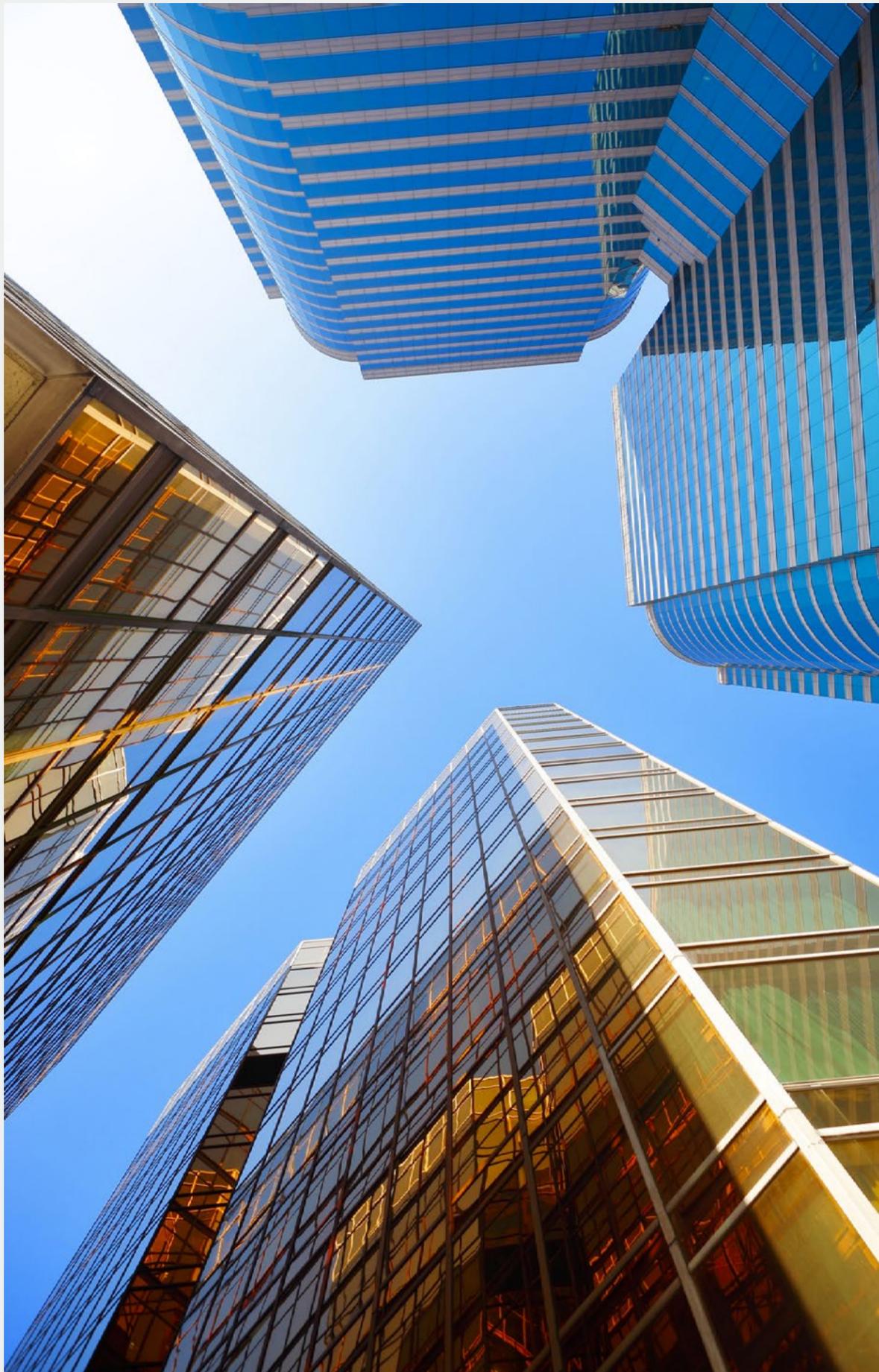


# ANNUAL REPORT





# CONTENTS

MESSAGE	04
OVERVIEW OF PTI	06
1. General Introduction	06
2. Vision Towards 2020	06
3. Customer Focus	07
4. Board of Directors	08
5. Supervisory Board	12
6. Board of Management	14
7. Organization Structure	16
PRODUCTS AND OPERATIONS	19
OPERATION REPORT	25
1. Operating Results	26
2. Community-Based Activities	30
3. Remarkable Events	32
4. Titles and Awards	34
FINANCIAL STATEMENTS	36
1. Independent Auditor's Report	38
2. Combined Financial Statements	40
NETWORK	46

# MESSAGE FROM THE CHAIRMAN



*To: Shareholders, Valued Customers and partners*

2016 witnessed Vietnam's remarkable successes such as macroeconomic stability, low inflation and growth recovery. The insurance market recorded positive growth with the gross written premium amounting to VND87,563 billion, up 37% as compared to 2015, of which general insurance reported the total premium income of VND37,197, up 15%. However, 2016 also saw numerous natural disasters and calamities combined with increasingly fierce competition among insurance enterprises in the market. Although the claim payments and insurance payouts continue to increase sharply, quite a few insurance enterprises are still prepared to lower their premium, extend policy terms and conditions, which pose more risks for insurance business.

Insurance business – finance in such an extremely difficult environment is really a challenge for each enterprise. Nevertheless, thanks to the close attention and drastic leadership of the Board of Management, Posts and Telecommunications Joint Stock Insurance Corporation (PTI) successfully fulfilled tasks and indicators and plans set out by the General Meeting of Shareholders. Accordingly, PTI's direct insurance revenue reached VND3,096 billion, fulfilling 103.2% of the yearly plan, representing a rise of 25% as against 2015, affirming the position as one of the top three enterprises with the biggest market shares, ensuring the dividend payout ratio of 12% - the highest ratio among insurance enterprises in the market.



In addition to encouraging growth, PTI continued to consolidate the organization structure at the Headquarters of the Corporation, improve service quality, expand distribution channels, upgrade service process, promote brand development and communication, and build a professional team imbued with PTI's corporate culture: solidarity – discipline – civilizedness - innovativeness.

