



A&C AUDITING AND CONSULTING CO., LTD.

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**INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE FIRST 6 MONTHS OF  
THE FISCAL YEAR ENDED 31 DECEMBER 2019**

**POST-TELECOMMUNICATION  
JOINT STOCK INSURANCE  
CORPORATION**

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**REPORT OF THE MANAGEMENT BOARD**

The Management Board of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation") presents this report together with the interim consolidated financial statements for the first 6 months of the fiscal year ended 31 December 2019 including the interim 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 24 times granted by the Ministry of Finance with the Amended Licenses regarding the increase of charter capital and the additional establishment of affiliates, in which the 23<sup>rd</sup> amended License No. 41A/GPDC23/KDBH dated 16 May 2019 regarding the additional establishment of branch.

**Head office**

- Address : Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City
- Telephone : 0243 772 4466
- Fax : 0243 772 4460
- Tax code : 0100774631

**Affiliates:**

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 5,6 Building 95B Thinh Hao Labor Area, 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. 480 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 Buiding, No. 3 Le Thanh Tong Road, May To Ward, Ngo Quyen District, Hai Phong
39 Trang An Post-Telecommunication Insurance Company	Floor 6, Building No. 434 Tran Khat Chan, Pho Hue Ward, Hai Ba Trung District, Hanoi, Vietnam
40 Northwest Post-Telecommunication Insurance Company	North 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 Wawrd, 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	Area 7, Ward 3, Tay Ninh City, Tay Ninh Province
48 Digital Post-Telecommunication Insurance Company	Floor 3, Comatce Tower, No. 61 Nguy Nhu Kon Tum, Nhan Chinh Ward, Thanh Xuan District, Hanoi City
49 Gia Dinh Post-Telecommunication Insurance Company	Floor 3, Sun Village Building, No. 31-33 Nguyen Van Dau, Ward 6, Binh Thanh District, Ho Chi Minh City

**Operating field:** providing non-life insurance

**Allowable transactions:**

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



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

## REPORT OF THE MANAGEMENT BOARD (cont.)

- Being agency for damage survey, compensation settlement, subrogation recovery.
- Other activities in accordance with the legal regulations.

### Board of Management and Executive officers

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

#### *The Board of Management*

Full names	Position	Appointing date /Re-appointing date/ Resigning date
Mr. Nguyen Minh Duc	Chairman	Appointed on 14 April 2016
Mr. Kim, Kang Wook	Vice Chairman	Appointed on 22 April 2015
Mr. Ko Young Joo	Member	Appointed on 23 April 2019
Mr. Park Je Kwang	Member	Resigned on 23 April 2019
Mr. Mai Xuan Dung	Member	Re-appointed on 22 April 2015
Ms. Pham Minh Huong	Member	Re-appointed on 22 April 2015
Ms. Tran Thi Minh	Member	Re-appointed on 22 April 2015
Mr. Bui Xuan Thu	Member	Appointed on 22 April 2015
Mr. 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
Mr. Bui Xuan Thu	General Director	Re-appointed on 20 April 2018
Mr. Cao Ba Huy	Deputy General Director	Re-appointed on 4 April 2018
Mr. Do Quang Khanh	Deputy General Director	Re-appointed on 20 April 2018
Mr. Nghiem Xuan Thai	Deputy General Director	Re-appointed on 1 August 2017
Ms. Luu Phuong Lan	Deputy General Director	Re-appointed on 1 August 2017
Mr. Nguyen Kim Lan	Deputy General Director	Appointed on 21 July 2018
Mr. Doan Kien	Deputy General Director	Appointed on 22 July 2018

### Legal representative

The legal representative of the Corporation during the period 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 review on the interim consolidated financial statements for the first 6 months of the fiscal year ended 31 December 2019 of the Group.

### Responsibilities of the Management Board

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



## POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

### REPORT OF THE MANAGEMENT BOARD (cont.)

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- point out whether the accounting standards applied to the Group have been complied or not and all material errors in comparison with these standards have been presented and explained in the interim consolidated financial statements;
- prepare the interim consolidated financial statements of the Group on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the interim consolidated financial statements are free from material misstatements due to frauds or errors.

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

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

#### Approval to the financial statements

The Management Board has approved the attached interim consolidated financial statements. The interim consolidated financial statements give a true and fair view of the financial position of the Group as of 30 June 2019, the interim consolidated business results and the interim consolidated cash flows for the first 6 months of the fiscal year then ended 31 December 2019 of the Group in conformity 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 legal regulations related to the preparation and presentation of interim consolidated financial statements.

For and on behalf of the Management Board,



**Bui Xuan Thu**  
**General Director**

28 August 2019

**Head Office**

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**Branch in Nha Trang**

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**Branch in Can Tho**

I5-13 Vo Nguyen Giap St., Cai Rang Dist., Can Tho City  
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No. 1.1255/19/TC-AC

## REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

We have reviewed the accompanying interim consolidated financial statements of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation") and its subsidiaries (generally called "the Group"), which were prepared on 28 August 2019, from page 9 to page 63, including the interim consolidated balance sheet as of 30 June 2019, the interim consolidated income statement, the interim consolidated cash flow statement for the first 6 months of the fiscal year ended 31 December 2019 and the notes to the interim consolidated financial statements.

#### The Management Board's Responsibility

The Corporation's Management Board is responsible for the preparation, true and fair presentation of these interim consolidated financial statements of the Group 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 interim consolidated financial statements and responsible for such internal control as the Management Board determines is necessary to enable the preparation and presentation of the interim consolidated financial statements to be free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to raise a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on review engagements No. 2410 – Review of interim financial information performed by the independent auditor of the entity.

The review works on the interim financial statements mainly include interviews with persons in charge of finance, accounting and application of other analysis and review procedures. Reviewing the Financial Statements is basically narrower than that of auditing the Financial Statements in line with the Vietnamese Standards on Auditing and therefore, it does not allow us to obtain a reasonable assurance to enable us to detect all material issues during the engagement. Accordingly, we do not raise our audit opinion.



### **Auditor's Conclusion**

Based on our review, we do not find out any events to suppose that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of the Group as of 30 June 2019, its consolidated financial performance and its consolidated cash flows for the first 6 months of the fiscal year ended 31 December 2019 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 interim 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*

Ho Chi Minh City, 29 August 2019

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2019

**INTERIM CONSOLIDATED BALANCE SHEET**

(Complete form)

As of 30 June 2019

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b> (100=110+120+130+140+150+190)	<b>100</b>		<b>6,163,254,552,815</b>	<b>5,070,461,764,540</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>92,974,902,053</b>	<b>124,625,653,602</b>
1. Cash	111		92,874,902,053	124,550,653,602
2. Cash equivalents	112		100,000,000	75,000,000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>3,151,028,247,785</b>	<b>2,761,963,711,798</b>
1. Trading securities	121	V.2a	624,150,712,555	599,508,668,818
2. Provision for devaluation of trading securities	122	V.2a	(140,391,544,516)	(76,375,920,784)
3. Investments held to maturity date	123	V.2b	2,667,269,079,746	2,238,830,963,764
<b>III. Short-term accounts receivable</b>	<b>130</b>		<b>963,939,356,255</b>	<b>843,739,007,959</b>
1. Short-term receivable from customers	131	V.3	568,273,549,045	575,195,385,088
1.1 Receivable on insurance policies	131.1		531,642,107,166	540,132,640,419
1.2 Other receivable from customers	131.2		36,631,441,879	35,062,744,669
2. Short-term prepayments to suppliers	132	V.4	164,943,150,220	134,568,153,375
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Receivable on short-term loans	135		13,140,000,000	-
6. Other short-term receivable	136	V.5a	268,320,035,628	194,807,723,717
7. Provision for short-term bad debts	137	V.6	(50,737,378,638)	(60,832,254,221)
8. Deficient assets to be treated	139		-	-
<b>IV. Inventories</b>	<b>140</b>		<b>16,272,922,191</b>	<b>9,591,183,779</b>
1. Inventories	141	V.7	16,331,816,966	9,650,078,554
2. Provision for devaluation of inventories	149		(58,894,775)	(58,894,775)
<b>V. Other current assets</b>	<b>150</b>		<b>370,414,313,782</b>	<b>250,638,628,078</b>
1. Short-term prepaid expenses	151	V.8a	353,736,321,958	233,972,440,744
1.1 Unappropriated commission expenses	151.1		353,037,435,079	233,777,609,509
1.2 Other short-term prepaid expenses	151.2		698,886,879	194,831,235
2. VAT deductible	152		9,208,482,952	5,121,944,585
3. Taxes and accounts receivable from the State	153	V.9	7,469,508,872	11,544,242,749
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-
<b>VIII. Reinsurance assets</b>	<b>190</b>	<b>V.21a</b>	<b>1,568,624,810,749</b>	<b>1,079,903,579,324</b>
1. Reinsurance premium ceded reserve	191		1,253,613,518,399	732,477,619,828
2. Outstanding claim reserve for reinsurance ceded	192		315,011,292,350	347,425,959,496



