	10.2		159,655,687,938	114,488,016,246
2. Sales of trading investment property	11	VI.4	6,957,098,394	15,149,078,057
3. Financial income	12	VI.8	172,116,516,152	245,417,767,411
4. Other income	13		2,991,878,874	1,348,346,457
5. Total expenses for insurance operation	20.1		2,785,765,875,316	2,228,700,074,666
5.2 Costs of providing other goods, services	20.2		145,778,641,906	99,851,574,396
6. Costs of investment property	21	VI.7	3,662,574,903	9,760,072,951
7. Financial expenses	22	VI.9	160,538,828,441	93,440,918,531
8.1 Selling expenses	23.1		1,768,729,868	1,741,479,988
8. Administrative overheads	23.2	VI.10	594,053,982,001	539,624,787,964
9. Other expenses	24		2,411,561,556	1,139,302,533
10.1 Profit in joint ventures, associates	50.1		(837,888,346)	2,308,806,005
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		23,968,223,685	186,439,250,909
11. Current corporate income tax	51	V.16	6,991,162,990	32,696,262,536
12. Deferred corporate income tax	52		9,922,940	-
13. Profit after corporate income tax	60		<u>16,967,137,755</u>	<u>153,742,988,373</u>
13.1 Profit after tax of the Holding Company's shareholders	60.1		(4,400,362)	49,227,226
13.2 Profit after tax of non-controlling shareholders	60.2		16,971,538,117	153,693,761,147
14. Basic earnings per share	70	VI.11	<u>193</u>	<u>1,845</u>
15. Declined interest per share	70	VI.11	<u>193</u>	<u>1,845</u>

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

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

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales of insurance premium (01 = 01.1 + 01.2 - 01.3)	01	VI.1	3,789,121,844,195	3,287,790,703,687
In which				
- Written premium	01.1		4,159,480,240,770	3,206,371,714,043
- Reinsurance premium assumed	01.2		126,354,440,693	143,631,384,852
- Increase (decrease) in reserve for written premium and reinsurance assumed	01.3		496,712,837,268	62,212,395,208
2. Reinsurance premium ceded (02 = 02.1 - 02.2)	02	VI.2	1,208,055,461,740	874,320,789,457
In which				
- Reinsurance premium ceded	02.1		1,414,550,062,963	1,068,492,024,874
- Increase (decrease) in reserve for reinsurance premium ceded	02.2		206,494,601,223	194,171,235,417
3. Net sales of premium (03 = 01 - 02)	03		2,581,066,382,455	2,413,469,914,230
4. Commission of reinsurance ceded and other income from insurance operation (04 = 04.1 + 04.2)	04		795,998,742,209	368,515,533,532
In which				
- Commission on reinsurance ceded	04.1	VI.3	288,629,661,402	237,115,495,348
- Other income from insurance operation	04.2		507,369,080,807	131,400,038,184
5.1 Net sales of insurance operation (10 = 03 + 04)	10.1		3,377,065,124,664	2,781,985,447,762
5.2 Net sales of selling other goods and providing other services	10.2		159,655,687,938	114,488,016,246
6. Claim expenses (11 = 11.1 - 11.2)	11	VI.5	1,702,802,760,540	1,683,410,889,298
In which				
- Total claim expenses	11.1		1,714,283,076,028	1,709,178,004,193
- Deductions (Subrogation recovery, receipt from disposal of loss paid 100%)	11.2		11,480,315,488	25,767,114,895
7. Recovery from reinsurance ceded	12	VI.5	422,479,385,543	423,122,583,392
8. Increase/decrease in claim reserve for written premium and	13	VI.5	90,787,511,067	18,537,842,421
9. Increase/decrease in claim reserve for reinsurance ceded	14	VI.5	43,684,603,141	78,204,297,357
10. Total claim expenses (15 = 11 - 12 + 13 - 14)	15	VI.5	1,327,426,282,923	1,200,621,850,970
11. Increase/decrease in catastrophe reserve	16		28,712,846,185	22,815,110,140
12. Other operating expenses (17 = 17.1 + 17.2)	17	VI.6	1,429,626,746,208	1,005,263,113,556
In which:				
- Commission	17.1		400,384,268,787	332,656,891,735
- Others	17.2		1,029,242,477,421	672,606,221,821

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Consolidated income statement (cont.)

ITEMS	Code	Note	Current year	Previous year
13. Total insurance operating expenses (18.1 = 15 + 16 + 17)	18.1		2,785,765,875,316	2,228,700,074,666
13.2 Costs of providing other goods, services	18.2		145,778,641,906	99,851,574,396
14. Gross profit of insurance operation (19.1 = 10.1 - 18.1)	19.1		591,299,249,348	553,285,373,096
14.2 Gross profit of providing other goods, services (19.2 = 10.2 - 18.2)	19.2		13,877,046,032	14,636,441,850
15. Sales of trading investment property	20	VI.4	6,957,098,394	15,149,078,057
16. Costs of investment property	21	VI.7	3,662,574,903	9,760,072,951
17. Profit from investment property (22 = 20 - 21)	22		3,294,523,491	5,389,005,106
18. Financial income	23	VI.8	172,116,516,152	245,417,767,411
19. Financial expenses	24	VI.9	160,538,828,441	93,440,918,531
20. Gross profit of financial activities (25 = 23 - 24)	25		11,577,687,711	151,976,848,880
21.1 Selling expenses	26.1		1,768,729,868	1,741,479,988
21.2 Administrative overheads	26.2	VI.10	594,053,982,001	539,624,787,964
22. Net operating income (30 = 19.1 + 19.1 + 22 + 25 - 26.1 - 26.2)	30		24,225,794,713	183,921,400,980
23. Other income	31		2,991,878,874	1,348,346,457
24. Other expenses	32		2,411,561,556	1,139,302,533
25.1 Other profit (40 = 31 - 32)	40		580,317,318	209,043,924
25.2 Profit in joint ventures, associates	41		(837,888,346)	2,308,806,005
26. Total profit before corporate income tax (50 = 30 + 40 + 41)	50		23,968,223,685	186,439,250,909
27. Current corporate income tax	51	V.16	6,991,162,990	32,696,262,536
28. Deferred corporate income tax	52		9,922,940	-
29. Profit after corporate income tax	60		<u>16,967,137,755</u>	<u>153,742,988,373</u>
29.1 Profit after tax of the Holding Company's shareholders	61.1		(4,400,362)	49,227,226
29.2 Profit after tax of the non-controlling shareholders	61.2		16,971,538,117	153,693,761,147
30. Basic earnings per share	70	VI.11	<u>193</u>	<u>1,845</u>
31. Declined interest per share	70	VI.11	<u>193</u>	<u>1,845</u>

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 21 March 2019

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

CONSOLIDATED CASH FLOW STATEMENT

(Under the indirect method)

For the fiscal year ended 31 December 2018

Unit: VND

ITEMS	Code Note	Current year	Previous year
I. Cash flows from operating activities			
1. Profit before tax	01	23,968,223,685	186,439,250,909
2. Adjustments			
- Depreciation of fixed assets and investment property	02	21,779,416,880	17,511,966,494
- Reserves	03	512,861,868,606	(114,025,078,711)
- Gain/loss from foreign exchange rate differences due to revaluation of monetary items in foreign currencies	04	-	-
- Gain/loss from investing activities	05	(112,704,843,201)	(122,378,432,046)
- Loan interest expenses	06 VI.9	9,524,763,786	5,638,287,801
- Adjustments	07	-	-
3. Operating profit/loss before changes of working capital	08	455,429,429,756	(26,814,005,553)
- Increase/decrease of accounts receivable	09	(96,391,691,264)	(16,705,186,067)
- Increase/decrease of inventories	10	(303,654,119)	1,976,786,763
- Increase/decrease of accounts payable	11	190,281,794,265	152,906,299,913
- Increase/decrease of prepaid expenses	12	(64,471,823,530)	(30,461,915,403)
- Increase/decrease of trading securities	13	(312,124,468,847)	(110,443,049,338)
- Loan interests already paid	14	(9,524,763,786)	(5,638,287,801)
- Corporate income tax already paid	15 V.16	(30,792,333,161)	(18,896,768,986)
- Other gains	16	-	74,200,000
- Other disbursements	17	(350,555,000)	(149,506,364)
Net cash flows from operating activities	20	131,751,934,314	(54,151,432,836)
II. Cash flows from investing activities			
1. Purchases and construction of fixed assets and other long-term assets	21	(48,897,552,959)	(33,410,858,119)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22	-	5,522,838,729
3. Loans given and purchases of debt instruments of other entities	23	(1,693,679,273,303)	(1,040,300,000,000)
4. Recovery of loans given and disposals of debt instruments of other entities	24	1,583,319,487,305	1,033,828,720,773
5. Investments into other entities	25	(49,968,600,000)	(88,471,226,880)
6. Withdrawals of investments in other entities	26	139,638,980,595	76,450,666,540
7. Receipts of loan interests, dividends and profit shared	27	121,835,852,017	97,567,715,942
Net cash flows from investing activities	30	52,248,893,655	51,187,856,985

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Consolidated 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.20	646,829,145,538	625,392,613,419
4. Loan principal amounts repaid	34	V.20	(717,750,935,511)	(495,585,932,344)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36		(96,619,785,749)	(95,810,578,773)
<i>Net cash flows from financial activities</i>	40		(167,541,575,722)	33,996,102,302
Net cash flows during the year	50		16,459,252,247	31,032,526,451
Beginning cash and cash equivalents	60	V.1	108,166,401,355	77,133,874,904
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	124,625,653,602	108,166,401,355

Prepared by


Pham Hong Tien

Chief Accountant


Cao Thu Hien

Prepared on 21 March 2019

General Director



Bui Xuan Thu

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

I. OPERATION FEATURES**1. Investment form**

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

2. Operating field : Non-life insurance.

3. Business operations : Providing services of non-life insurance, reinsurance, financial investment and other activities in accordance with the legal regulations.