In 2017, PTI will face a lot of difficulties and challenges in terms of claims ratio control and financial management. The Corporation's system must maintain its spirit of solidarity and make best efforts based on development guidelines set forth by the Board of Directors and the Board of Management, fulfilling objectives adopted by the General Meeting of Shareholders, maintaining a high dividend payout ratio of 12% and meeting your expectations. I strongly believe that PTI will become one of the leading retail insurers with the largest sales and customer service network in Vietnam and the insurer with the best customer service quality in the near future.

On behalf of the Board of Directors, the Supervisory Board, the Board of Management and PTI's staff, I would like to express my sincere thanks for your trust, support and cooperation over the last years. PTI always desires to remain your partner on the way to achieving more success in the coming time.

Yours faithfully,

BOD Chairman

**Nguyen Minh Duc**

# OVERVIEW OF PTI

## GENERAL INTRODUCTION

**1998:** PTI was established

**2011:** PTI's shares were listed on the stock exchange

**2015:** Dongbu - Korea's second largest insurer – became the strategic shareholder of PTI

**THE THIRD LEADING** non-life insurer in Vietnam

**THE SECOND LARGEST** motor vehicle insurer

**THE LEADING** online insurer

Possessing the country's largest sales and customer service **NETWORK** with 41 subsidiaries, more than 100 transaction offices, 10,800 post offices of Vietnam Post Corporation

## VISION TOWARDS 2020

- Becoming one of the **LEADING** retail non-life insurers in the market
- Becoming one of the leading insurers with the best customer **SERVICE QUALITY**
- Becoming a **SOCIALLY** - responsible enterprise, making significant contributions to the development and prosperity of the community and the country



## CUSTOMER FOCUS

**W**ith the fundamental business philosophy of "Putting Customers at the Center of Business", PTI expects to provide customers with the best experience when using PTI's services. Therefore, PTI has invested every resource to continuously improve customer service quality, identifying the application of advanced technologies to be the prominent advantage to promote customers' convenience.

At present, PTI pioneers in successfully implementing features in customer service, enabling customers to actively select service and product packages, actively inquire claim settlement progress; integrating the callcenter into the garage quality and customer satisfaction inspection and supervision process; identifying the position of the nearest adjusters through the positioning system in order to assign adjusters to arrive the scene on a timely basis, etc. committing to be present at the scene within 30 minutes upon receipt of notice of loss from customers.

With respect to personal insurance, PTI deploys online approval of claim files at almost all of our subsidiaries, facilitating their claims settlement; focuses on expanding direct billing

systems in provinces, executing other value-added services such as referring customers to reputed hospitals for medical examination and treatment, making appointments for VIP customers, issuing monthly health bulletins to help customers avoid risks, etc.

In particular, PTI is the general insurer which pioneers in successfully taking full advantage of online business to offer practical products, services and utilities for customers. In 2016 only, PTI got connected with five payment portals, introduced five new products suitable for online shopping, etc. Given constant efforts made in online insurance, PTI is now the leading insurer with the highest revenue as well as with diversity of features and utilities offered to customers.

With a clear vision and specific plan, PTI is committed to customer success and devoted to corporate social accountability.



## BOARD OF DIRECTORS



**Mr. Nguyen Minh Duc**

BOD Chairman

Mr. Nguyen Minh Duc is a Master of Accounting graduating from Swinburne University of Technology, Australia. He has 20 years of working experience in finance and currently acts as Deputy CEO of Vietnam Post Corporation.



**Mr. Kim, Kang Wook**

Vice Chairman

Mr. Kim, Kang Wook graduated from Kookmin University, Korea with the Bachelor of Economics Degree. Since 2010, he has served as the Head of the Hochiminh City-based Representative Office of DONGBU Insurance Co., Ltd.

# BOARD OF DIRECTORS



**Mr. Park, Je kwang**  
Member

Mr Park, Je Kwang graduated from Seoul National University, South Korea. He is one of the top experts on insurance in Dongbu Insurance.



**Mrs. Tran Thi Minh**  
Independent Member

Mrs. Tran Thi Minh held various top positions such as Deputy Director of Vietnam Postal Services, Deputy CEO of Posts and Telecommunications Joint Stock Insurance Corporation.



**Mr. Bui Xuan Thu**  
Member

Mr. Bui Xuan Thu possesses Bachelor's degrees in Finance, law and a Master of Business Administration degree. He has 25 years of experience in finance – insurance and currently acts as CEO of Posts and Telecommunications Joint Stock Insurance Corporation.



**Mr. Mai Xuan Dung**  
Member

Mr. Mai Xuan Dung graduated from the National Economics University with a Bachelor's degree and from the University of Queensland, Australia with a Master's degree in International Finance and Economics. He has 25 years of experience in insurance and currently works as the Deputy CEO of Vietnam National Reinsurance Corporation..



**Mrs. Pham Minh Huong**  
Member

Mrs. Pham Minh Huong held various key positions such as Director of Currency Trading and Financial Markets at Citibank, Chief Executive Officer of IPA Investments Corporation. At present, she acts as BOD Chairman of VNDIRECT Securities Corporation.

# SUPERVISORY BOARD



**Mrs. Bui Thanh Hien**

Member of Supervisory Board

Mrs. Bui Thanh Hien is a bachelor of economics – accounting from the University of Finance and Accountancy. At present, she works as Deputy Manager of Finance – Accounting of COKYVINA Joint Stock Company.



**Mrs. Nguyen Thi Ha Ninh**

Member of Supervisory Board

Mrs. Nguyen Thi Ha Ninh currently serves as Chief Accountant of VNDIRECT Securities Corporation. She possesses a Bachelor's degree in Economics and Insurance from the National Economics University.

**Mr. Bae, Taeg Soo**

Member of Supervisory Board

Mr. Bae, Taeg Soo graduated from Seogang University, Korea with a degree in Economics and Business Administration. He has a wealth of experience in insurance and held numerous key positions in Dongbu Insurance Co., Ltd.



**Mr. Park, Ki Hyun**

Member of Supervisory Board

Mr. Park, Ki Hyun is a Master of Business Administration, Finance from Rutgers University, USA. Currently, he acts as Director of Dongbu Insurance Co., Ltd.

**Mr. Nguyen Huu Thang**  
Head of Supervisory Board

Mr Nguyen Huu Thang has been working in PTI since 2012. He graduated as Bachelor of Economics at National Economics University and has many experience in Accounting-Finance field.



