

**COMBINED FINANCIAL STATEMENTS**

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2020

**POST-TELECOMMUNICATION  
JOINT STOCK INSURANCE  
CORPORATION**

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**REPORT OF THE MANAGEMENT BOARD**

The Management Board of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation") presents this report together with the combined financial statements for the fiscal year ended 31 December 2020.

**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 28 times granted by the Ministry of Finance with the Amended Licenses, in which the 28<sup>th</sup> amended License No. 41A/GPDC28/KDBH dated 22 January 2021 regarding the additional establishment of affiliates.

**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

**The Corporation has affiliates as follows:**

Name	Address
1 Ho Chi Minh Post-Telecommunication Insurance Company	Floor 11, Viettel Tower, No. 285 Cach Mang Thang Tam, Ward 12, District 10, Ho Chi Minh City
2 Da Nang Post-Telecommunication Insurance Company	Floor 5, Da Nang Post Office Building, 271 Pham Van Linh, Vinh Trung Ward, Thanh Khe District, Da Nang City
3 Hai Phong Post-Telecommunication Insurance Company	Building No. 2, Lot 28A Le Hong Phong, Ngo Quyen District, Hai Phong City
4 Can Tho Post-Telecommunication Insurance Company	No. 40, Vo Van Kiet Road, An Hoa Ward, Ninh Kieu District, Can Tho City
5 Northern Midland Post-Telecommunication Insurance Company	Yen Vinh Area, Hung Phuc Ward, 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
13 Quang Ninh Post-Telecommunication Insurance Company	No. 164 Le Thanh Tong, Bach Dang Ward, Ha Long City, Quang Ninh Province



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

REPORT OF THE MANAGEMENT BOARD (cont.)

Name	Address
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	Floors 4-5, 322 Dien Bien Phu Building, Ward 22, Binh Thanh District, 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	Lot 122, BT 3-4, Western Quarter, Tan Binh Ward, Hai Duong City, Hai Duong Province
27 Tien Giang Post-Telecommunication Insurance Company	No. 59, 30/4 Road, District 1, My Tho City, Tien Giang Province
28 Capital Post-Telecommunication Insurance Company	Floor 56, Building 95B, Thinh Hao Labor Quarter, O Cho Dua Ward, Dong Da District, Hanoi
29 Binh Tri Thien Area Post-Telecommunication Insurance Company	No. 146, Ly Thuong Kiet Road, Dong Hoi City, Quang Binh Province
30 Southern Representative Office	Floor 2, Thuy Loi 4 Building, No. 205 Nguyen Xi, Binh Thanh District, Ho Chi Minh City
31 Thong Nhat Post-Telecommunication Insurance Company	Floor 3, No. 170 Bui Thi Xuan, Pham Ngu Lao Ward, District 1, Ho Chi Minh City
32 Phu My Hung Post-Telecommunication Insurance Company	Floor 7, Loyal Building, No. 151-151 Bis Vo Thi Sau, Ward 6, District 3, Ho Chi Minh City
33 Vung Tau Post-Telecommunication Insurance Company	No. 408 Le Hong Phong, Vung Tau City, Ba Ria – Vung Tau Province
34 Thai Nguyen Post-Telecommunication Insurance Company	Floor 2, 9-floor Building, To Ngoc Van Street, Phan Dinh Phung Road, Group 11, Dong Quang Ward, Thai Nguyen City, Thai Nguyen Province
35 Gia Lai Post-Telecommunication Insurance Company	No. 69 Hung Vuong, Tay Son Ward, Pleiku City, Gia Lai Province