4. Ordinary course of business

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

5. Structure of the Group

The Group includes the Holding Company and 2 subsidiaries which are controlled by the Holding Company. All subsidiaries are consolidated in these consolidated financial statements.

5a. Information on the Group's restructuring

During the year, the Group had no purchase, liquidation or divestment in subsidiaries.

5b. List of subsidiaries consolidated

<i>Name of companies</i>	<i>Address of head office</i>	<i>Main operations</i>	<i>Rate of interest</i>		<i>Rate of voting right</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>	<i>Ending balance</i>	<i>Beginning balance</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%	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%	99%

5c. List of associates reflected in the consolidated financial statements in accordance with the owner's equity method

<i>Name of companies</i>	<i>Address of head office</i>	<i>Rate of ownership as committed</i>		<i>Rate of interest</i>	
Post Real Estate JSC. (PostRE)	Floor 5, Lot 18 Dinh Cong Urban Area, Dinh Cong Ward, Hoang Mai District, Hanoi City	49.00%		95.32%	
Lanexang Assurance Public Insurance JSC. (LAP)	No. 13, Suphanuvong Road, Viangchan City, Lao People's Democratic Republic	50.00%		50.00%	

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the consolidated financial statements (cont.)

Kasati JSC.	270A Ly Thuong Kiet, Ward 14, District 10, Ho Chi Minh City	21.30%	21.30%
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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 2018, 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 45 affiliates nationwide.

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

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

7. Personnel

As of 31 December 2018, the Group had 2,090 employees (at the end of the previous year, the Group had 1,959 employees).

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

The fiscal year of the Group 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 Group has been applying the Accounting System for insurance companies 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, the Circular No. 202/2014/TT-BTC dated 22 December 2014 giving guidance on the preparation and presentation of consolidated financial statements 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 consolidated financial statements.

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

The Management Board ensures to follow all the requirements of the accounting system applied for insurance companies 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, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars giving guidance for the implementation of accounting standards and system of the Ministry of Finance in the preparation and presentation of these consolidated 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).

POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the consolidated financial statements (cont.)

2. Consolidation basis

The consolidated financial statements include the combined financial statements of the Holding Company and the financial statements of its subsidiaries. A subsidiary is a business that is controlled by the Holding Company. The control exists when the Holding Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control right, the potential voting right that is currently valid arising from call options or debt and equity instruments that can be converted to common shares as of the balance sheet date should also be taken into consideration.

The business results of the subsidiaries which are acquired or disposed during the period are included in the consolidated income statement from the date of acquisition until the date of disposal of the investments in those subsidiaries.

The financial statements of the Holding Company and subsidiaries used for consolidation are prepared for the same accounting period and apply the consistent accounting policies for similar transactions and events in similar circumstances. In case that the accounting policies of the subsidiaries are different from those which are applied consistently within the Group, the appropriate adjustments should be made to the financial statements of the subsidiaries before they are used to prepare the consolidated financial statements.

Intra-group balances in the balance sheet and intra-group transactions and unrealized profits resulting from these transactions are eliminated when the consolidated financial statements are prepared. Unrealized losses resulting from intra-group transactions are also eliminated unless costs which cause those losses cannot be recovered.

Interest of non-controlling shareholders shows gain or loss and net assets of a subsidiary which is not held by the Group and is presented in a specific item in the consolidated income statement and the consolidated balance sheet (under owner's equity). Interest of non-controlling shareholders includes value of interest of non-controlling shareholders as of the initial business consolidation date and those in the fluctuation of owner's equity commencing from the business consolidation date. Losses in subsidiaries are allocated equivalent to capital of non-controlling shareholders, even when those losses are higher than their capital in net assets of the subsidiary.

3. 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.

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 Group 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 Group often has transactions.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the consolidated financial statements (cont.)

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 Group often has transactions.

4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits in bank and cash in transit of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the reporting date.

5. 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 Group 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 in the market and has fair value lower than their historical costs. The fair value of trading securities listed in the securities market or exchanged on the UPCOM is the closing price as of the balance sheet date. In case at that time, the securities market or UPCOM does not have any transactions, the fair value of securities is the closing price of the latest transaction prior to the balance sheet date.

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 dates

Investments are classified as investments held to maturity that the Group intends and is able to hold to maturity. Investments held to maturity include termed deposits (including debentures and promissory note), bonds, preferred shares that the issuer are required to re-purchases 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.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the consolidated financial statements (cont.)

Investments held to maturity dates 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 dates after acquisition date is recognized in the income statement on the basis of estimated receipt. Interests arising prior to the Group's acquisition of investment held to maturity 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.

Investments in associates

Associates

An associate is an enterprise in which the Group 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.

Investments in associates are recognized in accordance with the owner's equity method. Accordingly, the investments in associates are presented in the consolidated financial statements by the initial investment costs and adjusted for changes in benefits on net assets of associates after the investment date. If the benefits of the Group in losses of associates are higher than or equal to book value of the investments, the value of investments will be presented in the consolidated financial statements as zero unless the Group has an obligation to make the payment instead of associates.

The financial statements of associates are prepared for the same accounting period with the consolidated financial statements of the Group. In case the accounting policies of an associate are different from those consistently applied in the Group, the financial statements of that associate will be suitably adjusted before being used to prepare the consolidated financial statements.

Unrealized gains/losses from transactions with associates are excluded equivalent to those of the Group and its subsidiary when the consolidated financial statements are prepared.

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 Group 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 Group'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.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2018

Notes to the consolidated financial statements (cont.)

- 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 Group'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.

6. 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 Group and buyers which are independent units against the Group.
- Other receivables reflect non-commercial or non-trading receivables, unrelated to purchase-sale transactions.

Provision is made for each bad debt basing on the debt age 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.

7. 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.

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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.

8. Prepaid expenses

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

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.

9. 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 Group 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

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10. 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 Group 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 Group include:

Land use right

Land use right includes all the actual expenses paid by the Group 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.

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.

11. Investment property

Investment property is the use right on land, a building, a part of building or infrastructure owned by the Group 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 Group 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.

The transfer from owner-occupied property to investment property or from inventory shall be made only if the owner finishes using that property and leasing it to other party for operation or at the end of the construction period. The transfer from investment property to owner-occupied property or inventory shall be made only when the owner begins to use this property or begins to sell it. The transfer of use purpose between investment property and owner-occupied property or inventory does not change the net book value or the cost of the property at the date of conversion.

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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

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.

12. Construction in progress

Construction in progress reflects costs directly related (including related loan interest expenses in accordance with the Group'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.

13. 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 Group.
- 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 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 consolidated balance sheet based on the remaining terms as of the balance sheet date.

14. 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.

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Unearned premium reserve

Unearned premium reserve for insurance and reinsurance policies, 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 insurance of cargo, unearned premium reserve is appropriated by 25% on total premium retained.
- For other insurance transactions, unearned premium reserve is appropriated by 50% on total premium retained.

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

$$\text{Unearned premium reserve} = \frac{\text{Insurance premium} \times \text{Number of remaining insurance day of insurance and reinsurance policies}}{\text{Total number of insurance days as in insurance and reinsurance policies}}$$

Claim reserve

Claim reserve for outstanding claims is appropriated by the Corporation in accordance with the method of each claim record on the basis of estimated loss of the Corporation's insurance responsibility.