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

### Interim consolidated balance sheet (cont.)

ASSETS		Code	Note	Ending balance	Beginning balance
<b>B - LONG-TERM ASSETS</b>		<b>200</b>		<b>999,409,044,390</b>	<b>1,038,909,339,873</b>
<b>I. Long-term accounts receivable</b>		<b>210</b>		<b>99,494,372,521</b>	<b>18,793,237,023</b>
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	99,494,372,521	18,793,237,023
6.1 Insurance deposit		216.1		10,280,000,000	10,280,000,000
6.2 Other long-term receivable		216.2		89,214,372,521	8,513,237,023
7. Provision for long-term bad debts		219		-	-
<b>II. Fixed assets</b>		<b>220</b>		<b>98,772,961,562</b>	<b>96,075,940,013</b>
1. Tangible assets		221	V.10	90,833,179,859	87,503,404,901
Historical costs		222		201,123,627,233	188,385,738,303
Accumulated depreciation		223		(110,290,447,374)	(100,882,333,402)
2. Financial leasehold assets		224		-	-
Historical costs		225		-	-
Accumulated depreciation		226		-	-
3. Intangible assets		227	V.11	7,939,781,703	8,572,535,112
Historical costs		228		17,057,592,486	16,641,592,486
Accumulated depreciation		229		(9,117,810,783)	(8,069,057,374)
<b>III. Investment property</b>		<b>230</b>	<b>V.12</b>	<b>145,287,059,489</b>	<b>114,494,403,529</b>
Historical costs		231		155,176,877,658	122,642,128,702
Accumulated depreciation		232		(9,889,818,169)	(8,147,725,173)
<b>IV. Long-term assets in progress</b>		<b>240</b>	<b>V.13</b>	<b>60,773,641,759</b>	<b>35,649,432,480</b>
1. Long-term operating expenses in progress		241		-	-
2. Construction in progress		242		60,773,641,759	35,649,432,480
<b>V. Long-term financial investments</b>		<b>250</b>		<b>566,087,906,686</b>	<b>736,584,183,377</b>
1. Investments in subsidiaries		251		-	-
2. Investments in associates and joint ventures		252	V.2c	41,411,989,222	127,708,554,179
3. Investment, capital contribution in other entities		253	V.2d	95,389,498,488	155,759,412,685
4. Provision for devaluation of long-term financial investments		254	V.2e	(47,638,690,563)	(83,623,256,530)
5. Investments held until maturity date		255	V.2b	476,925,109,539	536,739,473,043
<b>VI. Other long-term assets</b>		<b>260</b>		<b>28,993,102,373</b>	<b>37,312,143,451</b>
1. Long-term prepaid expenses		261	V.8b	28,993,102,373	35,524,405,797
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
<b>TOTAL ASSETS</b>		<b>270</b>		<b>7,162,663,597,205</b>	<b>6,109,371,104,413</b>

# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

### Interim consolidated balance sheet (cont.)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
<b>C - LIABILITIES</b>		<b>300</b>		<b>5,382,835,724,615</b>	<b>4,293,391,782,678</b>
<b>I. Current liabilities</b>		<b>310</b>		<b>5,374,027,120,360</b>	<b>4,283,877,097,039</b>
1. Short-term payable to suppliers		311	V.14	745,543,555,715	528,841,629,022
1.1 Payable on insurance policies		311.1		710,801,223,036	495,355,369,813
1.2 Other payable to suppliers		311.2		34,742,332,679	33,486,259,209
2. Prepayments from customers		312	V.15	8,881,745,155	10,489,194,940
3. Taxes and other obligations to the State budget		313	V.16	26,226,275,422	29,403,221,848
4. Payable to employees		314		80,860,812,011	7,168,174,330
5. Short-term accrued expenses		315		28,927,710	4,161,366,528
7. Short-term unrealized revenue		318.1	V.17	58,811,870,377	102,451,079,528
8. Unearned commission		318.2	V.18	251,594,561,526	155,855,656,519
9. Other short-term payable		319	V.19	184,451,406,565	109,721,954,499
10. Short-term loans and financial lease debts		320	V.20	196,581,600,512	126,064,008,530
11. Provision for current liabilities		321	V.32	-	70,000,000,000
12. Bonus and welfare funds		322		199,336,139	51,968,001
15. Technical reserve		329	V.21	3,820,847,029,228	3,139,668,843,294
15.1 Written premium and reinsurance assumed reserve		329.1	V.21a	2,847,212,504,719	2,144,592,205,609
15.2 Outstanding claim reserve for written insurance and reinsurance assumed		329.2	V.21a	858,578,936,149	896,915,750,913
15.3 Catastrophe reserve		329.3	V.21c	115,055,588,360	98,160,886,772
<b>II. Long-term liabilities</b>		<b>330</b>		<b>8,808,604,255</b>	<b>9,514,685,639</b>
7. Other long-term payable		337	V.19b	1,142,441,836	1,501,442,386
8. Long-term loans and financial lease debts		338		7,182,471,350	7,529,552,184
11. Deferred income tax payable		341		483,691,069	483,691,069
<b>D - OWNER'S EQUITY</b>		<b>400</b>		<b>1,779,827,872,590</b>	<b>1,815,979,321,735</b>
<b>I. Owner's equity</b>		<b>410</b>	<b>V.22</b>	<b>1,779,827,872,590</b>	<b>1,815,979,321,735</b>
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
8. Business promotion fund		418		22,827,850,857	22,644,374,262
9. Compulsory reserved fund		419		49,884,763,553	49,884,763,553
11. Retained profit after tax		421		69,926,849,390	110,585,835,597
- Retained profit after tax accumulated to the end of previous period		421a		42,770,531,849	110,585,835,597
- Retained profit after tax of the current period		421b		27,156,317,541	-
13. Interest of non-controlling shareholders		429		5,288,265,986	964,205,519
<b>TOTAL CAPITAL SOURCES</b>		<b>440</b>		<b>7,162,663,597,205</b>	<b>6,109,371,104,413</b>



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

### Interim consolidated balance sheet (cont.)

#### OFF-INTERIM 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		247,786,014,998	213,376,854,353
5. Foreign currencies			
US Dollar (USD)		374,242.94	10,715.45
Euro (EUR)		28,161.73	28,167.19
Pound Sterling (£)		331.33	334.63

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 28 August 2019

General Director



Bui Xuan Thu

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2019

**INTERIM CONSOLIDATED INCOME STATEMENT**

(Complete form)

For the first 6 months of the fiscal year ended 31 December 2019

**PART I: INTERIM CONSOLIDATED INCOME STATEMENT**

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
1. Net sales of insurance operation	10.1		1,866,251,151,622	1,513,352,733,657
1.2 Net sales of selling other goods and providing other services	10.2	VI.4	68,882,905,720	68,668,384,612
2. Sales of trading investment property	11	VI.5	4,311,145,013	1,604,032,474
3. Financial income	12	VI.10	111,370,394,319	151,352,173,537
4. Other income	13		405,181,621	728,167,661
5. Total expenses for insurance operation	20.1		1,492,742,009,342	1,207,118,135,830
5.2 Costs of providing other goods, services	20.2		60,568,562,943	62,380,477,961
6. Costs of investment property	21	VI.9	2,550,744,188	1,807,147,514
7. Financial expenses	22	VI.11	90,182,700,944	126,127,660,009
8.1 Selling expenses	23.1		1,115,384,620	1,179,074,726
8. Administrative overheads	23.2	VI.12	373,096,818,857	296,960,388,014
9. Other expenses	24		379,523,631	361,715,823
10.1 Profit in joint ventures, associates	50.1		1,436,373,203	550,018,991
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		32,021,406,973	40,320,911,055
11. Current corporate income tax	51	V.16	4,848,050,076	8,417,864,241
12. Deferred corporate income tax	52		-	(165,002,628)
13. Profit after corporate income tax	60		<u>27,173,356,897</u>	<u>32,068,049,442</u>
13.1 Profit after tax of non-controlling shareholders	60.1		17,039,356	7,015,568
13.2 Profit after tax of the Holding Company's shareholders	60.2		27,156,317,541	32,061,033,874
14. Basic earnings per share	70	VI.13	<u>326</u>	<u>385</u>
15. Declined interest per share	70	VI.13	<u>326</u>	<u>385</u>



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2019

**Interim consolidated income statement (cont.)****PART II: INTERIM CONSOLIDATED INCOME STATEMENT PER OPERATION**

ITEMS	Code	Note	Unit: VND	
			Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
1. Sales of insurance premium (01 = 01.1 + 01.2 - 01.3)	01	VI.1	2,097,331,097,093	1,701,199,542,563
In which				
- Written premium	01.1		2,754,741,402,749	1,920,212,820,782
- Reinsurance premium assumed	01.2		45,210,093,454	53,992,086,600
- Increase (decrease) in reserve for written premium and reinsurance assumed	01.3		702,620,399,110	273,005,364,819
2. Reinsurance premium ceded (02 = 02.1 - 02.2)	02	VI.2	589,345,438,775	465,724,873,685
In which				
- Reinsurance premium ceded	02.1		1,110,481,337,346	581,495,694,228
- Increase (decrease) in reserve for reinsurance premium ceded	02.2		521,135,898,571	115,770,820,543
3. Net sales of premium (03 = 01 - 02)	03		1,507,985,658,318	1,235,474,668,878
4. Commission of reinsurance ceded and other income from insurance operation (04 = 04.1 + 04.2)	04		358,265,493,304	277,878,064,779
In which				
- Commission on reinsurance ceded	04.1	V.18	153,560,676,624	110,861,362,466
- Other income from insurance operation	04.2		204,704,816,680	167,016,702,313
5.1 Net sales of insurance operation (10 = 03 + 04)	10.1		1,866,251,151,622	1,513,352,733,657
5.2 Net sales of selling other goods and providing other services	10.2	VI.4	68,882,905,720	68,668,384,612
6. Claim expenses (11 = 11.1 - 11.2)	11		924,104,660,273	788,560,644,648
In which				
- Total claim expenses	11.1		932,810,254,713	791,766,075,513
- Deductions (Subrogation recovery, receipt from disposal of loss paid 100%)	11.2		8,705,594,440	3,205,430,865
7. Recovery from reinsurance ceded	12		240,223,133,612	96,064,687,351
8. Increase/decrease in outstanding claim reserve for written premium and reinsurance assumed	13		(38,336,814,764)	(16,400,028,302)
9. Increase/decrease in outstanding claim reserve for reinsurance ceded	14		(32,414,667,147)	54,488,053,136
10. Total claim expenses (15 = 11 - 12 + 13 - 14)	15	VI.6	677,959,379,044	621,607,875,859
11. Increase/decrease in catastrophe reserve	16		16,894,701,588	13,927,101,179
12. Other operating expenses (17 = 17.1 + 17.2)	17	VI.7	797,887,928,710	571,583,158,792
In which:				
- Commission	17.1		180,143,392,157	150,883,465,041
- Others	17.2		617,744,536,553	420,699,693,751
13. Total insurance operating expenses (18.1 = 15 + 16 + 17)	18.1		1,492,742,009,342	1,207,118,135,830
13.2 Costs of providing other goods, services	18.2	VI.8	60,568,562,943	62,380,477,961