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

	<b>Name</b>	<b>Address</b>
36	Ha Thanh Post-Telecommunication Insurance Company	Floor 5, Lac Hong Building, No. 85 Le Van Luong, Thanh Xuan, Hanoi
37	Nam Dinh Post-Telecommunication Insurance Company	Floor 3 ACB Building – Nam Dinh Branch, No. 67 Le Hong Phong, Nguyen Du Ward, Nam Dinh City
38	Hai Dang Post-Telecommunication Insurance Company	Floor 2 Thanh Dat 1 Building, No. 3 Le Thanh Tong Road, May To Ward, Ngo Quyen District, Hai Phong City
39	Trang An Post-Telecommunication Insurance Company	Floor 6, Building 434 Tran Khat Chan, Pho Hue Ward, Hai Ba Trung District, Hanoi City
40	Northwest Post-Telecommunication Insurance Company	Northern Tran Hung Dao Post Office, Hamlet 12, Su Ngoi Commune, Hoa Binh City, Hoa Binh
41	Au Lac Post-Telecommunication Insurance Company	Apartment No. 2, N7B Trung Hoa – Nhan Chinh Urban area, Nhan Chinh Ward, Thanh Xuan District, Hanoi
42	Soc Trang Post-Telecommunication Insurance Company	No. 62 Tran Binh Trong, Quarter 1, Ward 2, Soc Trang City, Soc Trang Province
43	Thai Binh Post-Telecommunication Insurance Company	Floor 5, No. 355 Ly Bon, De Tham Ward, Thai Binh City, Thai Binh Province
44	PTI Representative Office for Claim Appraisal in Hanoi	Floor 2, Link Building No. 2, High Apartment Building at Land Lot CT3, Trung Van New Urban Area, Trung Van Ward, Nam Tu Liem District, Hanoi City
45	PTI Representative Office for Claim Appraisal in Ho Chi Minh City	No. 205 Nguyen Xi, Binh Thanh District, Ho Chi Minh City
46	Ha Tuyen Post-Telecommunication Insurance Company	Group 6, Hung Thanh Ward, Tuyen Quang City, Tuyen Quang Province
47	Tay Nam Post-Telecommunication Insurance Company	Quarter 7, Ward 3, Tay Ninh City, Tay Ninh Province
48	Digital Post-Telecommunication Insurance Company (Digital PTI)	Floor 3, Comatce Tower, No. 61 Nguy Nhu Kon Tum, Nhan Chinh Ward, Thanh Xuan District, Hanoi City
49	Gia Dinh Post-Telecommunication Insurance Company	Floor 3, Sun Village Building, No. 31-33 Nguyen Van Dau, Ward 6, Binh Thanh District, Ho Chi Minh City
50	Kien Giang Post-Telecommunication Insurance Company	No. 801-803 3/2 Road, Quarter 5, An Hoa Ward, Rach Gia City, Kien Giang Province
51	PTI Representative Office for Claim Appraisal in Hai Phong	Floor 1, No. 5 Nguyen Tri Phuong, Minh Khai Ward, Hong Bang District, Hai Phong City
52	Lang Son Post-Telecommunication Insurance Company	No. 33 Le Loi Road, Vinh Trai Ward, Lang Son City, Lang Son Province

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

**Allowable transactions:**

- Providing written insurance:
  - Health and personal 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.

# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

## REPORT OF THE MANAGEMENT BOARD (cont.)

- Providing reinsurance: Assuming and ceding reinsurance relating to transactions of non-life insurance.
- Carrying out investment activities in accordance with the legal regulations.
- Assessing losses.
- Being agency for damage survey, compensation settlement, subrogation recovery.
- Other activities in accordance with the legal regulations.

### Board of Management and Executive officers

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

#### *The Board of Management*

Full names	Position	Appointing date /Re-appointing date/ Resigning date
Mr. Nguyen Minh Duc	Chairman	Re-appointed on 24 June 2020
Mr. Kim Kang Wook	Vice Chairman	Re-appointed on 24 June 2020
Mr. Bui Xuan Thu	Member	Re-appointed on 24 June 2020
Mr. Ko Young Joo	Member	Re-appointed on 24 June 2020
Mr. Park Suk Gon	Member	Re-appointed on 24 June 2020
Mr. Mai Xuan Dung	Member	Re-appointed on 24 June 2020
Ms. Tran Thi Minh	Member	Re-appointed on 24 June 2020
Mr. Do Ngoc Quynh	Member	Appointed on 24 June 2020
Ms. Nguyen Ho Nga	Member	Appointed on 24 June 2020
Ms. Pham Minh Huong	Member	Resigned on 24 June 2020

#### *The Control Board*

Full names	Position	Re-appointing date
Mr. Nguyen Huu Thang	Manager	24 June 2020
Ms. Bui Thanh Hien	Member	24 June 2020
Mr. Park Ki Hyun	Member	24 June 2020
Mr. Bae Taeg Soo	Member	24 June 2020
Ms. Nguyen Thi Ha Ninh	Member	24 June 2020

#### *The General Directors*

Full names	Position	Re-appointing date
Mr. Bui Xuan Thu	General Director	27 April 2018
Mr. Cao Ba Huy	Deputy General Director	4 April 2018
Mr. Do Quang Khanh	Deputy General Director	27 April 2018
Mr. Nguyen Kim Lan	Deputy General Director	21 July 2019
Mr. Doan Kien	Deputy General Director	21 July 2019
Mr. Nghiem Xuan Thai	Deputy General Director	1 August 2020
Ms. Luu Phuong Lan	Deputy General Director	1 August 2020

#### Legal representative

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



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

## REPORT OF THE MANAGEMENT BOARD (cont.)

### Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the combined financial statements for the fiscal year ended 31 December 2020 of the Corporation.

### Responsibilities of the Management Board

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

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

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

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

### Approval to the financial statements

The Management Board has approved the attached combined financial statements. The combined financial statements give a true and fair view of the financial position as of 31 December 2020, the business results and the cash flows for the fiscal year ended 31 December 2020 of the Corporation in conformity with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014 and other legal regulations related to the preparation and presentation of combined financial statements.

For and on behalf of the Management Board,

General Director



Bui Xuan Thu

22 March 2021



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No. 1.0487/21/TC-AC

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying combined financial statements of Post-Telecommunication Joint Stock Insurance Corporation (hereinafter called "the Corporation"), which were prepared on 22 March 2021, from page 9 to page 58, including the combined balance sheet as of 31 December 2020, the combined income statement, the combined cash flow statement for the fiscal year then ended and the notes to the combined financial statements.