# BOARD OF MANAGEMENT



**Mr. Bui Xuan Thu**

BOD member-cum-CEO

Mr. Bui Xuan Thu holds Bachelor's degrees in Finance, Law and Master of Business Administration degree. He has 25 years of experience in finance - insurance and has acted as CEO of Posts and Telecommunications Insurance Joint Stock Corporation since May 2015.



**Mr. Do Quang Khanh**

Deputy CEO

Mr. Do Quang Khanh graduated from Hanoi University of Finance and Accountancy with a degree in Economics. He possesses 25 years of experience in finance – accounting. He joined PTI in 1998 and was appointed as Deputy CEO in May 2011.

**Mr. Nguyen Duc Binh**

Deputy CEO

Before joining PTI, Mr. Nguyen Duc Binh worked at Baoviet Insurance Corporation. He joined PTI in 1998 and was appointed as Deputy CEO in September 1998.



**Mr. Nguyen Xuan Thai**

Deputy CEO

Mr. Nguyen Xuan Thai holds a Master of Business Administration degree from the United Business Institute (UBI), Belgium. Before being appointed as Deputy CEO in August 2016, he deserved credit for bringing PTI to the position of the second largest motor vehicle insurer in the market.



**Mr. Huynh Viet Khoa**

Deputy CEO

Mr. Huynh Viet Khoa graduated from the University of Economics, Ho Chi Minh City with a degree in Economics. In 2009, he joined PTI and acted as Director of PTI Ho Chi Minh City Company. He was appointed as Deputy CEO in April 2011.

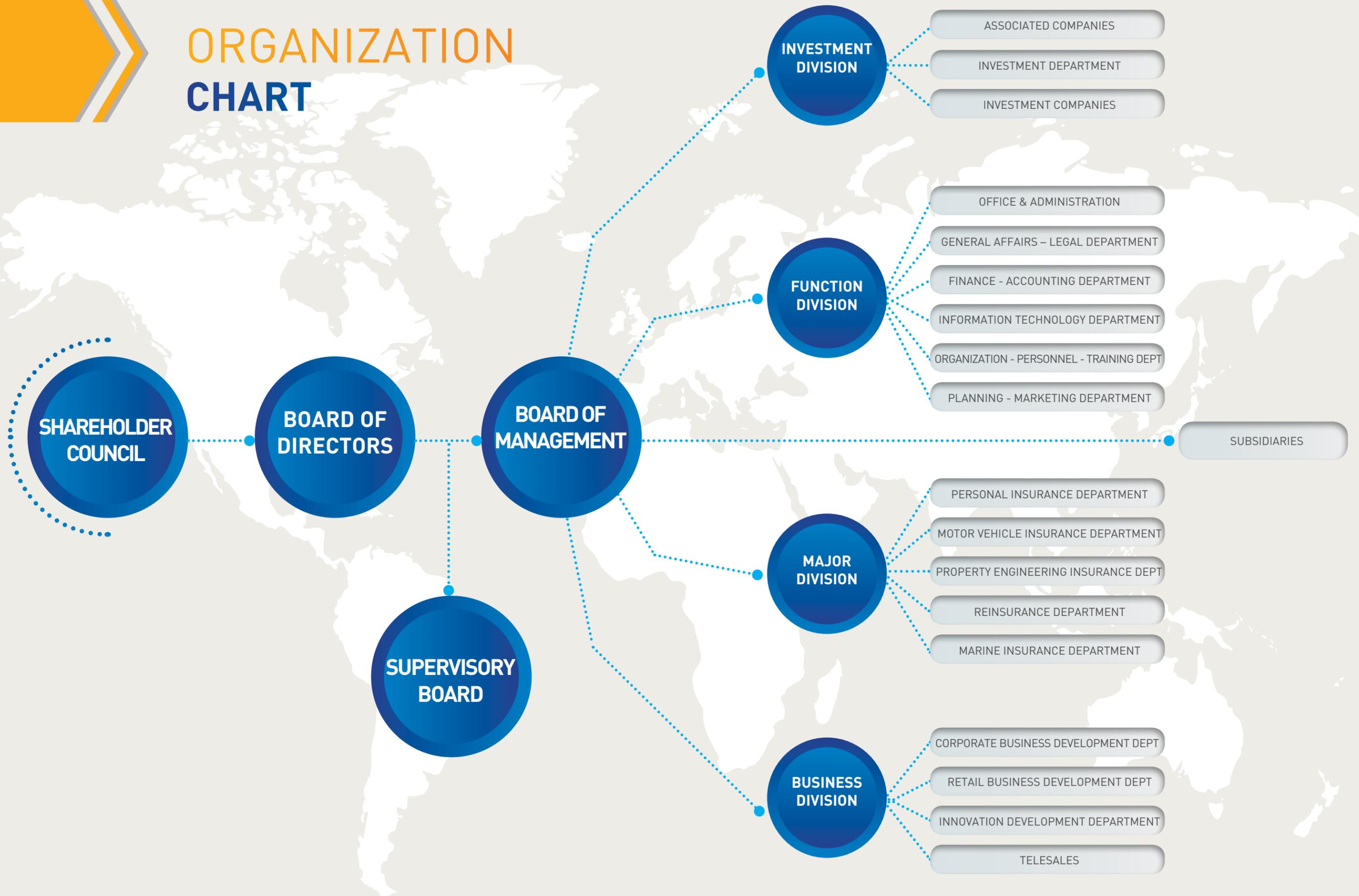


**Mrs. Luu Phuong Lan**

Deputy CEO

Mrs. Luu Phuong Lan has 22 years of experience in finance and insurance. She has worked for PTI since 2000 and held numerous key positions such as Director of Personal Insurance Department, Director of Property and Engineering Department. She was appointed as Deputy CEO in August 2016.