This statement should be read in conjunction with the notes to the interim consolidated financial statements

# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

### Interim consolidated income statement (cont.)

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
14. Gross profit of insurance operation (19.1 = 10.1 - 18.1)	19.1		373,509,142,280	306,234,597,827
14.2 Gross profit of providing other goods, services (19.2 = 10.2 - 18.2)	19.2		8,314,342,777	6,287,906,651
15. Sales of trading investment property	20	VI.5	4,311,145,013	1,604,032,474
16. Costs of investment property	21	VI.9	2,550,744,188	1,807,147,514
17. Profit from investment property (22 = 20 - 21)	22		1,760,400,825	(203,115,040)
18. Financial income	23	VI.10	111,370,394,319	151,352,173,537
19. Financial expenses	24	VI.11	90,182,700,944	126,127,660,009
20. Gross profit of financial activities (25 = 23 - 24)	25		21,187,693,375	25,224,513,528
21.1 Selling expenses	26.1		1,115,384,620	1,179,074,726
21.2 Administrative overheads	26.2	VI.12	373,096,818,857	296,960,388,014
22. Net operating income (30 = 19.1 + 22 + 25 - 26.1 - 26.2)	30		30,559,375,780	39,404,440,226
23. Other income	31		405,181,621	728,167,661
24. Other expenses	32		379,523,631	361,715,823
25.1 Other profit (40 = 31 - 32)	40		25,657,990	366,451,838
25.2 Profit in joint ventures, associates	41		1,436,373,203	550,018,991
26. Total profit before corporate income tax (50 = 30 + 40)	50		32,021,406,973	40,320,911,055
27. Current corporate income tax	51		4,848,050,076	8,417,864,241
28. Deferred corporate income tax	52		-	(165,002,628)
29. Profit after corporate income tax	60		<u>27,173,356,897</u>	<u>32,068,049,442</u>
29.1 Profit after tax of the non-controlling shareholders	61.1		17,039,356	7,015,568
29.2 Profit after tax of the Holding Company's shareholders	61.2		27,156,317,541	32,061,033,874
30. Basic earnings per share	70	VI.13	<u>326</u>	<u>385</u>
31. Declined interest per share	70	VI.13	<u>326</u>	<u>385</u>

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 28 August 2019

General Director



Bui Xuan Thu



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2019

**INTERIM CONSOLIDATED CASH FLOW STATEMENT**

(Complete form)

(Under the indirect method)

For the first 6 months of the fiscal year ended 31 December 2019

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the period	
			Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		32,021,406,973	40,320,911,055
2. Adjustments				
- Depreciation of fixed assets and investment property	02		11,831,179,116	10,405,416,816
- Provisions	03		140,393,136,691	185,812,625,336
- Gain/loss from foreign exchange rate differences due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/loss from investing activities	05		(81,822,575,726)	(81,128,716,108)
- Loan interest expenses	06		4,190,265,898	4,433,681,181
- Adjustments	07		-	-
3. Operating profit/loss before changes of working capital	08		106,613,412,951	159,843,918,280
- Increase/decrease of accounts receivable	09		(179,194,835,225)	10,518,652,062
- Increase/decrease of inventories	10		(6,828,449,317)	1,137,138,172
- Increase/decrease of accounts payable	11		443,266,543,497	39,215,444,880
- Increase/decrease of prepaid expenses	12		(113,232,577,790)	(38,724,727,968)
- Increase/decrease of trading securities	13		(24,642,043,737)	(345,302,810,403)
- Loan interests already paid	14		(4,190,265,898)	(4,433,681,181)
- Corporate income tax already paid	15		-	(21,305,392,353)
- Other gains	16		147,368,138	231,206,364
- Other disbursements	17		-	(149,506,364)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>221,939,152,619</b>	<b>(198,969,758,511)</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21		(76,166,791,129)	(28,253,236,508)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		-	-
3. Loans given and purchases of debt instruments of other entities	23		(1,072,250,000,000)	(721,607,223,817)
4. Recovery of loans given and disposals of debt instruments of other entities	24		703,626,247,522	725,740,661,595
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26		60,369,914,197	139,703,980,595
7. Receipts of loan interests, dividends and profit shared	27		70,550,362,701	66,962,143,191
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(313,870,266,709)</b>	<b>182,546,325,056</b>

### Interim consolidated cash flow statement (cont.)

ITEMS	Code	Note	Accumulated from the beginning of the year to the end of the current period	
			Current year	Previous year
<b>III. Cash flows from financial activities</b>				
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		262,956,927,372	260,598,337,500
4. Loan principal amounts repaid	34		(192,786,416,224)	(182,994,327,622)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36		(9,890,148,608)	(2,743,711,417)
<i>Net cash flows from financial activities</i>	<i>40</i>		<i>60,280,362,540</i>	<i>74,860,298,461</i>
<b>Net cash flows during the year</b>	<b>50</b>		<b>(31,650,751,549)</b>	<b>58,436,865,006</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>124,625,653,602</b>	<b>108,166,401,355</b>
Effects of fluctuations in foreign exchange rates	61		-	-
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<b>92,974,902,053</b>	<b>166,603,266,361</b>

**General Director**

Heard



Cao Thu Hien



- Bui Xuan Thu



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

### NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For first 6 months of the fiscal year ended 31 December 2019

#### 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 3 subsidiaries which are controlled by the Holding Company. All subsidiaries are consolidated in these interim consolidated financial statements.

##### 5a. Information on the Group's restructuring

As for the contribution capital in Post Real Estate JSC. (PostRE) in accordance with the Decision No. 80/2008/QĐ-PTI dated 7 October 2008 of the Board of Management, accordingly the Corporation's contribution capital is VND 88,200,000,000, accounting for 49% of total charter capital (the registered charter capital is VND 180,000,000,000), the Corporation has fully contributed capital as committed. Currently, the remaining legal entities under the joint venture contract have not contributed enough capital as committed, which leads to the fact that the actual rate of the Corporation's contribution capital in PostRE's owner equity is 95.4% (total actual contribution capital of the parties in PostRE is VND 92,530,000,000). During the period, under the State Audit's opinion, the Corporation has classified the capital contribution in PostRE into the investment in subsidiaries, in compliance with regulations of the prevailing accounting system. The difference between the value of the investment under owner's equity method (consolidation of associate) and its historical cost is directly recognized in the items under owner's equity in the interim consolidated financial statements.

##### 5b. List of subsidiaries consolidated

Name of companies	Address of head office	Main operations	Rate of interest		Rate of voting right	
			Ending balance	Beginning balance	Ending balance	Beginning balance
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	Leasing real estate and providing	99%	99%	99%	99%



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2019

**Notes to the interim consolidated financial statements (cont.)**

<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>
	District, Hanoi	informatics and communication equipment				
Post Real Estate JSC. (PostRE)	Floor 5, Lot 18 Dinh Cong Urban Area, Dinh Cong Ward, Hoang Mai District, Hanoi City	Services of housing brokerage, real estate trading and other services	95.32%	95.32%	95.32%	49%

**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>
Lanexang Assurance Public Insurance JSC. (LAP)	No. 13, Suphanuvong Road, Vientiane City, Lao People's Democratic Republic	50.00%	50.00%
Kasati JSC.	270A Ly Thuong Kiet, Ward 14, District 10, Ho Chi Minh City	21.30%	21.30%

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

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

**7. Personnel**

As of the balance sheet date, the Group had 2,187 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



## POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

### INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

#### Notes to the interim consolidated financial statements (cont.)

giving guidance for the implementation of accounting standards and system of the Ministry of Finance in the preparation and presentation of the interim 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 interim 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).

#### 2. Consolidation basis

The interim consolidated financial statements include the interim combined financial statements of the Holding Company and the interim 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 interim consolidated income statement from the date of acquisition until the date of disposal of the investments in those subsidiaries.

The interim 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 interim 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 interim consolidated income statement and the interim 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-



## POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

### INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2019

Notes to the interim consolidated financial statements (cont.)

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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.

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 include cash on hand, demand deposits in bank. Cash equivalents are short-term investments 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



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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.

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, provision for loss of investments held to maturity is made.

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

#### *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 interim 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



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interim 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 interim 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 interim consolidated financial statements.

Unrealized gains/losses from transactions with associates are excluded equivalent to those of the Group and its subsidiary when the interim 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 these 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.
- 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 the 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 the 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**

Accounts 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:



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- 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.

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 the 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.



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#### *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 period.

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

#### **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 period 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 period.

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



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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 period.