#### The General Directors' Responsibility

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

#### Auditor's Responsibility

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

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

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

### Auditor's Opinion

In our opinion, the combined financial statements give a true and fair view, in all material respects, of the financial position of Post-Telecommunication Joint Stock Insurance Corporation as of 31 December 2020, its financial performance and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014 and other legal regulations related to the preparation and presentation of combined financial statements.

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



**Nguyen Hoang Duc – Deputy General Director**

*Audit Practice Registration Certificate:*

*No. 0368-2018-008-1*

Ho Chi Minh City, 22 March 2021



**Le Trong Toan – Auditor**

*Audit Practice Registration Certificate:*

*No. 0963-2020-008-1*



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**COMBINED BALANCE SHEET**

As of 31 December 2020

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>6,405,146,315,262</b>	<b>6,593,326,480,620</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>297,060,378,455</b>	<b>117,595,429,206</b>
1. Cash	111		297,060,378,455	117,595,429,206
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		<b>3,063,937,884,605</b>	<b>3,149,216,833,594</b>
1. Trading securities	121	V.2a	5,773,214,858	514,695,503,218
2. Provision for devaluation of trading securities	122	V.2a	-	(137,506,487,068)
3. Investments held to maturity date	123	V.2b	3,058,164,669,747	2,772,027,817,444
<b>III. Short-term accounts receivable</b>	<b>130</b>		<b>1,035,989,564,670</b>	<b>930,074,093,763</b>
1. Short-term receivable from customers	131	V.3	540,365,756,625	608,316,325,735
1.1 Receivable on insurance policies	131.1		540,365,756,625	608,316,325,735
1.2 Other receivable from customers	131.2		-	-
2. Short-term prepayments to suppliers	132	V.4	287,252,725,019	86,119,412,655
3. Short-term inter-company receivable	133		-	-
4. Receivable according to the progress of construction contracts	134		-	-
5. Receivable on short-term loans	135		-	-
6. Other short-term receivable	136	V.5a	290,144,797,864	280,850,485,344
7. Provision for short-term bad debts	137	V.6	(81,773,714,838)	(45,212,129,971)
8. Deficient assets to be treated	139		-	-
<b>IV. Inventories</b>	<b>140</b>		<b>2,025,501,719</b>	<b>14,675,443,109</b>
1. Inventories	141	V.7	2,025,501,719	14,675,443,109
2. Provision for devaluation of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>590,321,955,879</b>	<b>398,369,819,948</b>
1. Short-term prepaid expenses	151	V.8a	589,109,781,272	392,546,075,678
1.1 Unappropriated commission expenses	151.1		404,700,563,407	392,345,860,078
1.2 Other short-term prepaid expenses	151.2		184,409,217,865	200,215,600
2. VAT deductible	152		633,003,952	5,360,569,105
3. Taxes and accounts receivable from the State	153	V.9	579,170,655	463,175,165
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-
<b>VI. Reinsurance assets</b>	<b>190</b>	<b>V.22b</b>	<b>1,415,811,029,934</b>	<b>1,983,394,861,000</b>
1. Unearned premium reserve for reinsurance ceded	191		894,555,566,300	1,373,748,583,697
2. Claim reserve for reinsurance ceded	192		521,255,463,634	609,646,277,303



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Combined balance sheet (cont.)