# ORGANIZATION CHART



# SHARES STRUCTURE

INDICATORS	NUMBER OF SHARES
<b>Total number of shares</b>	<b>80.395.709</b>
- common shares	80.395.709
- preferred shares	0
<b>Number of outstanding shares</b>	<b>80.395.709</b>
- freely transferable shares	50.395.709
- restricted common shares	30.000.000

# SHAREHOLDER STRUCTURE

NO.	CATEGORIES OF SHAREHOLDER	NUMBER OF SHARES HELD	SHAREHOLDING PERCENTAGE
<b>1</b>	<b>Corporate shareholders</b>	<b>70.372.790</b>	<b>87,53%</b>
1.1	Domestic corporate shareholders	39.896.570	49,63%
	- Vietnam Post Corporation	18.225.648	22,67%
	- VNDIRECT Securities Corporation	13.209.875	16,43%
	- Other corporate shareholders	8.461.047	10,53%
1.2	Foreign corporate shareholders	30.476.220	37,91%
	- Dongbu Insurance Co., Ltd	30.000.000	37,32%
	- Other foreign corporate shareholders	476.220	0,59%
<b>2</b>	<b>Individual shareholders</b>	<b>10.022.919</b>	<b>12,47%</b>
2.1	Domestic individual shareholders	10.004.951	12,45%
2.2	Foreign individual shareholders	17.968	0,02%

As of June 20, 2016 – the record date for determining shareholders entitled to receive remaining dividend of 2014 and dividend of 2015.



## PRODUCTS & SERVICES

Motor vehicle insurance

Personal insurance

Property Engineering Insurance

Marine Insurance

Reinsurance



## MOTOR VEHICLE INSURANCE

*For safe journeys*

**With constant efforts to improve service quality, PTI 's motor vehicle insurance has gained customer trust and is widely used by customers. At present, PTI is the second biggest insurer with the largest revenue from motor vehicle insurance.**

### Several typical utilities provided by PTI in the market:

- Simple and quick claim settlement procedures
- Wide garage network with 450 garages nationwide
- Commitment to be present at the accident site to assist customers within 30 minutes upon receipt of notice from customers
- The largest PAN rescue scale in the market: within a radius of 100km from the centers of big cities
- Increasing the minimum claim level requiring police 's dossiers to VND30 million, three times higher than that applied by other insurers in the market.



## PERSONAL INSURANCE

*For the security and prosperity of each family*

Personal insurance is one of PTI 's conventional insurance businesses with more than 30 products of different classes of insurance. At present, PTI 's products are divided into multiple groups, namely Accident insurance, Life insurance, Combined health insurance, Student 's insurance, Travel insurance, Workmen 's compensation insurance, etc. with a view to fully satisfying demands of all customers. Furthermore, PTI also pioneers in developing new products (Critical illness insurance) or promotes cooperation with new distribution channels for the purpose of establishing the product ecosystem to provide optimum assistance for customers such as internet service providers, commercial banks, etc.



## PROPERTY AND ENGINEERING INSURANCE

*For strong financial resources*

Since its debut, property and engineering insurance is always PTI's strength with such main groups of products as property insurance, engineering insurance, liability insurance and combined insurance.

PTI takes the lead in the market in electronic equipment insurance with over 90% of the market share. Particularly, since 2010, PTI has served as the main insurer for Vinasat 1, Vinasat 2 satellites.

With deep experience accumulated over a long period of operation, a team of highly passionate and knowledgeable people and technical assistance from international reputed reinsurers, PTI is always the first choice of investors, contractors in property and engineering insurance.



## MARINE INSURANCE

*For full sailing*

**PTI's marine insurance comprises of Cargo insurance and Watercraft insurance.**

**Cargo insurance:**

- Import cargo insurance
- Export cargo insurance
- Inland cargo insurance

**Watercraft insurance:**

- Hull insurance
- P & I insurance
- Shipbuilders' risk insurance
- Crew accident insurance



## REINSURANCE

As one of the first insurers in Vietnam, PTI has unrivalled experience in placing big and specialized insurance packages, including Electronic Equipment Insurance for Vinaphone (Trên 4,000 tỷ), Construction Insurance for the National Assembly's project (VND5.8 trillion), Saigon M&C Building, Property Insurance for Vinpearl Da Nang (VND1.2 trillion)... PTI is also experienced in recovering big losses such as Ha Nam Textile (USD6 million), Chutex Garment Factory (USD20.5 million), Theodore Alexander Furniture (USD17.5 million).

PTI has widely cooperated with leading reinsurers in the worlds such as Swiss Re, Munich Re, Korean Re, Sompo Japan Nippon Koa... as well as insurance brokerage companies such as Aon Benfield, Marsh, Willis... reinsurers participating in PTI's reinsurance contracts are all ranked A (strong financial security) or higher by Standard and Poors or A (Excellent financial capacity) or higher by A.M. Best.

# OPERATION REPORT

Operating Results

Community-Based Activities Remarkable

Events

Titles & Awards

# OPERATING RESULTS

Unit: Million VND

TT	INDICATORS	PLAN 2016	FULFILLMENT 2016	
			Amount	%/ Plan
1	Turnover from insurance business contracts	3.126.500	3.226.174	103%
	- Direct insurance	3.000.000	3.096.474	103%
	- Inward reinsurance	126.500	129.700	102%
2	Profit from investments and other activities	165.349	124.702	75%
3	Total costs	3,124,241	3.221.380	
	Cost/turnover ratio	99,93%	99.85%	
4	Before-tax profit	170.956	129.496	76%
5	After-tax profit	136.765	104.730	77%
6	Dividend Payout Ratio	12%	12%	100%

The gross written premium in 2016 reached VND3,226 billion, fulfilling 103% of the business plan, growing by 26% as compared to 2015. Of the sum, turnover from motor vehicle insurance was VND1,856 billion, representing a YoY increase of 24%, accounting for 60% of PTI's total turnover, the highest proportion among the four classes of insurance. PTI continued to rank third in the market for its total market share and rank second for its motor vehicle insurance.

There were several main causes affecting PTI's business activities, including:

- Investment activities failed to fulfill the plan because some real estate projects have not been sold.
- The number of big losses handled by Motor vehicle insurance increases sharply, affecting the general claim ratio.

**Labour productivity:** Average labour productivity in 2016 reached VND1.7 billion/person, increasing by 11% as compared to 2015. This figure is relatively high in comparison to those of other enterprises in the insurance market amid difficulties faced by the economy and the insurance market.

**Dividend payout ratio of 12% - the highest dividend payout ratio among non-life insurers.**

## Distribution channels work stably.

**Vnpost channel:** Turnover gained through this channel reached VND603 billion, increasing by 32.7% as compared to 2015. This is a distribution channel with the highest turnover and efficiency across the system. In 2016, PTI has successfully launched several insurance products via this channel such as: Household electricity user insurance, Pension insurance, etc.