Claim reserve for loss which has incurred but not yet reported (IBNR) is appropriated in accordance with the following formula for each claim:

$$\begin{array}{ccccccc} \text{Claim reserves for IBNR for the current fiscal year} & = & \frac{\text{Total claim for IBNR in the 3 previous continuous years}}{\text{Total claim arising in the 3 previous continuous years}} & \times & \text{Claim arising in the current year} & \times & \frac{\text{Net sales of insurance operation in the current year}}{\text{Net sales of insurance operation in the previous year}} & \times & \frac{\text{Average claim reporting delay in the current year}}{\text{Average claim reporting delay in the previous year}} \end{array}$$

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.

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15. Sources of capital

Owner's contribution capital

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

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.

16. Profit distribution and appropriation of funds

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 Group'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.

17. Recognition of sales, expenses and income

Sales of providing services are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

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:

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- (1) When the insurance policy has been entered into by the insurer and the insured and the insured fully paid insurance premium;
- (2) The insurance policy has been entered into and the insurer has an agreement with the insured about debt of insurance premium in the insurance policy.

In case there is an agreement between the insurer and the insured about periodical payment of premium, the Corporation records it into income corresponding to insurance premium period or periods incurred, does not record into income the unmatured insurance premium, which the insured has to pay as agreed.

Insurance premium which is received before the due date as of the balance sheet date is recognized in the item of "Prepayments from customers" in the balance sheet date.

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.

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.

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.

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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.

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.

18. Borrowing costs

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

19. 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.

20. Related parties

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

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

21. 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 Group's consolidated financial statements.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET**1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	10,621,956,926	17,897,313,969
Demand deposits in banks	85,894,938,676	77,170,827,386
Cash in transit	28,033,758,000	8,773,260,000
Cash equivalents (<i>Under-3-month deposits</i>)	75,000,000	4,325,000,000
Total	124,625,653,602	108,166,401,355

2. Short-term investments

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

2a. Trading securities

	<u>Ending balance</u>			<u>Beginning balance</u>		
	<u>Historical costs</u>	<u>Fair value</u>	<u>Provision</u>	<u>Historical costs</u>	<u>Fair value</u>	<u>Provision</u>
Listed securities	599,508,668,818	526,280,959,800	76,375,920,784	285,475,786,471	298,208,827,900	5,688,220,092
LPB	169,720,152,006	141,714,625,500	28,005,526,506	56,675,182,165	57,813,736,500	
OIL	150,318,761,359	130,957,460,000	19,361,301,359			
TDM	81,329,371,070	81,726,600,000		67,751,475	73,800,000	
HUT	27,761,617,500	15,546,883,000	12,214,734,500	32,000,000,000	34,560,000,000	
MBB	38,086,520,159	31,161,623,000	6,924,897,159	51,250,202,983	59,245,449,200	
Others	132,292,246,724	125,173,768,300	9,869,461,260	145,482,649,848	146,515,842,200	5,688,220,092

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	Ending balance			Beginning balance		
	Historical costs	Fair value	Provision	Historical costs	Fair value	Provision
<i>Unlisted securities</i>				1,908,413,500		
DPTW2				1,908,413,500		
Total	599,508,668,818	526,280,959,800	76,375,920,784	287,384,199,971	298,208,827,900	5,688,220,092

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

	Current year	Previous year
Beginning balance	5,688,220,092	263,490,518
Additional appropriation of provision	72,211,922,861	5,688,220,092
Use of provision	(1,524,222,169)	(263,490,518)
Ending balance	76,375,920,784	5,688,220,092

Fair value

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

2b. Investments held to maturity date

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Short-term	2,238,830,963,764		2,190,140,481,000	
Termed deposits ^(*)	2,131,996,663,764		2,030,306,181,000	
Investments in bonds	100,000,000,000		148,000,000,000	
Short-term investment trust	6,834,300,000		11,834,300,000	
Long-term	536,739,473,043	35,577,056,197	475,070,169,809	31,235,306,464
Termed deposits ^(*)	304,011,666,667		352,983,000,000	
Investments in bonds	100,000,000,000			
Investment portfolio management trust	132,727,806,376	35,577,056,197	122,087,169,809	31,235,306,464
Total	2,775,570,436,807	35,577,056,197	2,665,210,650,809	31,235,306,464

^(*) The Corporation has used the deposits at 4 credit institutions including Vietcombank, Vietinbank, BIDV, Agribank with the value of VND 327,000,000,000 to secure the loan from Vietcombank – Thang Long Branch (see Note V.20).

Besides, the Corporation has used the deposits at 3 credit institutions including SHB, VPBank, Agribank – Gia Dinh Branch with the value of VND 376,328,330,431 to secure the loan from Shinhan Bank Vietnam (see Note V.20).

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2c. Investments in associates

	Ending balance			Beginning balance		
	Historical costs	Profit after investment	Total	Historical costs	Profit after investment	Total
PostRE ⁽¹⁾	88,200,000,000	(467,061,840)	87,732,938,160	88,200,000,000	1,266,043,796	89,466,043,796
LAP ⁽²⁾	20,152,200,000	4,981,826,927	25,134,026,927	20,152,200,000	5,121,151,547	25,273,351,547
Kasati JSC. ⁽³⁾	14,292,700,000	548,889,092	14,841,589,092	14,292,700,000	(485,652,818)	13,807,047,182
Total	122,644,900,000	5,063,654,179	127,708,554,179	122,644,900,000	5,901,542,525	128,546,442,525

⁽¹⁾ 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. As of 31 December 2018, the Corporation had fully invested capital as registered.

⁽²⁾ 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 2018, the Corporation had fully invested capital as registered of USD 1,000,000 equivalent to VND 20,152,200,000.

⁽³⁾ 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 2018, the Corporation held 638,090 shares, accounting for 21.3% of capital of Kasati JSC.

The ownership value of the Corporation in associates is as follows:

	Ownership value at the beginning of the year	Gains or losses during the year	Dividends, profit already paid during the year	Other decrease due to distribution of bonus and welfare funds	Ownership value at the end of the year
(1)	89,466,043,796	(1,687,153,120)		45,952,516	87,732,938,160
(2)	25,273,351,547	1,110,256,380	989,258,400	260,322,600	25,134,026,927
(3)	13,807,047,182	1,148,769,265		114,227,355	14,841,589,092
Total	128,546,442,525	571,872,525	989,258,400	420,502,471	127,708,554,179

Operation of associates

Associates are in the process of normal operation, have no large changes compared with the previous year.

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Transactions with associates

	Current year	Previous year
Kasati JSC. shared dividends		893,326,000

PostRE

Recovery of business cooperation	8,917,953,600	15,183,966,275
Investment cooperation costs payable	200,000,000	
Receipt of business cooperation interest	1,429,411,765	

LAP

Reinsurance ceded

Reinsurance premium ceded	84,489,268,626	155,342,240,915
Receiving commission on reinsurance ceded	25,806,778,806	52,762,295,580
Receiving indemnity of reinsurance ceded	49,221,151,592	100,741,642,826
Costs of reinsurance ceded	5,083,355,297	

Reinsurance assumed

Reinsurance premium assumed	4,796,145,965	5,364,267,442
Commission expenses for reinsurance assumed	1,156,822,446	1,305,159,768
Claim expenses for reinsurance assumed	384,031,155	507,852,370

Share of dividends	990,773,316	1,077,472,237
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2d. Capital contribution in other entities

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
UTXI Aquatic Products Processing Corporation	15,000,000,000	8,880,000,000	15,000,000,000	8,880,000,000
Post and Telecommunications Tourism JSC.	2,940,000,000		2,940,000,000	10,253,558
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		14,900,000,000	1,243,865,235
Communication Technology Development Investment JSC.	625,000,000		625,000,000	
36 JSC.	64,280,812,685	39,166,200,333	64,280,812,685	31,504,080,933
VWACO			44,803,980,595	
Thu Dau Mot Water JSC.			80,000,000,000	
OCB	49,968,600,000			
Total	155,759,412,685	48,046,200,333	245,429,793,280	41,638,199,726

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

	Ending balance	Beginning balance
Provision for investments held to maturity date	35,577,056,197	31,235,306,464
Provision for capital contribution in other entities	48,046,200,333	41,638,199,726
Total	83,623,256,530	72,873,506,190

Situation of fluctuation in provision for capital contribution in other entities is as follows:

	Current year	Previous year
Beginning balance	72,873,506,190	28,386,511,018
Additional appropriation of provision	12,003,869,133	45,808,852,370
Refund of provision	(1,254,118,793)	(1,321,857,198)
Ending balance	83,623,256,530	72,873,506,190

3. Short-term receivable from customers

	Ending balance	Beginning balance
Receivable on written premium	286,910,937,615	253,777,774,038
Receivable on reinsurance	253,221,702,804	177,087,619,790
Other receivable from customers	35,062,744,669	27,058,778,611
Total	575,195,385,088	457,924,172,439