The transfer from owner-occupied property or inventories into investment property shall be made when, and only when, there is a change in use evidenced by the end of owner-occupation and the commencement of an operating lease to another party or the end of construction. The transfer from investment property to owner-occupied property or inventories shall be made when, and only when, there is a change in use evidenced by the commencement of owner-occupation or the commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the historical cost or net book value of investment property at the date of transfer.

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:



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- 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 interim 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.

##### *Unearned premium reserve*

Unearned premium reserve for insurance and reinsurance policies with the term of 1 year or 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:

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

##### *Outstanding claim reserve*

Claim reserve for case 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.



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

Claim reserves for IBNR for the current fiscal year	=	Total claim for IBNR in the 3 previous continuous years	x	Claim arising in the current year	x	Net premium of insurance activities in the current year	x	Average claim reporting delay in the current year
		Total claim arising in the 3 previous continuous years				Net premium of insurance activities in the previous year		Average claim reporting delay in the previous year

#### *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 01 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.

#### 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.



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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:

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

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



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#### ***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.

#### ***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.



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#### **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 period.

#### **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.

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.



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

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

	Ending balance	Beginning balance
Cash on hand	8,458,252,724	10,621,956,926
Deposits in banks	84,088,649,329	85,894,938,676
Cash in transit	328,000,000	28,033,758,000
Cash equivalents ( <i>Under-3-month deposits</i> )	100,000,000	75,000,000
<b>Total</b>	<b>92,974,902,053</b>	<b>124,625,653,602</b>

**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**

	Ending balance			Beginning balance		
	Historical costs	Fair value	Provision	Historical costs	Fair value	Provision
<i>Listed securities</i>	475,894,042,555	338,518,875,900	(140,391,544,516)	599,508,668,818	526,280,959,800	(76,375,920,784)
LPB	169,720,152,006	116,355,166,200	(53,364,985,806)	169,720,152,006	141,714,625,500	(28,005,526,506)
OIL	150,318,761,359	93,196,720,000	(57,122,041,359)	150,318,761,359	130,957,460,000	(19,361,301,359)
TDM				81,329,371,070	81,726,600,000	
HUT	35,589,191,275	16,203,084,000	(19,386,107,275)	27,761,617,500	15,546,883,000	(12,214,734,500)
MBB	37,125,236,159	33,484,726,000	(3,640,510,159)	38,086,520,159	31,161,623,000	(6,924,897,159)
Others	83,140,701,756	79,279,179,700	(6,877,899,917)	132,292,246,724	125,173,768,300	(9,869,461,260)
<i>Unlisted securities</i>	148,256,670,000	148,256,670,000				
<b>Total</b>	<b>624,150,712,555</b>	<b>486,775,545,900</b>	<b>(140,391,544,516)</b>	<b>599,508,668,818</b>	<b>526,280,959,800</b>	<b>(76,375,920,784)</b>

**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.

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**2b. Investments held to maturity date**

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
<b>Short-term</b>	<b>2,667,269,079,746</b>		<b>2,238,830,963,764</b>	
Termed deposits <sup>(*)</sup>	2,610,434,779,746		2,131,996,663,764	
Investments in bonds	50,000,000,000		100,000,000,000	
Short-term investment trust	6,834,300,000		6,834,300,000	
<b>Long-term</b>	<b>476,925,109,539</b>	<b>(8,915,710,175)</b>	<b>536,739,473,043</b>	<b>(35,577,056,197)</b>
Termed deposits	277,011,666,667		304,011,666,667	
Investments in bonds	150,000,000,000		100,000,000,000	
Investment portfolio management trust	49,913,442,872	(8,915,710,175)	132,727,806,376	(35,577,056,197)
<b>Total</b>	<b>3,144,194,189,285</b>	<b>(8,915,710,175)</b>	<b>2,775,570,436,807</b>	<b>(35,577,056,197)</b>

<sup>(\*)</sup> The Corporation has used the deposits at 3 credit institutions including SHB, VPBank, Agribank – Gia Dinh Branch with the value of VND 209,234,597,098 to secure the loan from Shinhan Bank Vietnam (see Note V.20).

**2c. Investments in associates**

	Ending balance			Beginning balance		
	Historical costs	Profit after investment	Total	Historical costs	Profit after investment	Total
PostRE <sup>(1)</sup>				88,200,000,000	(467,061,840)	87,732,938,160
LAP <sup>(2)</sup>	20,152,200,000	5,541,541,133	25,693,741,133	20,152,200,000	4,981,826,927	25,134,026,927
Kasati JSC. <sup>(3)</sup>	14,292,700,000	1,425,548,089	15,718,248,089	14,292,700,000	548,889,092	14,841,589,092
<b>Total</b>	<b>34,444,900,000</b>	<b>6,967,089,222</b>	<b>41,411,989,222</b>	<b>122,644,900,000</b>	<b>5,063,654,179</b>	<b>127,708,554,179</b>

<sup>(2)</sup> 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 30 June 2019, the Corporation had fully invested capital as registered of USD 1,000,000 equivalent to VND 20,152,200,000.

<sup>(3)</sup> 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 30 June 2019, the Corporation held 638,090 shares, accounting for 21.3% of capital of Kasati JSC.



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

	Ownership value at the beginning of the year	Gains or losses during the period	Decrease due to stop of consolidation under owner's equity method	Other increase, decrease	Ownership value at the end of the period
(1)	87,732,938,160		(87,732,938,160)		
(2)	25,134,026,927	559,714,206			25,693,741,133
(3)	14,841,589,092	990,886,352		(114,227,355)	15,718,248,089
<b>Total</b>	<b>127,708,554,179</b>	<b>1,550,600,558</b>	<b>(87,732,938,160)</b>	<b>(114,227,355)</b>	<b>41,411,989,222</b>

*Operation of associates*

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

*Transactions with associates*

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
<b>LAP</b>		
<i>Reinsurance ceded</i>		
Reinsurance premium ceded	194,385,725,486	71,780,880,384
Receiving commission on reinsurance ceded	81,859,803,500	23,265,101,158
Receiving indemnity of reinsurance ceded	97,178,212,784	47,873,072,146
<i>Reinsurance assumed</i>		
Reinsurance premium assumed	1,875,203,045	1,052,341,550
Commission expenses for reinsurance assumed	464,421,276	254,742,409
Claim expenses for reinsurance assumed	2,433,328,946	

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	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	
Global Data Service JSC.	17,080,000,000		17,080,000,000	
Huawei Vietnam JSC.	5,800,000,000		5,800,000,000	
Phuong Nam Real Estate Investment JSC.	65,000,000		65,000,000	
Communication Technology Development Investment JSC.	625,000,000		625,000,000	
36 JSC.	53,879,498,488	(29,842,980,388)	64,280,812,685	(39,166,200,333)
OCB			49,968,600,000	
<b>Total</b>	<b>95,389,498,488</b>	<b>(38,722,980,388)</b>	<b>155,759,412,685</b>	<b>(48,046,200,333)</b>

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

	Ending balance	Beginning balance
Provision for investments held to maturity date	8,915,710,175	35,577,056,197
Provision for capital contribution in other entities	38,722,980,388	48,046,200,333
<b>Total</b>	<b>47,638,690,563</b>	<b>83,623,256,530</b>

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

	Accumulated from the beginning of the year to the end of the period	
	Current period	Previous period
Beginning balance	83,623,256,530	72,873,506,190
Additional appropriation of provision	335,686,935	6,384,987,152
Use of provision	(25,176,375,649)	
Refund of provision	(11,143,877,253)	(1,243,865,235)
<b>Ending balance</b>	<b>47,638,690,563</b>	<b>78,014,628,107</b>



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**3. Short-term receivable from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable on written premium	316,989,707,730	286,910,937,615
Receivable on reinsurance	214,652,399,436	253,221,702,804
Other receivable from customers	36,631,441,879	35,062,744,669
<b>Total</b>	<b>568,273,549,045</b>	<b>575,195,385,088</b>

**4. Prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Prepayment of claim for written premium	136,846,757,116	127,204,172,652
Other prepayments of written premium activity	702,823,715	1,586,567,036
Prepayments to other suppliers	27,393,569,389	5,777,413,687
<b>Total</b>	<b>164,943,150,220</b>	<b>134,568,153,375</b>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Estimated interest receivable from financial incomes	136,905,102,621	127,069,262,799
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
Advance of agency commission of the year 2019 to VNPost	18,000,000,000	
Advances	44,375,986,977	16,048,265,467
Short-term deposits and mortgages	4,233,879,000	5,118,565,441
Others	59,190,885,276	40,957,448,256
<b>Total</b>	<b>268,320,035,628</b>	<b>194,807,723,717</b>

**5b. Long-term receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits and mortgages	10,290,000,000	10,280,000,000
Villa Project in Nha Trang	80,639,373,334	
Others	8,564,999,187	8,513,237,023
<b>Total</b>	<b>99,494,372,521</b>	<b>18,793,237,023</b>

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**6. Provision for short-term bad debts**

	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for overdue debts	50,737,378,638	60,832,254,221
- <i>Provision for overdue debts under 1 year</i>	1,149,575,497	515,733,302
- <i>Provision for overdue debts from 1 year to under 2 years</i>	1,121,285,979	2,475,484,365
- <i>Provision for overdue debts from 2 years to under 3 years</i>	2,290,693,637	2,553,004,479
- <i>Provision for overdue debts over 3 years</i>	46,175,823,526	55,288,032,075
Provision for doubtful debts but not overdue		
<b>Total</b>	<b><u>50,737,378,638</u></b>	<b><u>60,832,254,221</u></b>