**Bancassurance channel:** Turnover gained through bancassurance hit VND514 billion, rising by 31.7% over 2015. Comprehensive cooperation was maintained with 10 banks. The scenario of "intensive development" and diversity of products at several core banks was developed successfully, producing a high proportion of turnover. Typically, at VPbank: total premium turnover earned via this bank accounted for 22% of PTI's gross written premium via bancassurance.

**Telesales channel:** PTI is a general insurer which pioneers in developing online sale channel. Premium income gained via this channel reached VND56 billion, twice higher than that of 2015. PTI is among the leading online insurers.

## SEVERAL FINANCIAL INDICATORS

INDICATORS	2015	2016
Owner's equity	1,631,900	1,631,900
Investment capital	803,957	803,957
Equity surplus	827,943	827,943
Total assets	4,246,341	4,896,388
Underwriting reserve	966,352	1,253,855





## CORPORATE GOVERNANCE INNOVATION RESULTS

- 2016 is the first year PTI applies the model that manages motor vehicle claims by both financial year and year during which the relevant claim is made. This empowers PTI to accurately manage claims data of each product line, thereby making proper adjustments and decisions to improve business performance.
- Planning and standardizing reporting systems by line of insurance and distribution channel, providing complete and accurate management information member to units in order to improve business management capacity and performance.
- Expanding partnerships to take advantage of the e-commerce environment, helping improve the corporation's premium income as well as promote the brand name of PTI on the market. In 2016, PTI cooperates with more than 20 partners in developing products as well as diversifying payment gateways in order to provide convenience to customers.
- Organizing 58 training courses for 1,453 employees in various forms and with diverse contents: short-term training, long-term (distance) training, insurance training, training on management, teaching, customer care and sales skills ... What is new in PTI's training activities organized in 2016 is that the focus is put on improving their practicality and effectiveness and developing the corporation's own training and teaching programs with a view to improving staff performance.

## RESULTS OF SCIENTIFIC & TECHNICAL ACTIVITIES AND MANAGEMENT TECHNIQUE IMPROVEMENT

Creation and innovation are the two cultural values that are highly respected by PTI. In 2016, the corporation introduces many great initiatives to aim at higher income and more efficient management. Following are certain IT initiatives that have practical effects on PTI's business activities in 2016:

- Building and improving a module that is connected to local banks' payment systems. Payment gateways are therefore able to make payment for customers' orders independently through the internet.
- Standardizing sales applications for online points of sale via the internet. This enables PTI's sales teams to sell products and synchronize intra-day data at the corporation. Notably, VNPOST's more than 10,000 points of sale are connected to PTI online.
- Successfully developing the mShield software, using PTI's online sales channels for VAS Center - Mobifone.
- Developing a web-based fast entry program for PTI's sales channels.
- Successfully applying the online direct billing program within PTI's direct billing network.
- Developing and successfully applying an exclusive brokerage-based quotation management software, which is an efficient way to manage PTI's customers.

- Applying IT in looking up motor vehicle claims online with customers.
- Converting all insurance business reports to a Web application that is more useful and convenient for users and ensures data system security.
- Developing more underlying services and webs that automatically send data via emails (renewal emails, emails that automatically send reminders on any policy/endorsement that has or changes any insurance benefit, etc.).
- Developing a source problem and a profit margin problem for lines of insurance.
- Developing IT infrastructure that enables site-to-site connections from the head office to PTI's member units in order to ensure that data are managed centrally and online backup and an online backup system is in place.
- Successfully upgrading the videoconferencing system that connects PTI with its member units.
- Successfully developing network and server infrastructure at PTI.

# COMMUNITY-BASED ACTIVITIES

In addition to its business promotion programs, PTI has been paying due attention to community-based activities, including supporting disadvantaged children and students with excellent academic achievements.

To this end, PTI has been working closely with the Central Vietnam Study Encouragement Association in organizing the "Cultivating Green Dreams" program across the country since 2010, aiming to help students with excellent academic results and studious poor students. With this program, PTI offers school supplies, books, notebooks, scholarships and "Phuc Hoc Duong" insurance cards to students nationwide.

After more than seven years of implementing the program, PTI has contributed gifts, scholarships and Phuc Hoc Duong insurance cards worth nearly VND10 billion.

Notably, since 2013, with the support of PTI's strategic shareholder Dongbu, the Dongbu Cultural Foundation has teamed up with the corporation in carrying out the "Cultivating Green Dreams" program, offering hundreds of scholarships and financing school facilities and teaching equipment for many schools. In 2016, PTI in collaboration with the foundation provides two fully-fitted classrooms for students at Nung Nang Secondary School in Lai Chau City. In addition, the program also offers 50 bicycles to pupils in Tam Duong District of Lai Chau Province and provides them with the most basic living skills. This therefore equips students with not only better learning conditions but basic knowledge also so that they will become more confident when communicating with others and know how to handle basic emergency situations

With the aim of becoming a "community-driven insurer", PTI will make every effort to contribute to the development of the country's young generations.



# REMARKABLE EVENTS



PREMIUM INCOME OF OVER  
**VND3,000 BILLION**

SUCCESSFULLY APPLYING  
INFORMATION TECHNOLOGY IN  
CORPORATE GOVERNANCE



LAUNCHING  
**FIVE** NEW MEMBER COMPANIES



THE LEADING ONLINE  
INSURER IN VIETNAM



MAINTAINING PTI'S POSITION AS  
**THE SECOND** LARGEST MOTOR VEHICLE  
INSURER AND  
**THE THIRD** LEADING HEALTHCARE INSURER

**AWARDED WITH  
THE EMULATION  
FLAG OF THE  
GOVERNMENT**

**LISTED IN THE  
VNR500**

**MAKING GREAT  
PROGRESS IN PTI'S  
HR POLICY**

**WINNING THE  
2016 ENTERPRISE  
FOR EMPLOYEES  
AWARD**

**TITLES &  
AWARDS**

**HONORED  
WITH THE 2016  
NATIONAL  
BRAND AWARD**

# FINANCIAL STATEMENTS

Independent auditor's report  
Combined financial statements



# INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying combined financial statements of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation"), which were prepared on 10 March 2017, from page 9 to page 51, including the combined balance sheet as of 31 December 2016, the combined income statement, the combined cash flow statement for the fiscal year then ended and the notes to the combined financial statements.