ASSETS		Code	Note	Ending balance	Beginning balance
<b>B -</b>	<b>LONG-TERM ASSETS</b>	<b>200</b>		<b>1,354,952,214,290</b>	<b>943,266,793,833</b>
<b>I.</b>	<b>Long-term accounts receivable</b>	<b>210</b>		<b>17,491,728,901</b>	<b>22,348,255,844</b>
1.	Long-term accounts receivable from customers	211		-	-
2.	Long-term prepayments to suppliers	212		-	-
3.	Working capital in subsidiaries	213		-	-
4.	Long-term inter-company receivable	214		-	-
5.	Receivable on long-term loans	215		-	-
6.	Other long-term receivable	216	V.5b	17,491,728,901	22,348,255,844
6.1	Insurance deposit	216.1		8,200,000,000	10,280,000,000
6.2	Other long-term receivable	216.2		9,291,728,901	12,068,255,844
7.	Provision for long-term bad debts	219		-	-
<b>II.</b>	<b>Fixed assets</b>	<b>220</b>		<b>95,639,457,688</b>	<b>79,202,700,302</b>
1.	Tangible fixed assets	221	V.10	80,843,357,432	70,878,065,174
	Historical costs	222		180,612,901,678	160,348,955,093
	Accumulated depreciation	223		(99,769,544,246)	(89,470,889,919)
2.	Financial leasehold assets	224		-	-
	Historical costs	225		-	-
	Accumulated depreciation	226		-	-
3.	Intangible fixed assets	227	V.11	14,796,100,256	8,324,635,128
	Historical costs	228		27,342,062,486	18,510,592,486
	Accumulated depreciation	229		(12,545,962,230)	(10,185,957,358)
<b>III.</b>	<b>Investment property</b>	<b>230</b>	<b>V.12</b>	<b>106,930,921,100</b>	<b>134,269,251,437</b>
	Historical costs	231		121,103,326,188	145,709,389,296
	Accumulated depreciation	232		(14,172,405,088)	(11,440,137,859)
<b>IV.</b>	<b>Long-term assets in progress</b>	<b>240</b>		<b>16,289,922,329</b>	<b>10,956,459,398</b>
1.	Long-term operating expenses in progress	241		-	-
2.	Construction in progress	242	V.13	16,289,922,329	10,956,459,398
<b>V.</b>	<b>Long-term financial investments</b>	<b>250</b>		<b>1,079,449,513,606</b>	<b>664,206,971,811</b>
1.	Investments in subsidiaries	251	V.2c	88,200,000,000	119,700,000,000
2.	Investments in associates and joint ventures	252	V.2c	34,444,900,000	34,444,900,000
3.	Investments, capital contribution in other entities	253	V.2c	30,129,400,000	96,373,299,985
4.	Provision for devaluation of long-term financial investments	254	V.2d	(36,324,786,394)	(49,148,780,635)
5.	Investments held to maturity date	255	V.2b	963,000,000,000	462,837,552,461
<b>VI.</b>	<b>Other long-term assets</b>	<b>260</b>		<b>39,150,670,666</b>	<b>32,283,155,041</b>
1.	Long-term prepaid expenses	261	V.8b	39,150,670,666	32,283,155,041
2.	Deferred income tax assets	262		-	-
3.	Long-term equipment, materials, spare parts	263		-	-
4.	Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>		<b>270</b>		<b>7,760,098,529,552</b>	<b>7,536,593,274,453</b>

# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Combined balance sheet (cont.)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
<b>C - LIABILITIES</b>		<b>300</b>		<b>5,745,852,726,818</b>	<b>5,687,729,188,318</b>
<b>I. Current liabilities</b>		<b>310</b>		<b>5,743,375,034,407</b>	<b>5,686,408,522,732</b>
1. Short-term payable to suppliers		311	V.14	471,261,418,641	526,856,363,235
1.1 Payable on insurance policies		311.1		441,239,322,902	500,572,000,572
1.2 Other payable to suppliers		311.2		30,022,095,739	26,284,362,663
2. Short-term prepayments from customers		312	V.15	5,164,869,408	6,605,563,922
3. Taxes and other obligations to the State budget		313	V.16	60,307,693,375	49,831,648,649
4. Payable to employees		314		86,075,660,954	60,778,961,612
5. Short-term accrued expenses		315		12,583,962,830	13,249,275,558
6. Short-term inter-company payable		316		-	-
7. Short-term unrealized revenue		318.1	V.17	167,917,724,858	118,777,075,565
8. Short-term unearned commission		318.2	V.18	353,365,193,200	293,161,262,536
9. Other short-term payable		319	V.19a	104,701,238,035	96,269,273,512
10. Short-term loans and financial lease debts		320	V.20	-	-
11. Provision for current liabilities		321	V.21	110,000,000,000	95,000,000,000
12. Bonus and welfare funds		322		-	-
13. Price stabilization fund		323		-	-
14. Transaction of repurchasing the Government's bonds		324		-	-
15. Technical reserves		329		4,371,997,273,106	4,425,879,098,143
15.1 Unearned premium reserve for written premium and reinsurance assumed		329.1	V.22a	3,126,304,107,134	3,160,260,976,999
15.2 Claim reserve for written insurance and reinsurance assumed		329.2	V.22a	1,203,186,839,531	1,161,842,936,713
15.3 Catastrophe reserve		329.3	V.22c	42,506,326,441	103,775,184,431
<b>II. Long-term liabilities</b>		<b>330</b>		<b>2,477,692,411</b>	<b>1,320,665,586</b>
1. Long-term accounts payable to suppliers		331		-	-
2. Long-term prepayments from customers		332		-	-
3. Long-term accrued expenses		333		-	-
4. Inter-company payable on working capital		334		-	-
5. Long-term inter-company payable		335		-	-
6. Long-term unrealized revenue		336		-	-
7. Other long-term payable		337	V.19b	2,477,692,411	1,320,665,586
8. Long-term loans and financial lease debts		338		-	-
9. Transferable bonds		339		-	-
10. Preferred shares		340		-	-
11. Deferred income tax payable		341		-	-
12. Provision for long-term liabilities		342		-	-
13. Scientific and technological development fund		343		-	-



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**Combined balance sheet (cont.)**