Situation of fluctuations in provision for bad debts is as follows

	<u>Accumulated from the beginning of the year to the end of the period</u>	
	<u>Current period</u>	<u>Previous period</u>
Beginning balance	60,832,254,221	65,500,721,578
Additional appropriation of provision	1,263,313,456	5,795,761,473
Use of provision	(11,146,059,438)	
Refund of provision	(212,129,601)	(8,397,466,063)
<b>Ending balance</b>	<b><u>50,737,378,638</u></b>	<b><u>62,899,016,988</u></b>

**7. Inventories**

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials, supplies	8,057,785,615	6,021,200,519
Tools, instruments	324,512,753	35,626,391
Work in progress	321,193,126	15,272,053
Merchandises	7,628,325,472	3,577,979,591
<b>Total</b>	<b><u>16,331,816,966</u></b>	<b><u>9,650,078,554</u></b>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Commission to be allocated (*)	353,037,435,079	233,777,609,509
Others	698,886,879	194,831,235
<b>Total</b>	<b><u>353,736,321,958</u></b>	<b><u>233,972,440,744</u></b>



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

	<b>Accumulated from the beginning of the year to the end of the period</b>	
	<b>Current period</b>	<b>Previous period</b>
Beginning balance	233,777,609,509	176,030,723,016
Increase during the period	299,403,217,728	180,608,458,460
Amount already allocated into expenses during the period	(180,143,392,158)	(150,883,465,041)
<b>Ending balance</b>	<b>353,037,435,079</b>	<b>205,755,716,435</b>

**8b. Long-term prepaid expenses**

	<b>Ending balance</b>	<b>Beginning balance</b>
Tools, instruments	4,716,295,856	7,202,519,109
Housing rental	3,248,480,940	4,208,801,190
Expenses for agency development	627,109,628	632,444,803
Others	20,401,215,949	23,480,640,695
<b>Total</b>	<b>28,993,102,373</b>	<b>35,524,405,797</b>

**9. Taxes and accounts receivable from the State**

	<b>Ending balance</b>	<b>Beginning balance</b>
VAT on local sales	39,381,758	161,883,886
Corporate income tax	5,791,598,781	10,181,583,845
Personal income tax	1,546,704,984	1,117,265,885
Other taxes	91,823,349	83,509,133
<b>Total</b>	<b>7,469,508,872</b>	<b>11,544,242,749</b>

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**Notes to the interim consolidated financial statements (cont.)****10. Increases, decreases in tangible fixed assets**

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
<b>Historical costs</b>					
Beginning balance	51,502,368,727	170,730,000	107,640,728,560	29,071,911,016	188,385,738,303
Purchase during the period		5,399,199,504	3,240,742,715	3,583,454,545	12,223,396,764
Increase due to consolidation			925,993,455		925,993,455
Liquidation and disposal				(411,501,289)	(411,501,289)
<b>Ending balance</b>	<b>51,502,368,727</b>	<b>5,569,929,504</b>	<b>111,807,464,730</b>	<b>32,243,864,272</b>	<b>201,123,627,233</b>
<i>In which:</i>					
Fully depreciated but being still in use		33,850,000	18,447,678,708	15,563,162,538	34,044,691,246
To be liquidated					
<b>Depreciation</b>					
Beginning balance	23,678,154,063	91,462,580	57,067,709,475	20,045,007,284	100,882,333,402
Depreciation during the period	294,457,714	1,951,478,842	4,723,790,260	1,923,894,990	8,893,621,806
Increase due to consolidation			925,993,455		925,993,455
Liquidation and disposal				(411,501,289)	(411,501,289)
<b>Ending balance</b>	<b>23,972,611,777</b>	<b>2,042,941,422</b>	<b>62,717,493,190</b>	<b>21,557,400,985</b>	<b>110,290,447,374</b>
<b>Net book value</b>					
Beginning balance	27,824,214,664	79,267,420	50,573,019,085	9,026,903,732	87,503,404,901
<b>Ending balance</b>	<b>27,529,756,950</b>	<b>3,526,988,082</b>	<b>49,089,971,540</b>	<b>10,686,463,287</b>	<b>90,833,179,859</b>

*In which:*

Temporarily unused



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**11. Increases, decreases in intangible fixed assets**

	Land use right	Computer software	Total
<b>Historical costs</b>			
Beginning balance	5,096,806,800	11,544,785,686	16,641,592,486
Purchase during the period		416,000,000	416,000,000
<b>Ending balance</b>	<b>5,096,806,800</b>	<b>11,960,785,686</b>	<b>17,057,592,486</b>
<i>In which:</i>			
Fully amortized but being still in use			
<b>Amortization</b>			
Beginning balance		8,069,057,374	8,069,057,374
Amortization during period		1,048,753,409	1,048,753,409
<b>Ending balance</b>		<b>9,117,810,783</b>	<b>9,117,810,783</b>
<b>Net book value</b>			
Beginning balance	5,096,806,800	3,475,728,312	8,572,535,112
<b>Ending balance</b>	<b>5,096,806,800</b>	<b>2,842,974,903</b>	<b>7,939,781,703</b>
<i>In which:</i>			
Temporarily unused			

**12. Investment property**

	Land use right	Buildings & Structures	Total
<b>Historical costs</b>			
Beginning balance	6,994,763,527	115,647,365,175	122,642,128,702
Purchase during the period		38,403,185,086	38,403,185,086
Transfer to real estate merchandises		(5,868,436,130)	(5,868,436,130)
<b>Ending balance</b>	<b>6,994,763,527</b>	<b>148,182,114,131</b>	<b>155,176,877,658</b>
<b>Depreciation</b>			
Beginning balance		8,147,725,173	8,147,725,173
Depreciation during the period		1,888,803,901	1,888,803,901
Transfer to real estate merchandises		(146,710,905)	(146,710,905)
<b>Ending balance</b>		<b>9,889,818,169</b>	<b>9,889,818,169</b>
<b>Net book value</b>			
Beginning balance	6,994,763,527	107,499,640,002	114,494,403,529
<b>Ending balance</b>	<b>6,994,763,527</b>	<b>138,292,295,962</b>	<b>145,287,059,489</b>

According to the regulations in the Circular No. 232/2012/TT-BTC dated 28 December 2015, the fair value of investment properties 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.

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	<b>Historical costs</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>
Land use right in Binh Duong (held for price appreciation)	6,994,763,527		6,994,763,527
Property for lease which is Commercial floor at Thuy Loi 4 Apartment Building	86,512,743,262	6,601,528,872	79,911,214,390
FLC Quy Nhon	22,557,136,380	2,828,941,218	19,728,195,162
Xuan Phuong Project	36,639,509,654	181,427,526	36,458,082,128
FHOME Apartment	2,472,724,835	277,920,553	2,194,804,282
<b>Total</b>	<b>155,176,877,658</b>	<b>9,889,818,169</b>	<b>145,287,059,489</b>

Income from and expenses for leasing properties during the period are VND 4,311,145,013 and VND 2,550,744,188.

**13. Construction in progress**

	<b>Beginning balance</b>	<b>Increase during the period</b>	<b>Ending balance</b>
Purchase of fixed assets	8,327,322,000	11,181,177,654	19,508,499,654
Construction in progress	27,322,110,480	13,943,031,625	41,265,142,105
<b>Total</b>	<b>35,649,432,480</b>	<b>25,124,209,279</b>	<b>60,773,641,759</b>

**14. Short-term payable to suppliers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Payable on written premium	158,592,612,905	129,967,457,348
Payable on reinsurance activity	547,866,297,490	355,579,546,491
Payable for co-insurer	4,342,312,641	9,808,365,974
Payable to other suppliers	34,742,332,679	33,486,259,209
<b>Total</b>	<b>745,543,555,715</b>	<b>528,841,629,022</b>

**15. Prepayments from customers**

	<b>Ending balance</b>	<b>Beginning balance</b>
Prepayments from customers for written premium	8,421,346,157	10,264,056,614
Prepayments from customers for other activities	460,398,998	225,138,326
<b>Total</b>	<b>8,881,745,155</b>	<b>10,489,194,940</b>



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**16. Taxes and other obligations to the State budget**

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT on local sales	19,698,447,383	19,242,670,819
Corporate income tax	1,050,956,736	836,331,172
Personal income tax	5,141,465,625	9,030,578,448
Other taxes	335,405,678	293,641,409
<b>Total</b>	<b>26,226,275,422</b>	<b>29,403,221,848</b>

**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.

**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**

	<u>Accumulated from the beginning of the year to the end of the period</u>	
	<u>Current period</u>	<u>Previous period</u>
Beginning balance	155,855,656,519	137,118,307,828
Appropriation of commission during the period	249,299,581,631	113,852,761,976
Refund of commission during the period	(153,560,676,624)	(110,861,362,462)
<b>Ending balance</b>	<b>251,594,561,526</b>	<b>140,109,707,342</b>

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**Notes to the interim consolidated financial statements (cont.)****19. Other short-term/long-term payable****19a. Other short-term payable**

	<b>Ending balance</b>	<b>Beginning balance</b>
Trade Union's expenditure	4,538,935,445	3,150,859,950
Social insurance, health insurance, unemployment insurance	1,216,923,390	672,133,724
Dividends payable	65,112,652,585	10,686,233,993
Withholding tax temporarily retained	2,605,978,225	2,502,323,894
Contribution to insurance fund	16,120,642,794	16,471,009,447
Premium collected from VNPost not collated yet	16,630,430,079	
Premium collected from LienVietPostBank not collated yet	5,288,084,453	14,531,744,438
Premium collected from Toyota not collated yet	4,963,093,151	
Customer bonus fund	3,623,473,949	1,954,669,995
Short-term deposits and mortgages assumed	1,525,632,008	3,956,266,342
Securities margin loan		21,634,875,493
Payable on commission, bonus and service fee to bank agency	6,254,563,649	
Others	56,570,996,837	34,161,837,223
<b>Total</b>	<b>184,451,406,565</b>	<b>109,721,954,499</b>

**19b. Other long-term payable**

Including long-term deposits and mortgages.