### The Management Board's Responsibility

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

### Auditor's Responsibility

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

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

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

### Auditor's Opinion

In our opinion, the combined financial statements give a true and fair view, in all material respects, of the financial position of Post-Telecommunication Joint Stock Insurance Corporation as of 31 December 2016, its financial performance and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012 and the legal regulations related to the preparation and presentation of combined financial statements.

This report is made in Vietnamese and English of equal validity. The Vietnamese version will be the original for the reference when needed.

### A&C Auditing and Consulting Co., Ltd.



**Nguyen Van Kien – Deputy General Director**  
Audit Practice Registration Certificate:  
No. 0192-2013-008-1

Ho Chi Minh City, 16 March 2017



**Tran Anh Tuan – Auditor**  
Audit Practice Registration Certificate:  
No. 1708-2013-008-1

# COMBINED FINANCIAL STATEMENTS

## COMBINED BALANCE SHEET (Complete form)

ASSETS		Code	Note	Ending balance	Beginning balance
<b>A</b>	<b>CURRENT ASSETS</b>	<b>100</b>		<b>3,433,658,806,974</b>	<b>3,520,346,280,880</b>
<b>I</b>	<b>Cash and cash equivalents</b>		<b>V.1</b>	<b>75,002,395,142</b>	<b>302,677,015,685</b>
1	Cash			75,002,395,142	45,677,015,685
2	Cash equivalents			-	257,000,000,000
<b>II</b>	<b>Short-term financial investments</b>		<b>V.2</b>	<b>1,981,877,660,115</b>	<b>2,002,538,490,107</b>
1	Short-term investments			144,941,150,633	120,222,672,796
2	Provision for devaluation of short-term investment			(263,490,518)	(174,182,689)
3	Investment held to maturity date			1,837,200,000,000	1,882,490,000,000
<b>III</b>	<b>Short-term accounts receivable</b>			<b>665,287,611,952</b>	<b>575,338,315,793</b>
1	Receivable from customers			411,280,102,986	373,874,256,970
1.1	Receivable on insurance policies		V.3	411,280,102,986	329,205,951,278
1.2	Other receivable from customers			-	44,668,305,692
2	Short-term prepayments to suppliers		V.4	126,561,037,205	95,129,599,327
3	Other short-term receivable				
4	Other receivable		V.5	187,266,227,659	175,756,439,422
5	Provision for short-term bad debts		V.6	(59,819,755,898)	(69,421,979,926)
<b>IV</b>	<b>Inventories</b>		<b>V.7</b>	<b>3,383,502,562</b>	<b>3,211,631,929</b>
1	Inventories			3,383,502,562	3,211,631,929
2	Provisions for devaluation of inventories			-	-

## COMBINED BALANCE SHEET As of 31 December 2016

ASSETS		Code	Note	Ending balance	Beginning balance
<b>V</b>	<b>Other current assets</b>			<b>159,948,812,717</b>	<b>123,291,122,262</b>
1	Short-term prepaid expenses		V.8	152,279,898,233	122,181,842,274
1.1	Unappropriated commission expenses		V.8a	151,907,547,345	121,468,560,031
1.2	Other short-term prepaid expenses			372,350,888	713,282,243
2	VAT deductible			6,338,516,128	167,123,038
3	Taxes and accounts receivable from the State budget			1,330,398,356	942,156,950
4	Transaction of repurchasing the Government's bonds			-	-
5	Other current assets			-	-
<b>VIII</b>	<b>Reinsurance assets</b>			<b>548,740,571,691</b>	<b>513,289,705,104</b>
1	Reinsurance premium ceded reserve			331,811,783,188	298,110,560,168
2	Claim reserve for reinsurance ceded			216,928,788,503	215,179,144,936
<b>B</b>	<b>LONG-TERM ASSETS</b>	<b>200</b>		<b>1,462,729,199,463</b>	<b>725,995,124,107</b>
<b>I</b>	<b>Long-term accounts receivable</b>	<b>210</b>		<b>16,791,631,818</b>	<b>16,352,540,307</b>
1.	Receivable on long-term loans	211		-	-
2.	Long-term prepayments to suppliers	212		-	-
3.	Working capital in affiliates	213		-	-
4.	Long-term inter-company receivable	214		-	-
5.	Receivable on long-term loans	215		-	-
6.	Other long-term receivable	216		16,791,631,818	16,352,540,307
6.1	Insurance deposit	216.1		10,280,000,000	10,780,000,000
6.2	Other long-term receivable	216.2		6,511,631,818	5,572,540,307
7.	Provision for long-term bad debts	219		-	-
<b>II</b>	<b>Fixed assets</b>	<b>220</b>		<b>65,805,357,399</b>	<b>47,019,608,836</b>
1	Tangible assets	221	V.9	59,474,417,966	43,821,704,543
	<i>Historical costs</i>	222		119,980,805,746	96,313,698,224
	<i>Accumulated depreciation</i>	223		(60,506,387,780)	(52,491,993,681)
2	Financial leasehold assets	224		-	-
	<i>Historical costs</i>	225		-	-
	<i>Accumulated depreciation</i>	226		-	-

COMBINED BALANCE SHEET  
As of 31 December 2016

ASSETS		Code	Note	Ending balance	Beginning balance
3	Intangible assets	227	V.10	6,330,939,433	3,197,904,293
	Historical costs	228		10,989,035,367	7,193,563,011
	Accumulated depreciation	229		(4,658,095,934)	(3,995,658,718)
<b>III</b>	<b>Investment property</b>	<b>230</b>	<b>V.12</b>	<b>110,514,416,982</b>	<b>90,333,667,176</b>
	Historical costs	231		112,838,923,737	90,970,255,582
	Accumulated depreciation	232		(2,324,506,755)	(636,588,406)
<b>IV.</b>	<b>Long-term assets in progress</b>	<b>240</b>		<b>44,032,269,340</b>	<b>24,030,178,463</b>
1	Long-term operating expenses in progress	241		-	-
2	Construction in progress	242	V.13	44,032,269,340	24,030,178,463
<b>V</b>	<b>Long-term financial investment</b>	<b>250</b>		<b>1,204,014,871,619</b>	<b>534,844,157,967</b>
1	Investment in subsidiaries	251	V.2c	23,500,000,000	23,500,000,000
2	Investment in associates and joint ventures	252	V.2c	122,644,900,000	122,644,900,000
3	Investment, capital contribution in other entities	253	V.2c	235,458,566,400	57,095,000,000
4	Provision for long-term financial investment	254	V.2d	(30,804,966,363)	(45,616,527,061)
5	Investment held until maturity date	255	V.2b	853,216,371,582	377,220,785,028
<b>VI</b>	<b>Other long-term assets</b>	<b>260</b>		<b>21,570,652,305</b>	<b>13,414,971,358</b>
1	Long-term prepaid expenses	261	V.8b	21,570,652,305	13,414,971,358
2	Long-term equipment, materials, spare parts	262		-	-
3	Other long-term assets	268		-	-
<b>TOTAL ASSETS (270 = 100 + 200)</b>		<b>270</b>		<b>4,896,388,006,437</b>	<b>4,246,341,404,987</b>