4. Prepayments to suppliers

	Ending balance	Beginning balance
Prepayment of claim for written premium	127,204,172,652	117,410,637,082
Other prepayments of written premium activity	1,586,567,036	10,120,497,078
Prepayments to other suppliers	5,777,413,687	17,627,949,139
Total	134,568,153,375	145,159,083,299

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

	Ending balance	Beginning balance
Estimated interest receivable from financial incomes	127,069,262,799	134,939,111,894
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	16,048,265,467	15,519,566,234
Short-term deposits and mortgages	5,118,565,441	5,822,545,664
Others	40,957,448,256	60,526,959,717
Total	194,807,723,717	222,422,365,263

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5b. Long-term receivable

	Ending balance	Beginning balance
Deposits and mortgages	10,280,000,000	10,280,000,000
Others	8,513,237,023	7,575,779,676
Total	18,793,237,023	17,855,779,676

6. Provision for short-term bad debts

	Ending balance	Beginning balance
Provision for overdue debts under 1 year	515,733,302	2,725,677,434
Provision for overdue debts from 1 year to under 2 years	2,475,484,365	3,403,329,412
Provision for overdue debts from 2 years to under 3 years	2,553,004,479	3,582,339,409
Provision for overdue debts over 3 years	55,288,032,075	55,789,375,324
Total	60,832,254,221	65,500,721,578

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

	Current period	Previous period
Beginning balance	65,500,721,578	60,627,340,030
Additional appropriation of provision	1,136,796,738	5,508,582,892
Use and refund of provision	(5,805,264,095)	(635,201,344)
Ending balance	60,832,254,221	65,500,721,578

7. Inventories

	Ending balance	Beginning balance
Materials, supplies	6,021,200,519	5,578,584,940
Tools, instruments	35,626,391	387,395,404
Work in progress	15,272,053	15,272,053
Merchandises	3,577,979,591	3,365,172,038
Total	9,650,078,554	9,346,424,435

8. Prepaid expenses**8a. Short-term prepaid expenses**

	Ending balance	Beginning balance
Commission to be allocated (*)	233,777,609,509	176,030,723,016
Others	194,831,235	643,304,226
Total	233,972,440,744	176,674,027,242

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(*) Fluctuations in increases, decreases in commission to be allocated during the year are as follows:

	Current year	Previous year
Beginning balance	176,030,723,016	151,907,547,345
Increase during the year	458,131,155,280	356,780,067,406
Amount already allocated into expenses during the year	(400,384,268,787)	(332,656,891,735)
Ending balance	233,777,609,509	176,030,723,016

8b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools, instruments	7,202,519,109	6,221,748,644
Housing rental	4,208,801,190	3,962,071,720
Expenses for agency development	632,444,803	825,434,701
Others	23,480,640,695	17,341,740,704
Total	35,524,405,797	28,350,995,769

9. Taxes and accounts receivable from the State

	Ending balance	Beginning balance
VAT on local sales	161,883,886	995,130,087
Corporate income tax	10,181,583,845	24,397,482
Personal income tax	1,117,265,885	596,373,223
Other taxes	83,509,133	107,745,117
Fees, legal fees and other duties		10,053,902
Total	11,544,242,749	1,733,699,811

10. Increases, decreases in tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	15,500,386,730	25,430,927,948	92,637,692,462	29,720,634,365	163,289,641,505
Purchase during the year	36,350,000		17,006,468,483	1,464,304,592	18,507,123,075
Completed construction	10,967,464,061				10,967,464,061
Reclassification	24,998,167,936	(24,998,167,936)			
Liquidation and disposal		(262,030,012)	(2,003,432,385)	(2,113,027,941)	(4,378,490,338)
Ending balance	51,502,368,727	170,730,000	107,640,728,560	29,071,911,016	188,385,738,303
<i>In which:</i>					
Fully depreciated but being still in use	10,595,611,248	33,850,000	18,822,983,422	11,714,885,851	41,167,330,521
To be liquidated					
Depreciation					
Beginning balance	2,444,845,552	16,704,741,005	51,198,933,774	17,882,787,759	88,231,308,090
Depreciation during the year	4,711,439,146	24,023,619	7,595,534,044	4,275,247,466	16,606,244,275
Reclassification	16,521,869,365	(16,599,869,185)	77,999,820		
Liquidation and disposal		(37,432,859)	(1,804,758,163)	(2,113,027,941)	(3,955,218,963)
Ending balance	23,678,154,063	91,462,580	57,067,709,475	20,045,007,284	100,882,333,402

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	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Net book value					
Beginning balance	13,055,541,178	8,726,186,943	41,438,758,688	11,837,846,606	75,058,333,415
Ending balance	<u>27,824,214,664</u>	<u>79,267,420</u>	<u>50,573,019,085</u>	<u>9,026,903,732</u>	<u>87,503,404,901</u>
In which:					
Temporarily unused					
To be liquidated					

11. Increases, decreases in intangible fixed assets

	Land use right	Computer software	Total
Historical costs			
Beginning balance	5,096,806,800	10,644,985,686	15,741,792,486
Purchase during the year		899,800,000	899,800,000
Ending balance	<u>5,096,806,800</u>	<u>11,544,785,686</u>	<u>16,641,592,486</u>
In which:			
Fully amortized but being still in use			
Amortization			
Beginning balance		5,880,145,567	5,880,145,567
Amortization during year		2,188,911,807	2,188,911,807
Ending balance		<u>8,069,057,374</u>	<u>8,069,057,374</u>
Net book value			
Beginning balance	5,096,806,800	4,764,840,119	9,861,646,919
Ending balance	<u>5,096,806,800</u>	<u>3,475,728,312</u>	<u>8,572,535,112</u>
In which:			
Temporarily unused			

12. Investment property

	Land use right	Buildings & Structures	Total
Historical costs			
Beginning balance	6,994,763,527	114,060,603,127	121,055,366,654
New purchase		1,586,762,048	1,586,762,048
Ending balance	<u>6,994,763,527</u>	<u>115,647,365,175</u>	<u>122,642,128,702</u>
Depreciation			
Beginning balance		5,163,464,375	5,163,464,375
Depreciation during the year		2,984,260,798	2,984,260,798
Ending balance		<u>8,147,725,173</u>	<u>8,147,725,173</u>

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	<u>Land use right</u>	<u>Buildings & Structures</u>	<u>Total</u>
Net book value			
Beginning balance	6,994,763,527	108,897,138,752	115,891,902,279
Ending balance	6,994,763,527	107,499,640,002	114,494,403,529

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 Group has not been able to determine the fair value of investment properties due to being ineligible to do it.

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

	<u>Historical costs</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land use right in Binh Duong (held for price appreciation)	6,994,763,527		6,994,763,527
Commercial floor at Thuy Loi 4 Apartment Building	86,512,743,262	5,735,206,914	80,777,536,348
FLC Quy Nhon	20,793,460,948	2,079,346,083	18,714,114,865
Xuan Phuong Project	5,868,436,130	117,368,724	5,751,067,406
Fhome Apartment	2,472,724,835	215,803,452	2,256,921,383
Total	122,642,128,702	8,147,725,173	114,494,403,529

Income from and expenses for leasing properties during the year are VND 6,957,098,394 and VND 3,662,574,903.

13. Construction in progress

	<u>Beginning balance</u>	<u>Increase during the year</u>	<u>Increasing transfer in assets during the year</u>	<u>Ending balance</u>
Purchase of fixed assets	510,000,000	19,800,887,001	11,983,565,001	8,327,322,000
Construction in progress	18,203,028,705	20,086,545,836	10,967,464,061	27,322,110,480
Total	18,713,028,705	39,887,432,837	22,951,029,062	35,649,432,480

14. Short-term payable to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Payable on written premium	129,967,457,348	106,914,967,419
Payable on reinsurance activity	355,579,546,491	227,229,440,676
Payable for co-insurer	9,808,365,974	6,114,774,103
Payable to other suppliers	33,486,259,209	33,398,655,596
Total	528,841,629,022	373,657,837,794

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15. Prepayments from customers

	Ending balance	Beginning balance
Prepayments from customers for written premium	10,264,056,614	6,792,178,773
Prepayments from customers for other activities	225,138,326	323,930,306
Total	10,489,194,940	7,116,109,079

16. Taxes and other obligations to the State budget

	Ending balance	Beginning balance
VAT on local sales	19,242,670,819	11,436,283,247
Corporate income tax	836,331,172	14,324,663,131
Personal income tax	9,030,578,448	6,099,787,959
Other taxes	293,641,409	178,570,941
Total	29,403,221,848	32,039,305,278

Situation of fulfilling obligations to the State budget

	Beginning balance		Increase during the year		Ending balance	
	Payable	Receivable	Amount payable	Amount already paid	Payable	Receivable
VAT on local sales	11,434,322,097	995,130,087	137,744,375,576	(129,102,780,653)	19,242,670,819	161,883,886
Import-export duties			74,531,690	(74,531,690)		
Corporate income tax	14,324,663,131	24,397,482	7,146,814,839	(30,792,333,161)	836,331,172	10,181,583,845
Personal income tax	6,099,787,959	596,373,223	29,656,999,714	(27,247,101,887)	9,030,578,448	1,117,265,885
Other taxes	180,532,091	117,799,019	1,224,439,444	(1,077,040,240)	293,641,409	83,509,133
Fees, legal fees and other duties			417,600,000	(417,600,000)		
Total	32,039,305,278	1,733,699,811	176,190,229,573	(188,636,855,941)	29,403,221,848	11,544,242,749

(*) Payable corporate income tax included into the Company's expenses	6,991,162,990
Payable corporate income tax recovered from individuals	155,651,849
Total	7,146,814,839

Value added tax (VAT)

The companies in the Group have to pay VAT in accordance with the deduction method at the rate of 10%.