**20. Short-term loans**

	<b>Ending balance</b>	<b>Beginning balance</b>
<b>Short-term loans from banks</b>	<b>187,210,000,000</b>	<b>120,860,329,602</b>
Shinhan Bank Vietnam (*)	187,210,000,000	69,722,900,000
BIDV – Thanh Xuan Branch		11,145,329,602
Vietcombank – Thang Long Branch		39,992,100,000
<b>Other short-term loans</b>	<b>5,492,317,306</b>	<b>920,000,000</b>
<b>Due long-term loans</b>	<b>3,879,283,206</b>	<b>4,283,678,928</b>
<b>Total</b>	<b>196,581,600,512</b>	<b>126,064,008,530</b>

(\*) 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 1%. This loan is secured by the termed deposits at credit institutions (see Note V.2).

The Group has solvency to pay short-term loans.



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

	<b>Beginning balance</b>	<b>Increase during the period</b>	<b>Transfer from long-term loans and debts</b>	<b>Amount already paid during the period</b>	<b>Ending balance</b>
<b>Short-term loans from banks</b>	<b>120,860,329,602</b>	<b>256,810,000,000</b>		<b>(190,460,329,602)</b>	<b>187,210,000,000</b>
Shinhan Bank Vietnam	69,722,900,000	256,810,000,000		(139,322,900,000)	187,210,000,000
BIDV – Thanh Xuan Branch	11,145,329,602			(11,145,329,602)	
Vietcombank – Thang Long Branch	39,992,100,000			(39,992,100,000)	
<b>Other short-term loans</b>	<b>920,000,000</b>	<b>2,565,000,000</b>		<b>(730,000,000)</b>	<b>2,755,000,000</b>
<b>Due long-term loans</b>	<b>4,283,678,928</b>		<b>3,879,283,206</b>	<b>(1,546,361,622)</b>	<b>6,616,600,512</b>
<b>Total</b>	<b>126,064,008,530</b>	<b>259,375,000,000</b>	<b>3,879,283,206</b>	<b>(192,736,691,224)</b>	<b>196,581,600,512</b>

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Notes to the interim consolidated financial statements (cont.)

## **21. Technical reserve**

21a. Outstanding claim and unearned premium reserve	Accumulated from the beginning of the year to the end of the period		
	Current year		Previous year
	Written premium and reinsurance assumed reserve (1)	Reinsurance ceded reserve (2)	Net reserve (3) = (1) – (2)
1. Outstanding claim reserve <sup>(i)</sup>			
Claim reserve for case claims	858,578,936,149	315,011,292,350	543,567,643,799
	807,855,829,484	306,403,021,855	501,452,807,629
Claim reserve for IBNR	50,723,106,665	8,608,270,495	42,114,836,170
	2,847,212,504,719	1,253,613,518,399	1,593,598,986,320
2. Unearned premium reserve <sup>(ii)</sup>			
Total	3,705,791,440,868	1,568,624,810,749	2,137,166,630,119
In which:			
(i) Outstanding claim reserve			
Beginning balance	896,915,750,913	347,425,959,496	549,489,791,417
Appropriation during the period	20,000,000,000		20,000,000,000
Refund during the period	(58,336,814,764)	(32,414,667,146)	(25,922,147,618)
Ending balance	858,578,936,149	315,011,292,350	543,567,643,799
(ii) Unearned premium reserve			
Beginning balance	2,144,592,205,609	732,477,619,828	1,412,114,585,781
Appropriation during the period	702,620,299,110	521,135,898,571	181,484,400,539
Refund during the period			
Ending balance	2,847,212,504,719	1,253,613,518,399	1,593,598,986,320

	Written premium and reinsurance assumed reserve (4)	Reinsurance ceded reserve (5)	Net reserve (6) = (4) – (5)
1. Outstanding claim reserve <sup>(i)</sup>			
Claim reserve for case claims	781,119,941,049	349,621,138,996	431,498,802,053
	773,413,313,048	349,621,138,996	423,792,174,052
Claim reserve for IBNR	7,706,628,001		7,706,628,001
	1,920,884,733,160	641,753,839,148	1,279,130,894,012
2. Unearned premium reserve <sup>(ii)</sup>			
Total	2,702,004,674,209	991,374,978,144	1,710,629,696,065
In which:			
(i) Outstanding claim reserve			
Beginning balance	797,519,969,351	295,133,085,860	502,386,883,491
Appropriation during the period		54,488,053,136	(54,488,053,136)
Refund during the period	(16,400,028,302)		(16,400,028,302)
Ending balance	781,119,941,049	349,621,138,996	431,498,802,053
(ii) Unearned premium reserve			
Beginning balance	1,647,879,368,341	525,983,018,605	1,121,896,349,736
Appropriation during the period	273,005,364,819	115,770,820,543	157,234,544,276
Refund during the period			
Ending balance	1,920,884,733,160	641,753,839,148	1,279,130,894,012



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**Notes to the interim consolidated financial statements (cont.)****21b. Reinsurance assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Outstanding claim reserve for reinsurance ceded</i>	<i>315,011,292,350</i>	<i>347,425,959,496</i>
Claim reserve for case claims	306,403,021,855	338,817,689,001
Claim reserve for IBNR	8,608,270,495	8,608,270,495
<i>Reserve for reinsurance ceded premium</i>	<i>1,253,613,518,399</i>	<i>732,477,619,828</i>
<b>Total</b>	<b><u>1,568,624,810,749</u></b>	<b><u>1,079,903,579,324</u></b>

**21c. Catastrophe reserve**

	<b>Accumulated from the beginning of the year to the end of the period</b>	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	98,160,886,772	69,448,040,587
Additional appropriation during the period	16,894,701,588	13,937,101,179
<b>Ending balance</b>	<b><u>115,055,588,360</u></b>	<b><u>83,385,141,766</u></b>

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### **22. Owner's equity**

#### **22a. 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
<i>First 6 months of the previous year</i>							
Beginning 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
Profit in the previous period					32,061,033,874	7,015,568	32,068,049,442
Appropriation of funds during the period					(1,485,327,359)		(1,485,327,359)
Share of dividends during the period			1,485,327,359		(96,474,850,800)		(96,474,850,800)
Appropriation of customer bonus fund					(1,485,327,359)		(1,485,327,359)
Appropriation of allowances for the BOM, the Control Board					(1,485,327,359)		(1,485,327,359)
Appropriation of the Executive officers' bonus					(2,227,991,043)		(2,227,991,043)
Other decrease due to consolidation					(137,228,331)	(1,380,146)	(138,608,477)
<b>Ending balance of the previous period</b>	<b>803,957,090,000</b>	<b>827,943,052,804</b>	<b>22,544,374,262</b>	<b>48,967,380,576</b>	<b>126,956,054,331</b>	<b>1,037,582,650</b>	<b>1,831,405,534,623</b>
<i>First 6 months of the current year</i>							
Beginning 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
Profit in the current period					27,156,317,541	17,039,356	27,173,356,897
Appropriation of funds			183,476,595		(183,476,595)		
Share of dividends during the period					(64,316,567,200)		(64,316,567,200)
Appropriation of customer bonus fund					(183,476,595)		(183,476,595)
Payment of allowances and bonuses to the BOM, the Control Board					(917,382,977)		(917,382,977)
Appropriation of the Executive officers' bonus					(366,953,191)		(366,953,191)
Consolidation under owner's equity method						4,307,070,547	4,307,070,547
Adjustment of interest of non-controlling shareholders					(21,778,439)	21,778,439	
Appropriation of funds in subsidiary					(1,825,668,752)	(21,827,875)	(1,847,496,626)
<b>Ending balance of the current period</b>	<b>803,957,090,000</b>	<b>827,943,052,804</b>	<b>22,827,850,857</b>	<b>49,884,763,553</b>	<b>69,926,849,390</b>	<b>5,288,265,986</b>	<b>1,779,827,872,590</b>

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



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**Notes to the interim consolidated financial statements (cont.)****22b. Details of owner's contribution capital**

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

**22c. Shares**

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

Face value per outstanding share: VND 10,000.