COMBINED BALANCE SHEET  
As of 31 December 2016

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
<b>A</b>	<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		3,057,165,880,311	2,409,716,050,781
<b>I</b>	<b>Current liabilities</b>	<b>310</b>		3,056,135,424,175	2,407,707,127,645
1.	Payable to suppliers	311	V.14	218,058,696,356	133,609,380,747
1.1	Payable on insurance policies	311.1		209,943,147,515	127,664,598,876
1.2	Other payable to suppliers	311.2		8,115,548,841	5,944,781,871
2.	Advances from customers	312	V.15	25,596,262,651	36,829,272,276
3.	Taxes and other obligations to the State budget	313	V.16	24,985,342,901	21,627,829,978
4.	Payable to employees	314		53,191,525,993	56,373,623,424
5.	Short-term accrued expenses	315		301,382,436	692,255,517
6.	Short-term unrealized revenue	318.1		92,416,150,533	70,609,802,390
7.	Short-term unearned commission	318.2		94,850,311,274	109,233,960,118
8.	Other short-term payable	319	V.17	65,382,821,521	60,049,448,835
9.	Short-term loans and financial lease debts	320	V.18	70,000,000,000	-
9.	Bonus and welfare funds	322		70,900,000	24,500,000
10	Technical reserve	329	V.19	2,411,282,030,510	1,918,657,054,360
10.1	Written premium and reinsurance assumed reserve	329.1	V.19a	1,585,666,973,133	1,264,462,864,552
10.2	Claim reserve for written insurance and reinsurance assumed	329.2	V.19a	778,982,126,930	582,996,936,818
10.3	Catastrophe reserve	329.3	V.19c	46,632,930,447	71,197,252,990
<b>II</b>	<b>Long-term liabilities</b>	<b>330</b>		<b>1,030,456,136</b>	<b>2,008,923,136</b>
1	Long-term unrealized revenue	336		-	-
2	Other long-term payable	337	V.20	1,030,456,136	2,008,923,136

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
<b>B</b>	<b>OWNER'S EQUITY (400 = 410)</b>	<b>400</b>		<b>1,839,222,126,126</b>	<b>1,836,625,354,206</b>
	<b>Owner's equity</b>	<b>410</b>	<b>V.21</b>	<b>1,839,222,126,126</b>	<b>1,836,625,354,206</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		19,699,784,835	18,131,617,954
9.	Compulsory reserved fund	419		41,540,743,782	36,312,733,442
10.	Other funds of owner's equity	420		-	-
11.	Retained profit after tax	421		146,081,454,705	150,280,860,006
-	Retained profit after tax accumulated to the end of previous period	421a		46,749,258,242	150,280,860,006
-	Retained profit after tax of the current period	421b		99,332,196,463	-
	<b>TOTAL CAPITAL SOURCES (440=300+400)</b>	<b>440</b>		<b>4,896,388,006,437</b>	<b>4,246,341,404,987</b>

## OFF-COMBINED BALANCE SHEET ITEMS

ITEMS	Note	Ending balance	Beginning balance
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Bad debts already treated			-
4. Written insurance policies for which no obligations have arisen		241,134,334,187	210,170,630,726
5. Foreign currencies			
US Dollar (USD)		160,241.25	95,523.50
Euro (EUR)		28,921.27	28,929.25
Pound Sterling (£)		347.83	354.43

Prepared on 16 March 2017

Prepared by

Nguyen Thi Ngoc Khue

Chief Accountant

Cao Thu Hien

General Director



Bui Xuan Thu

# BRANCHES

## NORTHERN

### PTI THANG LONG

No. 290, Nguyen Trai Str, Trung Van ward., Tu Liem Dist., Hanoi city

T 04 3537 5411

F 04 3537 5400

### PTI HA NOI

2nd Floor, Tai nguyen & moi trung News Building, zone E2 Cau Giay new urban area - Yen Hoa ward, Cau Giay dist., Hanoi city

T 04 3792 5172

F 04 3792 5173

### PTI HA THANH

5th Floor, Lac Hong Building, No.85 Le Van Luong Str., Hanoi city

T 04 3569 0607

F 04 3569 0608

### PTI AU LAC

No. 2-N7B, Trung Hoa Nhan Chinh urban area, Nhan Chinh ward, Thanh Xuan district, Hanoi

T 04 3689 5588

F 04 3859 5588

### PTI HAI PHONG

Building No.2, Lot 28A Le Hong Phong, Ngo Quyen District, Ho Chi Minh City, Hai Phong

T 031 353 0886

F 031 353 0889

### PTI HAI DANG

2nd Floor, Thanh Dat 1 Building, No. 3 Le Thanh Tong Str., May To ward, Ngo Quyen district, Hai Phong

T 0313 655 688

F 0313 655 698

### PTI PHIA BAC

Nguyen Tat Thanh Str, Trung Vuong Ward, Viet Tri city, Phu Tho province

T 0210 381 0777

F 0210 385 9567

### PTI LAO CAI

No.121, Thanh Nien Str., Duyen Hai Ward, Lao Cai city, Lao Cai province

T 020 382 3969

F 020 382 3968

### PTI NAM SONG HONG

No. 8 Le Dai Hanh Street, Thanh Binh Ward, Ninh Binh, Ninh Binh province

T 030 389 9446

F 030 389 1218

### PTI NAM DINH

3rd floor, ACB building - Nam Dinh branch, No. 67 Le Hong Phong, Nguyen Du Ward, Nam Dinh, Nam Dinh province