Corporate income tax

The Companies in the Group have to pay corporate income tax on taxable income at the rate of 20%.

The determination of corporate income tax payable of the companies in the Group 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 interim consolidated financial statements could change when being examined by the Tax Office.

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Other taxes

The Companies in the Group have declared and paid these taxes in line with the prevailing regulations.

17. Short-term unrealized revenue

Including written premium received in advance for the following periods.

18. Unearned commission

	Current year	Previous year
Beginning balance	137,118,307,828	94,850,311,274
Appropriation of commission during the year	307,367,010,093	279,383,491,902
Refund of commission during the year	(288,629,661,402)	(237,115,495,348)
Ending balance	155,855,656,519	137,118,307,828

19. Other short-term/long-term payable**20a. Other short-term payable**

	Ending balance	Beginning balance
Trade Union's expenditure	3,150,859,950	2,726,087,240
Social insurance, health insurance, unemployment insurance	672,133,724	515,237,052
Dividends payable	10,686,233,993	13,487,168,942
Withholding tax temporarily retained	2,502,323,894	3,056,493,053
Contribution to insurance fund	16,471,009,447	6,197,474,751
Premium collected from VNPost not collated yet	14,531,744,438	14,453,701,823
Customer bonus fund	1,954,669,995	2,454,669,995
Short-term deposits and mortgages assumed	3,956,266,342	16,399,000,000
Advance received for securities at the end of the year	21,634,875,493	
Others	34,161,837,223	27,634,175,515
Total	109,721,954,499	86,924,008,371

20b. Other long-term payable

Including long-term deposits and mortgages.

20. Short-term/long-term loans**20a. Short-term loans**

	Ending balance	Beginning balance
Short-term loans from banks	120,860,329,602	197,144,455,000
Shinhan Bank Vietnam ⁽ⁱ⁾	69,722,900,000	170,364,700,000
Vietcombank – Thang Long Branch ⁽ⁱⁱ⁾	11,145,329,602	26,779,755,000
BIDV – Thanh Xuan Branch ⁽ⁱⁱⁱ⁾	39,992,100,000	
Loan from individuals	920,000,000	
Due long-term loans (See Note 20b)	4,283,678,928	632,726,284
Total	126,064,008,530	197,777,181,284

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(i) 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 credit institutions (see Note V.2).

(ii) 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.

(iii) 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 loan capital disbursement date. This loan is secured by mortgaging the deposits at 4 credit institutions including Vietcombank, Vietinbank, BIDV and Argibank (see Note V.2).

The Group has solvency to pay short-term loans.

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

	Beginning balance	Increase during the year	Transfer from long-term loans and debts	Amount already paid during the year	Ending balance
Short-term loans from banks	197,144,455,000	638,085,197,941		714,369,323,339	120,860,329,602
Shinhan Bank Vietnam	170,364,700,000	242,988,000,000		343,629,800,000	69,722,900,000
Vietcombank – Thang Long Branch	26,779,755,000	110,108,397,941		125,742,823,339	11,145,329,602
BIDV – Thanh Xuan Branch		284,988,800,000		244,996,700,000	39,992,100,000
Loan from other individuals		935,000,000		15,000,000	920,000,000
Due long-term loans	632,726,284		4,283,678,928	632,726,284	4,283,678,928
Total	197,777,181,284	639,020,197,941	4,283,678,928	715,017,049,623	126,064,008,530

20b. Long-term loans

	Ending balance	Beginning balance
LienVietPostBank – Cau Giay Branch ⁽ⁱ⁾	4,004,283,515	4,004,283,515
BIDV – Gia Lam Branch ⁽ⁱⁱ⁾	3,525,268,669	2,733,885,888
Total	7,529,552,184	6,738,169,403

(i) These are the loans in accordance with the Credit Contract No. 98/2016/HDTD/PGDCauGiay dated 2 May 2016 with the loan limit of VND 1,300,000,000 and the Credit Grant Contract No. 325/2016/HDTD/PGDCauGiay dated 11 August 2016 with the limit of VND 5,000,000,000, the term of 36 months commencing from the debt receipt date, the interest rate as stipulated by the Bank as of the disbursement date, the guarantee assets are the debt demand rights from the lease contract of IN-building system.

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The Credit Contract No. HDTD1112018305 dated 22 June 2018 for the purpose of capital refund and payment to the suppliers of the costs invested in the Project of installing Building system for 2 Buildings with the amount of VND 3.7 billion, the term of 4 years commencing from the disbursement date, the interest rate as stipulated by the Bank. The guarantee assets include the debt demand rights from the lease contract of Building coverage system No. 01/2016/HDKT-CNPT-HNI-IBS dated 12 May 2016, the lease contracts of inbuilding system with VNPT and other assets including valuable papers, vehicles and properties of the Corporation and the related parties as stipulated in the contracts.

- (ii) This is the loan in accordance with the Credit Contract No. 01/2018/7611300/HDTD dated 17 December 2018 for the purpose of investing in telecommunication equipment system and labor serving infrastructure execution for the Project of investing in constructing Inbuilding coverage system of 5 buildings with the disbursement amount of VND 7 billion, the term of 36 months commencing from the disbursement date, the interest rate in term of the first year is 8.5%/year; that of the following years in accordance with residential capital mobilizing interest rate with the term of 24 months paid later by BIDV – Gia lam Branch plus 3%/year. The guarantee assets include the deposit contract No. 01/2018/HDTG dated 16 November 2018, the accounts receivable from the economic contracts and the balance of cash in VND, foreign currencies in BIDV and other credit institutions.

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

Beginning balance	6,738,169,403
Increase during the year	7,808,947,597
Transferring due loans	4,283,678,928
Amount already paid during the year	2,733,885,888
Ending balance	<u>7,529,552,184</u>

21. Provision for short-term accounts payable

Including provision for salary fund to be paid in 2019, which has been approved by the Corporation's Salary Council Chairman, the Corporation's General Director.

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22. Technical 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)
22a. Claim and unearned premium reserve						
<i>1, Claim reserve ⁽ⁱ⁾</i>	<i>896,915,750,913</i>	<i>347,425,959,496</i>	<i>549,489,791,417</i>	<i>797,519,969,351</i>	<i>295,133,085,860</i>	<i>502,386,883,491</i>
Claim reserve for outstanding claims	866,192,644,248	338,817,689,001	527,374,955,247	789,813,341,350	295,133,085,860	494,680,255,490
Claim reserve for IBNR	30,723,106,665	8,608,270,495	22,114,836,170	7,706,628,001		7,706,628,001
<i>2, Unearned premium reserve ⁽ⁱⁱ⁾</i>	<i>2,144,592,205,609</i>	<i>732,477,619,828</i>	<i>1,412,114,585,781</i>	<i>1,647,879,368,341</i>	<i>525,983,018,605</i>	<i>1,121,896,349,736</i>
Total	3,041,507,956,522	1,079,903,579,324	1,961,604,377,198	2,445,399,337,692	821,116,104,465	1,624,283,233,227
<i>In which:</i>						
⁽ⁱ⁾ Claim reserve						
Beginning balance	797,519,969,351	295,133,085,860	502,386,883,491	778,982,126,930	216,928,788,503	562,053,338,427
Appropriation during the year	99,395,781,562	52,292,873,636	47,102,907,926	18,537,842,421	78,204,297,357	(59,666,454,936)
Refund during the year						
Ending 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
⁽ⁱⁱ⁾ Unearned premium reserve						
Beginning balance	1,647,879,368,341	525,983,018,605	1,121,896,349,736	1,585,666,973,133	331,811,783,188	1,253,855,189,945
Appropriation during the year	496,712,837,268	206,494,601,223	290,218,236,045	62,212,395,208	194,171,235,417	(131,958,840,209)
Refund during the year						
Ending 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