**22d. Profit distribution**

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

	<u>VND</u>
• Share of dividends to shareholders	: 64,316,567,200
• Appropriation of business promotion fund	: 183,476,595
• Appropriation of customer bonus fund	: 183,476,595
• Payment of allowances and bonuses to the BOM, the Control Board	: 917,382,977
• Appropriation of the Executive officers' bonus	: 366,953,191

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**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM CONSOLIDATED INCOME STATEMENT****1. Sales of insurance premium**Accumulated from the beginning of the year  
to the end of the period

	Current year	Previous year
Written premium	2,826,606,883,731	1,941,899,471,933
<i>Health insurance and human accident insurance</i>	419,393,248,658	311,631,908,797
<i>Credit security insurance</i>	634,563,518,451	232,750,009,817
<i>Property and damage insurance</i>	179,607,440,277	176,803,210,636
<i>Cargo insurance</i>	67,020,354,263	64,895,881,111
<i>Aviation insurance</i>	21,927,097,172	4,355,255,821
<i>Motor vehicle insurance</i>	1,285,437,328,614	998,713,493,167
<i>Fire and explosion insurance</i>	159,016,745,531	90,111,007,052
<i>Hull and civil liability of ship owner insurance</i>	37,795,967,055	43,384,594,427
<i>Joint liability insurance</i>	21,696,179,866	19,227,041,105
<i>Agricultural insurance</i>	149,003,844	27,070,000
Deductions of written premium	(71,865,480,982)	(21,686,651,151)
Reinsurance premium assumed	46,391,313,386	59,132,996,949
Deductions of reinsurance premium assumed	(1,181,219,932)	(5,140,910,349)
Increase/decrease in reserve for written premium and reinsurance assumed	(702,620,399,110)	(273,005,364,819)
<b>Sales of insurance premium</b>	<b>2,097,331,097,093</b>	<b>1,701,199,542,563</b>

**2. Reinsurance premium ceded**Accumulated from the beginning of the year to  
the end of the period

	Current year	Previous year
Reinsurance premium ceded	1,110,481,337,346	581,495,694,228
<i>Health insurance and human accident insurance</i>	98,830,802,159	42,628,382,039
<i>Property and damage insurance</i>	225,732,787,694	165,254,330,070
<i>Credit security insurance</i>	557,716,464,033	209,367,728,713
<i>Cargo insurance</i>	26,477,838,343	8,440,485,059
<i>Motor vehicle insurance</i>	109,544,659,504	83,738,361,313
<i>Fire and explosion insurance</i>	69,220,139,523	33,519,016,429
<i>Hull and civil liability of ship owner insurance</i>	20,840,085,119	27,145,497,674
<i>Joint liability insurance</i>	2,118,560,970	11,401,892,931
Increase/decrease in reserve for reinsurance premium ceded	(521,135,898,571)	(115,770,820,543)
<b>Reinsurance premium ceded</b>	<b>589,345,438,775</b>	<b>465,724,873,685</b>



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**3. Commission on reinsurance ceded**

See Note V.18.

**4. Sales of selling other goods and providing other services**Accumulated from the beginning of the year  
to the end of the period

	Current year	Previous year
Sales of trading petrol	11,922,140,731	58,930,252,735
Sales of providing telecommunication equipment and inbuilding project	56,960,764,989	9,738,131,877
<b>Total</b>	<b>68,882,905,720</b>	<b>68,668,384,612</b>

**5. Sales of trading investment property**Accumulated from the beginning of the year  
to the end of the period

	Current year	Previous year
Leasing investment property	4,311,145,013	1,604,032,474
<b>Total</b>	<b>4,311,145,013</b>	<b>1,604,032,474</b>

**6. Total claim expenses**Accumulated from the beginning of the year  
to the end of the period

	Current year	Previous year
Total claim expenses	932,810,254,713	791,766,075,513
<i>Health insurance and accident insurance</i>	200,510,594,428	173,695,211,804
<i>Credit security insurance</i>	28,196,892,994	13,792,444,106
<i>Property and damage insurance</i>	100,208,406,595	42,752,636,821
<i>Cargo insurance</i>	39,316,122,924	11,076,110,993
<i>Motor vehicle insurance</i>	522,634,522,142	473,060,103,295
<i>Fire and explosion insurance</i>	15,111,004,853	52,718,313,718
<i>Hull and civil liability of ship owner insurance</i>	18,975,010,854	15,276,251,152
<i>Joint liability insurance</i>	7,857,699,923	9,395,003,623
Deductions	(8,705,594,440)	(3,205,430,865)
Receiving indemnity of reinsurance ceded	(240,223,133,612)	(96,064,687,351)
Decrease in claim reserve for written premium and reinsurance assumed	(38,336,814,764)	(16,400,028,302)
Decrease in indemnity reserve for reinsurance ceded	32,414,667,147	(54,488,053,136)
<b>Total claim expenses</b>	<b>677,959,379,044</b>	<b>621,607,875,859</b>

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**7. Other expenses for insurance operation**

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Insurance commission	180,143,392,157	150,883,465,041
Insurance agency management	211,924,992,189	119,912,670,514
Damage limit provision	7,100,701,651	6,110,707,482
Insurance funds	16,366,642,794	10,807,755,220
Others	382,352,199,919	283,868,560,535
<b>Total</b>	<b>797,887,928,710</b>	<b>571,583,158,792</b>

**8. Costs of providing other goods and services**

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Costs of petrol already sold	6,038,656,624	56,607,095,105
Costs of telecommunication equipment and inbuilding project already provided	54,529,906,319	5,773,382,856
<b>Total</b>	<b>60,568,562,943</b>	<b>62,380,477,961</b>

**9. Costs of trading investment property**

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Leasing investment property	2,550,744,188	1,807,147,514
<b>Total</b>	<b>2,550,744,188</b>	<b>1,807,147,514</b>

**10. Financial income**

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Termed deposit interest	72,526,810,723	73,986,676,105
Demand deposit interest	163,702,054	106,167,628
Interest on trading securities, bonds and other investments	29,050,241,858	69,578,105,415
Dividends and profit shared	7,020,913,464	6,592,021,012
Gain on realized exchange rate differences	1,110,537,598	738,225,840
Gain on long-term investments	838,478,337	
Others	659,710,285	350,977,537
<b>Total</b>	<b>111,370,394,319</b>	<b>151,352,173,537</b>



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**Notes to the interim consolidated financial statements (cont.)****11. Financial expenses**

	<b>Accumulated from the beginning of the year to the end of the period</b>	
	<b>Current year</b>	<b>Previous year</b>
Loan interest expenses	4,190,265,898	4,433,681,181
Loss from realized exchange rate difference	3,307,315,734	794,788,960
Loss from trading securities	18,096,285,870	23,428,838,924
Appropriation of provision for devaluation of short-term and long-term investments	63,621,424,763	88,140,765,909
Others	967,408,680	9,329,585,035
<b>Total</b>	<b>90,182,700,944</b>	<b>126,127,660,009</b>

**12. Administrative overheads**

	<b>Accumulated from the beginning of the year to the end of the period</b>	
	<b>Current year</b>	<b>Previous year</b>
Expenses for staff	223,947,892,592	177,456,975,121
Expenses for materials, supplies	10,294,926,670	10,679,448,205
Expenses for managing tools	5,751,379,620	5,177,243,106
Depreciation of fixed assets	7,244,684,442	6,751,378,335
Taxes, fees and duties	8,108,498,137	8,494,898,152
Contingent expenses	407,728,541	(2,524,868,787)
External services hired	42,589,346,428	35,862,857,779
Other expenses in cash	74,752,362,428	55,062,456,103
<b>Total</b>	<b>373,096,818,857</b>	<b>296,960,388,014</b>

**13. Basic earnings per share**

	<b>Accumulated from the beginning of the year to the end of the period</b>	
	<b>Current year</b>	<b>Previous year</b>
Accounting profit after corporate income tax	27,156,317,541	32,061,033,874
Appropriation of customer bonus fund	(271,563,175)	(320,610,339)
Appropriation of allowances for the BOM and the Control Board	(271,563,175)	(320,610,339)
Appropriation of the Executive officers' bonuses	(407,344,763)	(480,915,508)
Profit distributed to common equity holders	26,205,846,428	30,938,897,688
Average number of common shares outstanding during the period	80,395,709	80,395,709
<b>Basic earnings per share</b>	<b>326</b>	<b>385</b>

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The average number of common shares outstanding during the period is calculated as follows:

	Accumulated from the beginning of the year to the end of the period	
	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		
<b>Average number of common shares outstanding during the year</b>	<b>80,395,709</b>	<b>80,395,709</b>

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 interim consolidated financial statements.

**VII. OTHER INFORMATION****1. Transactions with related parties**

*Income of the key managers is as follows:*

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
Salary of the Executive Officers	4,926,060,080	3,877,117,500
Allowances for the BOM and the Control Board	359,382,976	1,054,827,359
<b>Total</b>	<b>5,285,443,056</b>	<b>4,931,944,859</b>

***Transactions with other related parties***

Other related parties of the Corporation include:

<b>Other related parties</b>	<b>Relationship</b>
DB Insurance Co., Ltd.	Capital contributor
Vietnam Post Corporation (VNPost)	Capital contributor
VNDirect Securities JSC.	Capital contributor
Vietnam Petrol Commercial Corporation (VinaPetro)	Subsidiary
VN-IBS., JSC.	Subsidiary
Post Real Estate Joint Stock Company (PostRe)	Subsidiary
Lanexang Assurance Public Insurance JSC. (LAP)	Associate
Kasati JSC.	Associate



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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:

	Accumulated from the beginning of the year to the end of the period	
	Current year	Previous year
<b>DB Insurance Co., Ltd.</b>		
Reinsurance premium ceded	4,615,604,701	4,181,976,647
Receiving commission on reinsurance ceded	1,541,302,235	1,468,787,089
Receiving indemnity of reinsurance ceded	336,394,009	145,232,160
Dividends of the previous year benefited	24,000,000,000	36,000,000,000
<b>VNPost</b>		
Dividends of the previous year benefited	14,580,518,400	21,870,777,600
<b>VNDirect Securities JSC.</b>		
Dividends of the previous year benefited	12,012,844,000	18,019,266,000

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

	Ending balance	Beginning balance
LAP		226,672,944
<b>Total liabilities receivable</b>		<b>226,672,944</b>
DB Insurance Co., Ltd. – payable on insurance premium	4,105,336,147	3,072,937,991
DB Insurance Co., Ltd. – payable on dividends	24,000,000,000	
VNPost	14,580,518,400	
VNDirect Securities JSC.	12,012,844,000	
<b>Total liabilities payable</b>	<b>54,698,698,547</b>	<b>3,072,937,991</b>

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.

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**

During the period, the Group's sales mainly include sales of providing non-life insurance services and the Group only operates in one geographical segment of Vietnamese territory. Therefore, the Group has not presented the segment reporting in accordance with the business segments and geographical segments.

**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.

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#### 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.

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 receivable from customers is low.