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
<b>D - OWNER'S EQUITY</b>		<b>400</b>		<b>2,014,245,802,734</b>	<b>1,848,864,086,135</b>
<b>I. Owner's equity</b>		<b>410</b>	<b>V.23</b>	<b>2,014,245,802,734</b>	<b>1,848,864,086,135</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
3. Option on converting shares		413		-	-
4. Owner's other capital		414		-	-
5. Treasury stocks		415		-	-
6. Differences on asset revaluation		416		-	-
7. Foreign exchange rate differences		417		-	-
8. Business promotion fund		418		23,517,729,849	22,414,190,857
9. Compulsory reserved fund		419		67,912,037,589	55,402,458,511
10. Other funds		420		-	-
11. Retained profit after tax		421		290,915,892,492	139,147,293,963
- Retained profit after tax accumulated to the end of previous period		421a		53,233,890,004	34,311,089,759
- Retained profit after tax of the current period		421b		237,682,002,488	104,836,204,204
12. Capital sources for construction		422		-	-
<b>II. Other sources and funds</b>		<b>430</b>		-	-
1. Sources of expenditure		431		-	-
2. Fund to form fixed assets		432		-	-
<b>TOTAL CAPITAL SOURCES</b>		<b>440</b>		<b>7,760,098,529,552</b>	<b>7,536,593,274,453</b>



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Combined balance sheet (cont.)

#### OFF-COMBINED BALANCE SHEET ITEMS

ITEMS	Note	Ending balance	Beginning balance
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Bad debts already treated		-	-
4. Written insurance policies for which no obligations have arisen		206,322,312,802	207,619,235,541
5. Foreign currencies			
US Dollar (USD)		106,787.03	347,266.52
Euro (EUR)		31,491.51	28,156.27
Pound Sterling (£)		321.53	328.03

Prepared on 22 March 2021

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

General Director



Bui Xuan Thu

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**COMBINED INCOME STATEMENT**

For the fiscal year ended 31 December 2020

**PART I: COMBINED INCOME STATEMENT**

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Net sales of insurance operation	10.1		4,734,129,120,923	4,310,237,987,970
1.2 Net sales of selling goods and providing other services	10.2		-	-
2. Sales of trading investment property	11	VI.5	24,061,998,028	30,856,584,213
3. Financial income	12	VI.7	191,731,949,962	188,707,907,282
4. Other income	13		5,617,474,859	2,664,187,726
5. Total expenses for insurance operation	20.1		4,034,477,875,688	3,635,150,320,660
5.2 Costs of providing other goods, services	20.2		-	-
6. Costs of investment property	21	VI.6	13,588,065,910	14,090,977,378
7. Financial expenses	22	VI.8	32,101,853,925	131,625,050,421
8.1 Selling expenses	23.1		-	-
8. Administrative overheads	23.2	VI.9	569,974,100,506	616,047,665,382
9. Other expenses	24		739,989,249	1,941,029,717
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		304,658,658,494	133,611,623,633
11. Current corporate income tax	51	V.16	54,467,076,928	23,257,724,471
12. Deferred corporate income tax	52		-	-
13. Profit after corporate income tax	60		<u>250,191,581,566</u>	<u>110,353,899,162</u>
14. Basic earnings per share	70	VI.10	<u>-</u>	<u>-</u>
15. Diluted earnings per share	70	VI.10	<u>-</u>	<u>-</u>