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22b. Reinsurance assets

	Ending balance	Beginning balance
<i>Claim reserve for reinsurance ceded</i>	347,425,959,496	295,133,085,860
Claim reserve for outstanding claims	338,817,689,001	295,133,085,860
Claim reserve for IBNR	8,608,270,495	
<i>Reserve for reinsurance ceded premium</i>	732,477,619,828	525,983,018,605
Total	1,079,903,579,324	821,116,104,465

22c. Catastrophe reserve

	Current year	Previous year
Beginning balance	69,448,040,587	46,632,930,447
Additional appropriation during the year	28,712,846,185	22,815,110,140
Ending balance	98,160,886,772	69,448,040,587

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23. Owner's equity

23a. Statement of fluctuations in owner's equity

	Owner's investment capital	Share premiums	Business promotion fund	Compulsory reserve fund	Retained profit after tax	Interest of non- controlling shareholders	Total
Beginning balance of the previous year	803,957,090,000	827,943,052,804	19,773,444,835	41,540,743,782	154,994,146,755	1,048,708,158	1,849,257,186,334
Profit in the previous year					153,693,761,147	49,227,226	153,742,988,373
Appropriation for funds			1,285,602,068	7,426,636,794	(8,712,238,862)		
Share of dividends					(97,938,850,800)		(97,938,850,800)
Appropriation for customer bonus fund					(1,045,602,068)		(1,045,602,068)
Appropriation for allowances to the BOM, the Control Board					(1,234,602,068)		(1,234,602,068)
Appropriation for the Executive officers' bonuses					(1,568,403,102)		(1,568,403,102)
Other decreases due to consolidation					2,861,706	(65,988,156)	(63,126,450)
Ending balance of the previous year	803,957,090,000	827,943,052,804	21,059,046,903	48,967,380,576	198,191,072,708	1,031,947,228	1,901,149,590,219
Beginning balance of the current year	803,957,090,000	827,943,052,804	21,059,046,903	48,967,380,576	198,191,072,708	1,031,947,228	1,901,149,590,219
Profit in the current year					16,971,538,117	(4,400,362)	16,967,137,755
Appropriation for funds			1,585,327,359	917,382,977	(2,766,050,336)	(2,660,000)	(266,000,000)
Share of dividends					(96,474,850,800)	(38,883,330)	(96,513,734,130)
Appropriation for customer bonus fund					(1,485,327,359)		(1,485,327,359)
Appropriation for allowances to the BOM, the Control Board					(1,485,327,359)		(1,485,327,359)
The Executive officers' bonus fund					(2,227,991,043)		(2,227,991,043)
Other decreases					(137,228,331)	(21,798,017)	(159,026,348)
Ending balance of the current year	803,957,090,000	827,943,052,804	22,644,374,262	49,884,763,553	110,585,835,597	964,205,519	1,815,979,321,735

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23b. Details of owner's contribution capital

	Ending balance	Beginning balance
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	1,631,900,142,804	1,631,900,142,804

23c. Shares

	Ending balance	Beginning balance
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.

23d. Profit distribution

During the year, the Corporation distributed the profit in accordance with the Resolution of the 2018 Annual General Meeting of Shareholders No. 39/NQ-PTI-DHD CD dated 12 April 2018 as follows:

	VND
• Share of dividends to shareholders	: 96,474,850,800
• Appropriation for business promotion fund	: 1,485,327,359
• Appropriation for customer bonus fund	: 1,485,327,359
• Payment of allowances and bonuses to the BOM, the Control Board	: 1,485,327,359
• Executive officers' bonus fund	: 2,227,991,043

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VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT**1. Sales of insurance premium**

	Current year	Previous year
Written premium	4,159,480,240,770	3,206,371,714,043
<i>Health insurance and human accident insurance</i>	1,335,273,324,185	856,104,186,717
<i>Property and damage insurance</i>	353,624,769,099	276,810,804,916
<i>Cargo insurance</i>	142,868,254,543	100,746,397,250
<i>Aviation insurance</i>	11,823,685,897	15,390,467,860
<i>Motor vehicle insurance</i>	2,001,733,622,284	1,736,690,642,185
<i>Fire and explosion insurance</i>	192,342,611,576	107,614,624,249
<i>Hull and civil liability of ship owner insurance</i>	84,364,091,016	78,123,266,586
<i>Joint liability insurance</i>	37,145,056,917	34,316,008,758
<i>Agricultural insurance</i>	304,825,253	
<i>Business damage insurance</i>		575,315,522
Deductions of written premium		
Reinsurance premium assumed	126,354,440,693	143,631,384,852
Deductions of reinsurance premium assumed		
Increase/decrease in reserve for written premium and reinsurance assumed	(496,712,837,268)	(62,212,395,208)
Sales of insurance premium	3,789,121,844,195	3,287,790,703,687

2. Reinsurance premium ceded

	Current year	Previous year
Reinsurance premium ceded	1,414,550,062,963	1,068,492,024,874
<i>Health insurance and human accident insurance</i>	775,254,764,813	412,601,614,206
<i>Property and damage insurance</i>	281,177,407,677	312,994,872,462
<i>Cargo insurance</i>	31,025,028,980	33,051,975,327
<i>Motor vehicle insurance</i>	174,734,097,270	145,146,322,961
<i>Fire and explosion insurance</i>	89,856,489,621	61,057,588,344
<i>Hull and civil liability of ship owner insurance</i>	45,424,238,034	56,743,045,587
<i>Joint liability insurance</i>	16,825,574,340	46,761,452,666
<i>Agricultural insurance</i>	252,462,228	135,153,321
Increase/decrease in reserve for reinsurance premium ceded	(206,494,601,223)	(194,171,235,417)
Reinsurance premium ceded	1,208,055,461,740	874,320,789,457

3. Commission on reinsurance ceded

See Note V.18.

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4. Sales of trading investment property

	Current year	Previous year
Leasing investment property	6,957,098,394	5,340,111,456
Selling investment property		9,808,966,601
Total	6,957,098,394	15,149,078,057

5. Total claim expenses

	Current year	Previous year
Total claim expenses	1,702,802,760,540	1,683,410,889,298
<i>Health insurance and accident insurance</i>	<i>419,586,613,165</i>	<i>307,941,536,079</i>
<i>Property and damage insurance</i>	<i>119,591,293,977</i>	<i>113,427,092,052</i>
<i>Cargo insurance</i>	<i>75,089,193,095</i>	<i>84,250,145,087</i>
<i>Aviation insurance</i>		<i>192,120,560</i>
<i>Motor vehicle insurance</i>	<i>966,381,852,150</i>	<i>1,064,913,606,479</i>
<i>Fire and explosion insurance</i>	<i>63,025,139,645</i>	<i>22,092,946,551</i>
<i>Hull and civil liability of ship owner insurance</i>	<i>33,729,663,305</i>	<i>32,193,669,397</i>
<i>Joint liability insurance</i>	<i>25,399,005,203</i>	<i>58,370,913,093</i>
<i>Agricultural insurance</i>		<i>28,860,000</i>
Deductions		
Receiving indemnity of reinsurance ceded	(422,479,385,543)	(423,122,583,392)
Increase/decrease in claim reserve for written premium and reinsurance assumed	90,787,511,067	18,537,842,421
Increase/decrease in indemnity reserve for reinsurance ceded	(43,684,603,141)	(78,204,297,357)
Total claim expenses	1,327,426,282,923	1,200,621,850,970

6. Other expenses for insurance operation

	Current year	Previous year
Insurance commission	400,384,268,787	332,656,891,735
Insurance agency management	311,250,656,722	178,702,347,564
Damage limit provision	22,081,973,622	20,364,956,457
Insurance funds	10,807,755,220	11,813,101,443
Others	685,102,091,857	461,725,816,357
Total	1,429,626,746,208	1,005,263,113,556

7. Costs of investment property

	Current year	Previous year
Leasing investment property	3,662,574,903	3,531,545,385
Selling investment property		4,713,619,760
Others		1,514,907,806
Total	3,662,574,903	9,760,072,951

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8. Financial income

	Current year	Previous year
Termed deposit interest	109,162,385,884	105,170,947,998
Demand deposit interest	242,409,462	389,864,014
Interest on trading Government's bonds		9,672,133,333
Long-term investment interest	1,533,479,793	
Gain on trading securities	52,134,466,696	121,216,805,354
Dividends and profit shared	3,270,137,246	6,726,131,746
Gain on realized exchange rate differences	4,201,227,639	2,024,840,009
Others	1,572,409,434	217,044,957
Total	172,116,516,152	245,417,767,411