#### *Cash in bank*

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

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



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**Notes to the interim consolidated financial statements (cont.)**

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

	Not yet overdue or devalued	Already overdue and/or devalued	Total
<b>Ending balance</b>			
Cash and cash equivalents	92,974,902,053		92,974,902,053
Financial assets recognized at fair value through profit or loss statement	179,457,929,139	444,692,783,416	624,150,712,555
Investments held to maturity date	3,069,283,842,063	74,910,347,222	3,144,194,189,285
Receivable from customers	528,885,803,348	39,387,745,697	568,273,549,045
Other receivable	221,488,103,788	12,735,944,864	234,224,048,651
Financial assets available for sale	26,510,000,000	68,879,498,488	95,389,498,488
<b>Total</b>	<b>4,118,600,580,391</b>	<b>640,606,319,687</b>	<b>4,759,206,900,077</b>
<b>Beginning balance</b>			
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
<b>Total</b>	<b>3,847,881,308,371</b>	<b>580,330,943,902</b>	<b>4,428,212,252,273</b>

**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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Notes to the interim consolidated financial statements (cont.)

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:

	<b>Under 1 year</b>	<b>From 1 year to 5 years</b>	<b>Total</b>
<b>Ending balance</b>			
Payable to suppliers	745,543,555,715		745,543,555,715
Loans and debts	196,581,600,512	7,182,471,350	203,764,071,862
Other payable	178,724,475,440	1,142,441,836	179,866,917,276
<b>Total</b>	<b>1,120,849,631,667</b>	<b>8,324,913,186</b>	<b>1,129,174,544,853</b>
<b>Beginning balance</b>			
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
<b>Total</b>	<b>764,965,964,905</b>	<b>9,030,994,570</b>	<b>773,996,959,475</b>

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 Corporation 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 30 June 2019 and 1 January 2019 and are based on the value of net liabilities. Changes in foreign exchange rates, interest rates, price of securities used in the analyses of sensitivity are based on the evaluation of ability to occur within the next one year under observable circumstances of the market at present.

*Foreign currency risk*

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

The 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 rates.



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#### Notes to the interim consolidated financial statements (cont.)

Interest rate risk of the Group is mainly related to termed deposits and loans 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	100,000,000	75,000,000
Investments held to maturity dates	3,144,194,189,285	2,677,752,977,653
Loans and debts	(203,764,071,862)	(133,593,560,714)
<b>Total</b>	<b><u>2,940,530,117,423</u></b>	<b><u>2,544,234,416,939</u></b>

As of 30 June 2019, 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 Group in the current period would increase/decrease by VND 47,048,481,879 (in the same period of the previous year, they had increased/decreased by VND 37,441,415,239). The sensitivity level to fluctuations of interest rates of the current period increases/decreases in comparison with that of the same period 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 Corporation manages the risk related to price of securities by setting up investment limit and diversifying investment portfolio.

As of 30 June 2019, 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 Group in the current period would increase/decrease by VND 9,986,411,401 (in the same period of the previous year, they had increased/decreased by VND 11,380,168,369) due to decrease/increase in reserves. The sensitivity level to fluctuations in prices of securities in the current period does not change materially in comparison with that in the same period 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 2018 and as of 30 June 2019.

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**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**Notes to the interim consolidated financial statements (cont.)****4. Financial assets and liabilities***Financial assets*

Net book value of financial assets is as follows:

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Cash and cash equivalents	92,974,902,053		124,625,653,602	
Trading securities	624,150,712,555	(140,391,544,516)	599,508,668,818	(76,375,920,784)
Investments held to maturity date	3,144,194,189,285	(8,915,710,175)	2,717,656,993,935	(32,520,375,649)
Receivable from customers	568,273,549,045	(38,415,433,774)	575,195,385,088	(41,068,205,233)
Other receivable	234,224,048,651	(12,321,944,864)	197,552,695,273	(19,764,048,988)
Financial assets available for sale	95,389,498,488	(38,722,980,388)	213,672,855,557	(51,102,880,881)
<b>Total</b>	<b>4,759,206,900,077</b>	<b>(238,767,613,717)</b>	<b>4,428,212,252,273</b>	<b>(220,831,431,535)</b>

*Financial liabilities*

	Ending balance	Beginning balance
Payable to suppliers	745,543,555,715	528,841,629,022
Loans and debts	203,764,071,862	133,593,560,714
Other payable	179,866,917,276	111,561,769,739
<b>Total</b>	<b>1,129,174,544,853</b>	<b>245,155,330,453</b>

*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 period	Previous period
<b>Structures of assets and capital sources</b>			
<i>Structure of assets</i>			
Current assets/Total assets	%	86.05	85.52
Long-term assets/Total assets	%	13.95	14.48
<i>Capital sources</i>			
Liabilities/Total capital sources	%	75.15	68.44
Owner's equity/Total capital sources	%	24.85	31.56



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For the first 6 months of the fiscal year ended 31 December 2019

**Notes to the interim consolidated financial statements (cont.)****Solvency**

Current solvency	Time	1.33	1.46
Short-term liabilities solvency	Time	1.15	1.25
Quick solvency	Time	0.02	0.04
Long-term liabilities solvency	Time	113.46	137.77

**Profit ratio*****Profit ratio/Revenue***

Profit ratio before tax/Net revenue	%	1.72	2.66
Profit ratio after tax/Net revenue	%	1.46	2.12

***Profit ratio/Total assets***

Profit ratio before tax/Total assets	%	0.45	0.69
Profit ratio after tax/Total assets	%	0.38	0.55

<b><i>Profit ratio after tax/Owner's equity</i></b>	<b>%</b>	<b>1.53</b>	<b>1.75</b>
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**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 learns 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 Group is stipulated in the Circular No. 50/2017/TT-BTC dated 15 May 2017 of the Ministry of Finance guiding the implementation of Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government on the Law on Insurance Business.

The attached appendix (pages 62 - 63) presents the minimum solvency margin and solvency margin of the Group. 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.

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## INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Notes to the interim consolidated financial statements (cont.)

### 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 interim consolidated financial statements.

Prepared on 28 August 2019

Prepared by

Chief Accountant

General Director



Pham Hong Tien



Cao Thu Hien



Bui Xuan Thu



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

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2019

**SOLVENCY STATEMENT**

Unit: VND

		From 1 Jul. 2018 to 30 Jun. 2019	From 1 Jul. 2017 to 30 Jun. 2018
<b>I.</b>	<b>Difference between asset value and liabilities payable</b>	<b>1,779,827,872,590</b>	<b>1,831,405,534,623</b>
1.	Total assets	7,162,663,597,205	5,802,578,885,319
2.	Liabilities payable	5,382,835,724,615	3,971,173,350,696
<b>II.</b>	<b>Asset value excluded</b>	<b>474,448,087,617</b>	<b>399,921,165,623</b>
<b>1.</b>	<b>Assets of which accounting values are fully excluded:</b>	<b>100,743,443,207</b>	<b>110,399,502,984</b>
1.1	Capital contribution to establish other insurance companies from the owner's equity of insurance company	25,693,741,133	25,273,351,547
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	74,067,976,229	83,590,863,119
1.6	Receivable on insurance premium and reinsurance premium assumed overdue 2 years less relevant provision for bad debts as regulated	981,725,845	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	-	-
<b>2.</b>	<b>Assets of which accounting values are partly excluded:</b>	<b>373,704,644,411</b>	<b>289,521,662,639</b>
2.1	Investment assets:	119,913,791,530	116,503,295,285
a)	Secured bonds: excluding 1% of accounting value;	-	-
b)	Unsecured bonds: excluding 3% of accounting value;	6,000,000,000	5,940,000,000
c)	Listed shares: excluding 15% of accounting value;	53,930,852,421	81,313,609,919
d)	Unlisted shares: excluding 20% of accounting value;	36,177,334,000	12,170,980,908
d)	Direct investments in property used by the company itself: excluding 8% of accounting value;	967,325,626	967,325,626
e)	Direct investments in property for lease, secured trading loans: excluding 15% of accounting value;	19,694,629,865	16,111,378,833
g)	Contribution capital to other entities except for insurance companies: excluding 20% of accounting value.	3,143,649,618	-

For the first 6 months of the fiscal year ended 31 December 2019

## Unit: VND

		<b>From 1 Jul. 2018 to 30 Jun. 2019</b>	<b>From 1 Jul. 2017 to 30 Jun. 2018</b>
2.2	Accounts receivable	1,365,345,837	3,841,760,922
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%	804,702,848	2,097,005,534
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%.	560,642,989	1,744,755,388
2.3	Tangible fixed assets, intangible fixed assets which are computer software and inventories: excluding 25% of accounting value	27,487,269,238	23,484,102,301
2.4	Other assets: excluding 15% of accounting value	224,938,237,805	145,692,504,131
III.	<b>Solvency margin (I-II)</b>	<b>1,305,379,784,973</b>	<b>1,431,484,369,000</b>
IV.	<b>Minimum solvency margin</b>		
	25% total retained premium	792,011,391,051	649,419,912,894
	Comparison of solvency margin and minimum solvency margin (III and IV)		
	Absolute figure difference	513,368,393,922	782,064,456,106
	Percentage (%) difference	165%	220%

Prepared on 28 August 2019

Prepared by

Shen

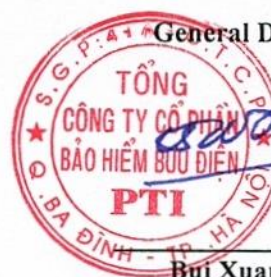
Pham Hong Tien

**Chief Accountant**



Cao Thu Hien

**General Director**



Bui Xuan Thu