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

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

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>1. Sales of insurance premium (01 = 01.1 + 01.2 - 01.3)</b>	<b>01</b>	<b>VI.1</b>	<b>6,079,510,571,583</b>	<b>4,785,978,449,323</b>
In which				
- Written premium	01.1		5,959,243,463,387	5,692,726,345,390
- Reinsurance premium assumed	01.2		86,310,238,331	108,920,975,323
- Increase (decrease) Unearned premium reserve for written premium and reinsurance assumed	01.3		(33,956,869,865)	1,015,668,871,390
<b>2. Reinsurance premium ceded (02 = 02.1 - 02.2)</b>	<b>02</b>	<b>VI.2</b>	<b>2,122,488,283,799</b>	<b>1,598,946,590,984</b>
In which				
- Reinsurance premium ceded	02.1		1,643,295,266,402	2,240,217,554,853
- Increase (decrease) in unearned premium reserve for reinsurance ceded	02.2		(479,193,017,397)	641,270,963,869
<b>3. Net sales of insurance premium (03 = 01 - 02)</b>	<b>03</b>		<b>3,957,022,287,784</b>	<b>3,187,031,858,339</b>
<b>4. Commission of reinsurance ceded and other income from insurance operation (04 = 04.1 + 04.2)</b>	<b>04</b>		<b>777,106,833,139</b>	<b>1,123,206,129,631</b>
In which				
- Commission on reinsurance ceded	04.1		536,833,281,524	381,272,476,367
- Other income from insurance operation	04.2		240,273,551,615	741,933,653,264
<b>5.1 Net sales of insurance operation (10 = 03 + 04)</b>	<b>10.1</b>		<b>4,734,129,120,923</b>	<b>4,310,237,987,970</b>
<b>5.2 Net sales of selling goods and providing other services</b>	<b>10.2</b>		<b>-</b>	<b>-</b>
<b>6. Claim expenses (11 = 11.1 - 11.2)</b>	<b>11</b>	<b>VI.3</b>	<b>2,047,891,329,348</b>	<b>2,038,496,004,596</b>
In which				
- Total claim expenses	11.1		2,065,181,358,646	2,058,402,239,394
- Deductions (Subrogation recovery, receipt from disposal of loss paid 100%)	11.2		17,290,029,298	19,906,234,798
<b>7. Recovery from reinsurance ceded</b>	<b>12</b>	<b>VI.3</b>	<b>532,380,584,002</b>	<b>589,960,692,386</b>
<b>8. Increase/decrease in claim reserve for written premium and reinsurance assumed</b>	<b>13</b>	<b>VI.3</b>	<b>41,343,902,818</b>	<b>264,927,185,800</b>
<b>9. Increase (decrease) in claim reserve for reinsurance ceded</b>	<b>14</b>	<b>VI.3</b>	<b>(88,390,813,669)</b>	<b>262,220,317,806</b>
<b>10. Total claim expenses (15 = 11 - 12 + 13 - 14)</b>	<b>15</b>	<b>VI.3</b>	<b>1,645,245,461,833</b>	<b>1,451,242,180,204</b>
<b>11. Increase/decrease in catastrophe reserve</b>	<b>16</b>		<b>44,022,584,353</b>	<b>35,614,297,659</b>
<b>12. Other operating expenses (17 = 17.1 + 17.2)</b>	<b>17</b>	<b>VI.4</b>	<b>2,345,209,829,502</b>	<b>2,148,293,842,797</b>
In which:				
- Commission	17.1		669,545,133,963	514,028,551,706
- Others	17.2		1,675,664,695,539	1,634,265,291,091



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Combined income statement (cont.)

ITEMS	Code	Note	Current year	Previous year
13. Total insurance operating expenses (18.1 = 15 + 16 + 17)	18.1		4,034,477,875,688	3,635,150,320,660
13.2 Costs of providing other goods, services	18.2		-	-
14. Gross profit of insurance operation (19.1 = 10.1 - 18.1)	19.1		699,651,245,235	675,087,667,310
14.2 Gross profit of providing other goods, services (19.2 = 10.2 - 18.2)	19.2		-	-
15. Sales of investment property	20	VI.5	24,061,998,028	30,856,584,213
16. Costs of property investment	21	VI.6	13,588,065,910	14,090,977,378
17. Profit from property investment (22 = 20 - 21)	22		10,473,932,118	16,765,606,835
18. Financial income	23	VI.7	191,731,949,962	188,707,907,282
19. Financial expenses	24	VI.8	32,101,853,925	131,625,050,421
20. Gross profit of financial activities (25 = 23 - 24)	25		159,630,096,037	57,082,856,861
21.1 Selling expenses	26.1		-	-
21.2 Administrative overheads	26.2	VI.9	569,974,100,506	616,047,665,382
22. Net operating income (30 = 19.1 + 19.1 + 22 + 25 - 26.1 - 26.2)	30		299,781,172,884	132,888,465,624
23. Other income	31		5,617,474,859	2,664,187,726
24. Other expenses	32		739,989,249	1,941,029,717
25.1 Other profit (40 = 31 - 32)	40		4,877,485,610	723,158,009
26. Total profit before corporate income tax (50 = 30 + 40 + 41)	50		304,658,658,494	133,611,623,633
27. Current corporate income tax	51	V.16	54,467,076,928	23,257,724,471
28. Deferred corporate income tax	52		-	-
29. Profit after corporate income tax	60		250,191,581,566	110,353,899,162
30. Basic earnings per share	70	VI.10	-	-
31. Diluted earnings per share	70	VI.10	-	-

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 22 March 2021

General Director



Bui Xuan Thu

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**COMBINED CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended 31 December 2020

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		304,658,658,494	133,611,623,633
2. Adjustments				
- Depreciation of fixed assets and investment property	02		19,627,956,510	19,021,601,274
- Reserves	03		414,933,109,587	418,484,762,377
- Gain/loss from foreign exchange rate differences due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/loss from investing activities	05		(298,568,285,832)	(274,610,368,321)
- Loan interest expenses	06	VI.8	7,727,966,505	8,233,306,808
- Adjustments	07		-	-
3. Operating profit/loss before changes of working capital	08		448,379,405,264	304,740,925,771
- Increase/decrease of accounts receivable	09		(134,972,748,844)	5,016,009,671
- Increase/decrease of inventories	10		12,649,941,390	(11,724,783,153)
- Increase/decrease of accounts payable	11		84,621,084,500	230,333,654,968
- Increase/decrease of prepaid expenses	12		(203,431,221,219)	(155,964,254,555)
- Increase/decrease of trading securities	13		508,922,288,360	84,813,165,600
- Loan interests already paid	14		(7,727,966,505)	(8,233,306,808)
- Corporate income tax already paid	15	V.16	(47,148,850,932)	(137,189,549)
- Other gains	16		-	-
- Other disbursements	17		-	-
Net cash flows from operating activities	20		661,291,932,014	448,844,221,945
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21		(32,005,318,568)	(56,872,295,892)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		35,787,881,290	16,737,188,363
3. Loans given and purchases of debt instruments of other entities	23		(2,953,647,721,954)	(2,140,235,821,477)
4. Recovery of loans given and disposals of debt instruments of other entities	24		2,167,128,811,418	1,651,815,835,742
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26	V.2c	69,689,276,200	63,890,777,700
7. Receipts of loan interests, dividends and profit shared	27		310,963,900,775	197,173,885,805
Net cash flows from investing activities	30		(402,083,170,839)	(267,490,429,759)