9. Financial expenses

	Current year	Previous year
Loan interest expenses	9,524,763,786	5,638,287,801
Loss from realized exchange rate difference	8,642,768,303	1,812,996,321
Loss from trading securities	36,273,755,894	10,869,627,604
Refund of/Appropriation of provision for devaluation of investments	81,437,451,032	49,911,724,746
Others	24,660,089,426	25,208,282,059
Total	160,538,828,441	93,440,918,531

10. Administrative overheads

	Current year	Previous year
Expenses for staff	294,563,670,149	309,983,778,808
Expenses for materials, supplies	22,533,478,689	19,442,809,851
Expenses for managing tools	9,498,654,186	9,914,314,857
Depreciation of fixed assets	14,623,761,246	11,111,223,711
Taxes, fees and duties	23,779,201,966	16,662,944,841
Contingent expenses	(4,668,467,357)	4,873,381,548
External services hired	91,556,526,848	75,699,707,052
Other expenses in cash	142,167,156,274	91,936,627,296
Total	594,053,982,001	539,624,787,964

11. Basic earnings per share

	Current year	Previous year
Accounting profit after corporate income tax	16,971,538,117	153,693,761,147
Appropriation for customer bonus fund	(183,476,595)	(1,485,327,359)
Appropriation for allowances for the BOM and the Control Board	(917,382,977)	(1,485,327,359)
Appropriation for the Executive officers' bonus fund	(366,953,191)	(2,227,991,043)
Appropriation for bonus and welfare funds		(266,000,000)
Profit distributed to common equity holders	15,503,725,354	148,495,115,386
Average number of common shares outstanding during the year	80,395,709	80,395,709
Basic earnings/declined interests per share	193	1,847

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Average number of common shares outstanding during the year are calculated as follows:

	Current year	Previous year
Common outstanding at the beginning of the year	80,395,709	80,395,709
Effects of common shares repurchased		
Effects of common shares issued		
Average number of common shares outstanding during the year	80,395,709	80,395,709

Basic earnings per share in the previous year were re-calculated due to subtracting the appropriation for customer bonus fund, allowances for the BOM and the Control Board, the Executive officers' bonuses when determining profit to calculate basic earnings per share as guided in the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance. This application of new regulations has made basic earnings per share in the previous year increase from VND 1,845 up to VND 1,847.

Figures of appropriation of customer bonus fund, allowances for the BOM and the Control Board, bonus fund for the Executive officers, bonus and welfare funds when determining basic earnings per share in the current year are calculated based on the plan approved in the Resolution No. 102/NQ-HDQT-PTI dated 20 December 2018.

There have not been any transactions of common shares or potential transactions of common shares from the balance sheet date to the disclosure date of these consolidated financial statements.

VII. OTHER INFORMATION**1. Transactions with related parties***Income of the key managers is as follows:*

	Current year	Previous year
Salary of the Executive Officers	10,486,968,920	7,754,846,071
Allowances for the BOM and the Control Board	1,384,827,359	1,045,602,068

Transactions with other related parties

Other related parties of the Corporation include:

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)	Associate
Kasati JSC.	Associate
Lanexang Assurance Public Insurance JSC. (LAP)	Associate
IPAF	The Company has the same key managers

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

	Current year	Previous year
DB Insurance Co., Ltd.		
Reinsurance premium ceded	6,889,637,398	2,439,286,826
Receiving commission on reinsurance ceded	2,408,405,245	925,296,973
Receiving indemnity of reinsurance ceded	584,750,330	368,660,306
Dividends benefited in 2018 (of 2017)	36,000,000,000	
Dividends benefited in 2017 (of 2016)		36,000,000,000
VNPost		
Dividends benefited in 2018 (of 2017)	21,870,777,600	
Dividends benefited in 2017 (of 2016)		21,870,777,600
IPAF		
Investment trust	17,913,442,872	

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

	Ending balance	Beginning balance
LAP - receivable on reinsurance premium		6,445,901,801
LAP - receivable on dividends	990,773,316	
DB Insurance Co., Ltd. – receivable on reinsurance premium	1,325,806,770	
PostRE – receivable on long-term investment trust	42,910,347,222	49,255,347,222
PostRE – receivable on trust interest	2,900,000,000	2,900,000,000
PostRE – receivable on dividends	2,792,000,000	2,792,000,000
IPAF	17,913,442,872	
Total liabilities receivable	68,832,370,180	61,393,249,023
LAP – payable on reinsurance premium	1,038,201,296	
DB Insurance Co., Ltd. – payable on reinsurance premium		509,162,585
Total liabilities payable	1,038,201,296	509,162,585

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

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

2. Segment information

The segment information is presented in accordance with business segments and geographical segments. The primary reporting format is the business segments as risk and profit margin of the Group are mainly affected by differences on products and services provided by the Group.

Business segments

The Group has had the major business segments as follows:

- Insurance segment: providing non-life insurance products.
- Other segments: trading petroleum products, leasing investment property, trading telecommunication equipment and inbuilding projects.

Information on business results, fixed assets, other long-term assets and values of non-cash large expenses of business segments of the Group is as follows:

Current year	Insurance segment	Other segments	Total
Net sales of selling goods and providing services externally	3,377,065,124,664	166,612,786,332	3,543,677,910,996
Net sales of selling goods and providing services among segments			
Total net sales	3,377,065,124,664	166,612,786,332	3,543,677,910,996
Segment business results	5,613,923,199	7,034,183,803	12,648,107,002
Financial income	171,465,502,401	651,013,751	172,116,516,152
Financial expenses	(159,419,300,946)	(1,119,527,495)	(160,538,828,441)
Gain or loss in associates			(837,888,346)
Other income	2,990,969,699	909,175	2,991,878,874
Other expenses	(2,294,938,512)	(116,623,044)	(2,411,561,556)
Current corporate income tax			(6,991,162,990)
Deferred corporate income tax		(9,922,940)	(9,922,940)
Profit after corporate income tax			16,967,137,755
Total expenses arising to purchase fixed assets and other long-term assets	40,794,572,124	20,086,545,836	60,881,117,960
Total depreciation expenses and allocation of long-term prepaid expenses	17,295,604,188	4,483,812,692	21,779,416,880

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Previous year

Net sales of selling goods and providing services externally	2,781,985,447,762	129,637,094,303	2,911,622,542,065
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Net sales of selling goods and providing services among segments			
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Total net sales	2,781,985,447,762	129,637,094,303	2,911,622,542,065
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Segment business results	21,043,707,576	10,900,844,524	31,944,552,100
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Financial income	245,397,736,392	20,031,019	245,417,767,411
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Financial expenses	(91,532,215,620)	(1,908,702,911)	(93,440,918,531)
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Gain or loss in associates			2,308,806,005
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Other income	1,348,272,730	73,727	1,348,346,457
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Other expenses	(857,047,636)	(282,254,897)	(1,139,302,533)
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Current corporate income tax			(32,696,262,536)
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Deferred corporate income tax			
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Profit after corporate income tax			153,742,988,373
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Total expenses arising to purchase fixed assets and other long-term assets	58,605,721,571	10,422,279,398	69,028,000,969
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Total depreciation expenses and allocation of long-term prepaid expenses	43,025,973,469	3,738,240,957	46,764,214,426
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Assets and liabilities of business segments based on the Group are as follows:

	Insurance segment	Other segments	Total
Ending balance			
Direct assets of segments	6,047,780,912,186	61,590,192,227	6,109,371,104,413
Assets allocated for segment			
Assets not allocated for each segment			
Total assets			6,109,371,104,413

Direct payable liabilities of segments	4,243,486,345,251	49,905,437,427	4,293,391,782,678
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Payable liabilities allocated for each segment			
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Payable liabilities not allocated for each segment			
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Total payable liabilities			4,293,391,782,678
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	Insurance segment	Other segments	Total
Beginning balance			
Direct assets of segments	5,348,508,377,413	50,474,492,918	5,398,982,870,331
Assets allocated for segment			
Assets not allocated for each segment			
Total assets			5,398,982,870,331
Direct payable liabilities of segments	3,460,448,195,675	37,385,084,437	3,497,833,280,112
Payable liabilities allocated for each segment			
Payable liabilities not allocated for each segment			
Total payable liabilities			3,497,833,280,112

Geographical segments

All operations of the Group take place in Vietnamese territory only.

3. Financial risk management

Operations of the Group 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. Financial risk management is mostly undertaken by Accounting – Finance Department in accordance with the policies and procedures approved by the Management Board.

3a. Credit risk

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

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

Receivable from customers

In order to manage accounts receivable from customers, the Management Board has issued selling regulations with strict rules on purchasers, sale limit, credit limit and debt duration specifically. The Management Board monthly checks the compliance with these regulations. In addition, accounting staffs often follow debts for recovery.