T 0350 3528 075

F 0350 3528 074

### PTI VINH PHUC

No. 2 Ngo Quyen Street, Vinh Hamlet 12, Suc Ngoi commune, Hoa Binh, Hoa Binh province

T 0211 372 1388

F 0211 372 1222

### PTI QUANG NINH

No. 164 Le Thanh Tong St., Bach Dang Ward, Ha Long, Quang Ninh

T 033 365 6661

F 033 365 6669

### PTI THU DO

5th & 6th Floor, Building No.95B Thinh Hao Str, O Cho Dua ward, Dong Da Dist., Hanoi city

T 04 3724 5103

F 04 3724 5105

### PTI HAI HUNG

No. 106, Hong Quang Str., Quang Trung ward, Hai Duong city, Hai Duong province

T 0320 389 8598

F 0320 389 8880

### PTI THAI NGUYEN

2nd floor, 9 story building, To Ngoc Van Street, Phan Dinh Phung Street, Civil group 11, Dong Quang Ward, Thai Nguyen, Thai Nguyen province

T 0280 385 3888

F 0280 385 8797

### PTI BAC NINH

16 Ly Thai To Street, Suoi Hoa Ward, Bac Ninh city, Bac Ninh province

T 0241 3875 097

F 0241 3875 165

### PTI TAY BAC

Bac Tran Hung Dao Post Office, Hamlet 12, Suc Ngoi commune, Hoa Binh, Hoa Binh province

T 0218 385 8699

F 0218 385 8234

### PTI TRANG AN

6th Floor, 434 Tran Khat Chan Building, P. Pho Hue St., Hai Ba Trung Dist., Hanoi

T 04 3972 6699

F 04 3976 6699

## MIDDLE

### PTI BAC TRUNG BO

No. 16 Nguyen Thi Minh Khai street, Vinh, Nghe An province

T 038 3598 666

F 038 3598 678

### PTI THANH HOA

5th Floor, No. 11 Hac Thanh, Dien Bien Ward, Thanh Hoa city

T 038 3598 666

F 038 3598 678

### PTI DA NANG

Floor 5, Da Nang Post Office Building, 271 Pham Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang city

T 0511 383 7839

F 0511 383 7838

## SOUTHERN

### PTI HO CHI MINH

No.18 Dinh Tien Hoang Str., Da Kao Ward, District 1, Ho Chi Minh City

T 08 3911 4848

F 08 3911 7018

### PTI SAI GON

Room 2-3, 3rd floor of DALI TOWER building, 24C Phan Dang Luu street, ward 6, Binh Thanh district, Ho Chi Minh

T 08 3841 0576

F 08 3841 0577

### PTI BEN THANH

No. 253 Dien Bien Phu Street, Ward 7, District 3, Ho Chi Minh City

T 08 3932 1968

F 08 3932 1969

### PTI DONG NAI

R64, R65 Vo Thi Sau Str., Thong Nhat Ward, Bien Hoa city, Dong Nai province

T 061 394 9966

F 061 394 9965

### PTI VUNG TAU

No. 408 Le Hong Phong, Thang Tam Ward, Vung Tau city, Ba Ria - Vung Tau province

T 064 357 6577

F 064 357 6578

### PTI THUA THIEN HUE

2nd floor, No. 51 Hai Ba Trung, Hue, Thua Thien Hue

T 054 381 5815

F 054 381 5444

### PTI BINH TRI THIEN

No. 146 Ly Thuong Kiet Street, Dong Hoi, Quang Binh province

T 052 385 0111

F 052 385 0444

### PTI NAM TRUNG BO

No. 2 Le Thanh Phuong Street, Nha Trang, Khanh Hoa province

T 058 356 0555

F 058 382 8555

### PTI CA MAU

No. 3, Liu Tan Tai Street, Ward 5, Ca Mau, Ca Mau Province

T 0780 355 0777

F 0780 355 0666

### PTI CAN THO

No. 40, Vo Van Kiet Street, An Hoa Ward, Ninh Kieu District, Can Tho city

T 0710 375 1447

F 0710 375 1445

### PTI LONG AN

No. 37-39 No. 5 Str., Ward 6, HCMC. Tan An, Long An Province

T 072 352 1464

F 072 352 1484

### PTI TIEN GIANG

No. 59, 30/4 Street, Ward 1, My Tho City, Tien Giang

T 073 3979 188

F 073 3979 288

### PTI SOC TRANG

No. 1, Tran Hung Dao Street, Soc Trang City, Soc Trang Province

T 079 3815 999

F 079 3814 999

### PTI BINH DINH

4th Floor, No. 02 Tran Thi Ky, Quy Nhon city, Binh Dinh province

T 056 381 8818

F 056 3522 377

### PTI TAY NGUYEN

No. 27 Tran Khanh Du, Tan Loi Ward, Buon Ma Thuot city, Dak Lak

T 050 395 5994

F 050 395 5258

### PTI GIA LAI

No.69 Hung Vuong Street, Tay Son Ward, Pleiku, Gia Lai province

T 059 371 9977

F 059 371 9978

### PTI BINH DUONG

No. 150, Ngo Gia Tu Street, Chanh Nghia Ward, Thu Dau Mot, Binh Duong Province

T 0650 389 8708

F 0650 389 8711

### PTI AN GIANG

No. 5/2 Ton Duc Thang Str., My Binh dist., Long Xuyen city, An Giang

T 076 395 5789

F 076 395 5777

### PTI PHU MY HUNG

7th Floor, Loyal Building, 151 - 151 Bis Vo Thi Sau, Ward 6, District 3, Ho Chi Minh City

T 08 3820 5111

F 08 3820 5222

### PTI THONG NHAT

3rd Floor, 170 Bui Thi Xuan, Pham Ngu Lao Ward, District 1, HCMC. Ho Chi Minh

T 08 6298 9911

F 08 6298 9922

**POST AND TELECOMMUNICATION JOINT STOCK  
INSURANCE CORPORATION**

**4A Lang Ha, Ba Dinh District., Ha Noi**

**T** 043 772 44 66 **F** 043 772 44 60 **W** [www.pti.com.vn](http://www.pti.com.vn)



**HOTLINE**

**1900 54 54 75**