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**Combined cash flow statement (cont.)**

ITEMS	Code	Note	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	V.20	268,700,000,000	341,067,517,531
4. Loan principal amounts repaid	34	V.20	(268,700,000,000)	(461,927,847,133)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36	V.23c	(79,743,811,926)	(65,345,652,032)
<i>Net cash flows from financial activities</i>	40		<u>(79,743,811,926)</u>	<u>(186,205,981,634)</u>
<b>Net cash flows during the year</b>	50		179,464,949,249	(4,852,189,448)
<b>Beginning cash and cash equivalents</b>	60	V.1	117,595,429,206	122,447,618,654
Effects of fluctuations in foreign exchange rates	61		-	-
<b>Ending cash and cash equivalents</b>	70	V.1	<u>297,060,378,455</u>	<u>117,595,429,206</u>

Prepared by



Pham Hong Tien

Chief Accountant



Cao Thu Hien

Prepared on 22 March 2021

General Director



Bui Xuan Thu

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

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

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

**2. Operating field**

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

**3. Business operations**

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

**4. Ordinary cycle of business**

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

**5. Structure of the Corporation*****Subsidiaries***

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

(\*) During the year, the Company completed the divestment in VinaPetro and VN-IBS., JSC. (see Note V.2).

***Associates***

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



# **POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

## **COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**Notes to the combined financial statements (cont.)**

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### ***Affiliates with no legal status and dependently recording***

The Corporation's head office is located at Floor 8, Building 4A, Lang Ha, Ba Dinh District, Hanoi City. As of 31 December 2020, the Corporation had 1 head office, 3 representative offices for Claim Appraisal in Hanoi, Ho Chi Minh City and Hai Phong, 1 representative office in the South and 48 affiliates nationwide.

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

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

#### **7. Personnel**

As of the balance sheet date, the Corporation had 2,427 employees (at the end of the previous year, the Corporation had 2,255 employees).

## **II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING**

### **1. Fiscal year**

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

### **2. Standard currency unit**

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

## **III. ACCOUNTING STANDARDS AND SYSTEM APPLIED**

### **1. Accounting standards and system**

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

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

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

## **IV. ACCOUNTING POLICIES**

### **1. Accounting convention**

All the financial statements are prepared on the basis of accrued accounting (except for information related to cash flows). The affiliates have their own accounting units but do the accounting works dependently. The Corporation's combined financial statements are prepared on the basis of the consolidation of the financial statements of affiliates. Sales and balances among affiliates are excluded when the combined financial statements are prepared.



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

Notes to the combined financial statements (cont.)

### 2. Transactions in foreign currencies

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

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

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

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

### 3. Cash and cash equivalents

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

### 4. Financial investments

#### *Trading securities*

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

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

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

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

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

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

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



## POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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

### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

#### Notes to the combined financial statements (cont.)

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

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

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

#### *Investments held to maturity date*

Investments are classified as investments held to maturity date that the Corporation intends and is able to hold to maturity. Investments held to maturity date include termed deposits (including debentures and promissory note), bonds and other investments held to maturity date.

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

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

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

#### *Investments in subsidiaries, associates*

##### *Subsidiaries*

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

##### *Associates*

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

##### *Initial recognition*

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

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



## POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

#### Notes to the combined financial statements (cont.)

##### *Provision for loss of investments in subsidiaries, associates*

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

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

##### *Investments in equity instruments of other entities*

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

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

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

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

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

#### **5. Trade receivable and other receivable**

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

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

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

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

- As for overdue debts:
  - 30% of the value for debts overdue from over 6 months to under 1 year.
  - 50% of the value for debts overdue from 1 year to under 2 years.
  - 70% of the value for debts overdue from 2 years to under 3 years.
  - 100% of the value for debts overdue from 3 years and over.



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### COMBINED FINANCIAL STATEMENTS

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#### Notes to the combined financial statements (cont.)

- As for doubtful debts but not overdue: provision is made basing on the estimated loss.

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

#### 6. Inventories

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

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

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

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

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

#### 7. Prepaid expenses

Prepaid expenses include expenses actually incurred but they are related to operation output of many accounting periods. Prepaid expenses of the Corporation mainly include operating expenses to be allocated, 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.