Accounts receivable from customers of the Group relate to various entities operating in different fields and geographical areas, therefore, concentrated credit risk of accounts payable is low.

Cash in bank

Most 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).

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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	124,625,653,602		124,625,653,602
Financial assets recognized at fair value through profit or loss statement	118,845,790,186	480,662,878,632	599,508,668,818
Investments held to maturity date	2,677,752,977,653	39,904,016,282	2,717,656,993,935
Receivable from customers	575,195,385,088		575,195,385,088
Other receivable	177,788,646,285	19,764,048,988	197,552,695,273
Financial assets available for sale	173,672,855,557	40,000,000,000	213,672,855,557
Total	3,847,881,308,371	580,330,943,902	4,428,212,252,273
Beginning balance			
Cash and cash equivalents	108,166,401,355		108,166,401,355
Financial assets recognized at fair value through profit or loss statement	229,607,091,146	57,777,108,825	287,384,199,971
Investments held to maturity date	2,584,378,828,222	40,831,822,587	2,625,210,650,809
Receivable from customers	400,813,730,400	57,110,442,039	457,924,172,439
Other receivable	191,671,442,085	19,688,811,280	211,360,253,365
Financial assets available for sale	188,308,980,595	97,120,812,685	285,429,793,280
Total	3,702,946,473,803	272,528,997,416	3,975,475,471,219

3b. Liquidity risk

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

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

The Group 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.

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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	528,841,629,022			528,841,629,022
Loans and debts	126,064,008,530	7,529,552,184		133,593,560,714
Other payable	110,060,327,353	1,501,442,386		111,561,769,739
Total	764,965,964,905	9,030,994,570		773,996,959,475
Beginning balance				
Payable to suppliers	373,657,837,794			373,657,837,794
Loans and debts	197,777,181,284	6,738,169,403		204,515,350,687
Other payable	67,864,083,313	1,120,456,136		68,984,539,449
Total	639,299,102,391	7,858,625,539		647,157,727,930

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

3c. 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 Group 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 Group as of 31 December 2018 and 31 December 2017 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 Group 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 Group is not material.

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.

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Interest rate risk of the Group is mainly related to termed deposits and loan trust at floating interest rate.

The Group 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 Group are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash and cash equivalents	75,000,000	4,325,000,000
Investments held to maturity dates	2,677,752,977,653	2,665,210,650,809
Loans and debts	(133,593,560,714)	(204,515,350,687)
Total	2,544,234,416,939	2,465,020,300,122

As of 31 December 2018, 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 current year of the Group would increase/decrease by VND 40,707,750,671 (last year they had increased/decreased by VND 38,800,324,802). 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 Group can be affected by risks related to future values of investment securities. The Group manages the risk related to price of securities by setting up investment limit and diversifying investment portfolio.

As of 31 December 2018, with the assumption of other unchangeable variables, if prices of listed securities invested by the Group increased/decreased by 2%, profit after tax and owner's equity of the current year of the Group would increase/decrease by VND 9,592,138,701 (last year they had increased/decreased by VND 4,598,147,200) due to decrease/increase in reserves. The sensitivity level to fluctuations in prices of securities in the current year does not change materially in comparison with that of the previous year.

3d. Collaterals

The Group has had no financial assets used as collaterals to other entities as well as collaterals received from other entities as of 31 December 2017 and as of 31 December 2018.

4. Financial assets and liabilities*Financial assets*

Net book value of financial assets is as follows:

	<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	124,625,653,602		99,601,609,760	
Trading securities	599,508,668,818	(76,375,920,784)	287,384,199,971	(5,688,220,092)
Investments held to maturity date	2,717,656,993,935	(32,520,375,649)	2,627,887,650,809	(31,235,306,464)

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	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Receivable from customers	575,195,385,088	(41,068,205,233)	430,865,393,828	(44,193,119,623)
Other receivable	197,552,695,273	(19,764,048,988)	208,581,519,497	(19,688,811,280)
Financial assets available for sale	213,672,855,557	(51,102,880,881)	285,429,793,280	(41,638,199,726)
Total	4,428,212,252,273	(220,831,431,535)	3,939,750,167,145	(142,443,657,185)

Financial liabilities

	Ending balance	Beginning balance
Payable to suppliers	528,841,629,022	350,308,039,132
Loans and debts	133,593,560,714	197,144,455,000
Other payable	111,561,769,739	64,729,707,547
Total	245,155,330,453	612,182,201,679

Fair value

The Group 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			
Structure of assets			
Current assets/Total assets	%	82.99	80.61
Long-term assets/Total assets	%	17.01	19.39
Capital sources			
Liabilities/Total capital sources	%	70.28	64.70
Owner's equity/Total capital sources	%	29.72	35.30
Solvency			
Current solvency	Time	1.42	1.55
Short-term liabilities solvency	Time	1.18	1.25
Quick solvency	Time	0.03	0.03
Long-term liabilities solvency	Time	109.19	925.67
Profit ratio			
Profit ratio/Revenue			
Profit ratio before tax/Net revenue	%	0.68	6.48
Profit ratio after tax/Net revenue	%	0.48	5.34

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Notes to the consolidated financial statements (cont.)

Items	Unit	Current year	Previous year
<i>Profit ratio/Total assets</i>			
Profit ratio before tax/Total assets	%	0.39	3.37
Profit ratio after tax/Total assets	%	0.28	2.78
<i>Profit ratio after tax/Owner's equity</i>	%	0.93	7.87

6. Insurance risk

The first objective of the Group in capital management is to maintain sufficient capital to support its business growth and meet its legal capital requirements. The Group 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 Group's operations and require the Group 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 regulating the financial regime for insurance companies and insurance brokerage companies.

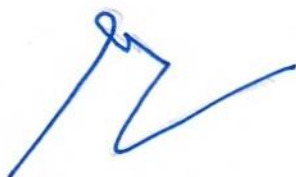
The attached appendix (pages 62 - 63) presents the minimum solvency margin and solvency margin of the Corporation. Policy makers are concerned about the protection of the insured's benefits and keep tracking to ensure that insurance companies are operating effectively for the insured's benefits. They 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

There have been no material events after the balance sheet date, which need to make adjustments on the figures or the disclosures in the consolidated financial statements.

Prepared on 21 March 2019

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

General Director



Bui Xuan Thu

SOLVENCY STATEMENT

Unit: VND

	Current year	Previous year
I. Difference between asset value and liabilities payable	1,815,979,321,735	1,901,149,590,219
1. Total assets	6,109,371,104,413	5,398,982,870,331
2. Liabilities payable	4,293,391,782,678	3,497,833,280,112
II. Asset value excluded	425,415,825,665	335,946,890,809
1. Assets of which accounting values are fully excluded:	73,013,847,276	65,590,833,882
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	-	-
1.5 Prepaid expenses, loans without guarantee, advances, office equipment and stationery, inter-company receivable	51,767,502,499	43,903,345,564
1.6 Receivable on insurance premium and reinsurance premium assumed overdue 2 years less relevant provision for bad debts as regulated	1,094,144,777	1,535,288,318
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:	352,401,978,389	270,356,056,926
2.1 Investment assets:	139,865,571,135	122,696,740,569
a) Secured bonds: excluding 1% of accounting value;	-	-
b) Unsecured bonds: excluding 3% of accounting value;	6,000,000,000	2,940,000,000
c) Listed shares: excluding 15% of accounting value;	89,732,394,058	41,968,134,957
d) Unlisted shares: excluding 20% of accounting value;	6,526,000,000	41,140,023,880
d) Direct investments in property used by the company itself: excluding 8% of accounting value;	967,325,626	9,119,515,644
e) Direct investments in property for lease, secured trading loans: excluding 15% of accounting value;	16,124,946,000	1,049,214,529
g) Contribution capital to other entities except for insurance companies: excluding 20% of accounting value.	20,514,905,450	26,479,851,559
2.2 Accounts receivable	1,598,755,493	3,609,638,909
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%	361,013,311	1,907,974,203
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%.	1,237,742,183	1,701,664,706

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APPENDIX

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2.3	Tangible fixed assets, intangible fixed assets which are computer software and inventories: excluding 25% of accounting value	25,142,579,248	18,351,812,394
2.4	Other assets: excluding 15% of accounting value	185,795,072,513	125,697,865,054
III.	Solvency margin (I-II)	1,390,563,496,070	1,565,202,699,410
IV.	Minimum solvency margin		
	25% total retained premium	717,821,154,625	570,377,768,505
	Comparison of solvency margin and minimum solvency margin (III and IV)		
	Absolute figure difference	672,742,341,445	981,295,744,647
	Percentage (%) difference	194%	274%

Prepared on 21 March 2019

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

General Director



Bui Xuan Thu