##### *Operating expenses to be allocated*

Operating expenses incurred from the line of Credit security insurance which have not been allocated during the year. These operating expenses are recognized and allocated in line with the appropriation method of unearned premium reserve of this insurance line.

##### *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.

##### *Office rental*

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

##### *Expenses for tools, instruments*

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

#### 8. Tangible fixed assets

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

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## POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

#### Notes to the combined financial statements (cont.)

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

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

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	25 – 35
Machinery and equipment	05 – 06
Vehicles	05 – 10
Office equipment	03 – 05

#### 9. Intangible fixed assets

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

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

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

Intangible fixed assets of the Corporation include:

##### *Land use right*

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

##### *Computer software*

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

#### 10. Investment property

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

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

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



# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Notes to the combined financial statements (cont.)

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

#### 11. Construction in progress

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

#### 12. Liabilities payable and accrued expenses

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

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

- Payables to suppliers reflect trade payables occurred from purchase-sale transaction of goods, services, assets and the suppliers are independent units against the Corporation.
- Accrued expenses reflect payables for goods and services already received from suppliers or provided to customers but for which the payment has not been made due to lack of invoices or accounting documents and payables for employees on leave pay, appropriated operating costs.
- Other payables reflect non-trade payables or payables unrelated to purchase-sale transactions, provision of goods and services.

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

#### 13. Technical reserves

The Corporation has appropriated technical reserves as stipulated in the Circular No. 50/2017/TT-BTC of the Ministry of Finance dated 15 May 2017 and the Approval Letter No. 3281/BTC-QLBH dated 23 March 2018 of the Insurance Supervisory Authority – Ministry of Finance. Details are as follows:

##### 13.1. Non-life insurance

###### *Unearned premium reserve*

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

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



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### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

#### Notes to the combined financial statements (cont.)

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

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

#### Claims reserve

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

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

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

#### 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 is 1% of the net written premium.

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

### 13.2. Health insurance

#### Mathematical reserve

Mathematical reserve applicable to health insurance policies or reinsurance agreements (insurance policies) with a term of more than 1 year to cover liability upon occurrence of insured event is appropriated in accordance with the coefficients of insurance policy period, details are as follows:

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



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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Notes to the combined financial statements (cont.)

#### Unearned premium reserve

Unearned premium reserve for insurance policies and reinsurance agreements, with the term of 1 year and less is appropriated in accordance with the percentage of the insurance premium retained.

#### Claims reserve

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

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

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

#### Equalization reserve

The annual reserve rate is 1% of the retained insurance premium for each line of insurance.

This reserve is used to pay indemnities in case of large fluctuations in risk rate leading the fact that total retained insurance premium in the fiscal year after setting aside mathematical reserve, unearned premium reserve and claims reserve that have been not solved is not sufficient to pay indemnities under liability of the Corporation. Maximum amount allowed is calculated as follows:

$$\begin{array}{l} \text{Amount allowed of current fiscal year} \\ = \text{Indemnity liability for retention of current fiscal year} - \left[ \text{Total retained insurance premium of current fiscal year} - \left( \text{Unearned premium reserve in proportion to required retention to be set aside of current fiscal year} - \text{Claims reserve in proportion to required retention for unsettled claim to be set aside of current fiscal year} \right) \right] \end{array}$$

## 14. Sources of capital

### Owner's contribution capital

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

### Share premiums

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



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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Notes to the combined financial statements (cont.)

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#### 15. Profit distribution

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

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

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

##### *Compulsory reserve*

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

##### *Other funds*

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

#### 16. Recognition of sales and expenses

##### 16.1. Activity of trading written premium

###### *Gross written premium*

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

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

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

###### *Claim expense*

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



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### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

Notes to the combined financial statements (cont.)

#### *Commission*

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

#### **16.2. Activity of reinsurance assumed**

##### *Under treaty reinsurance*

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

##### *Under facultative reinsurance*

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

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

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

#### **16.3. Activity of reinsurance ceded**

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

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

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

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

#### **16.4. Activity of investment**

##### *Interests*

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

##### *Dividends and profit shared*

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

##### *Investment costs*

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

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# POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION

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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

### Notes to the combined financial statements (cont.)

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

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

#### 17. Borrowing costs

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

#### 18. Corporate income tax

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

#### 19. Related parties

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

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

#### 20. Segment reporting

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

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

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

#### 21. Financial instruments

##### *Financial assets*

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

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

##### *Financial liabilities*

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

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



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**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**Notes to the combined financial statements (cont.)*****Equity instrument***

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

***Offsetting financial instruments against each other***

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

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

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Cash on hand	6,066,355,564	7,032,887,325
Demand deposits at banks	273,702,868,891	107,306,961,881
Cash in transit	17,291,154,000	3,255,580,000
<b>Total</b>	<b>297,060,378,455</b>	<b>117,595,429,206</b>

**2. Financial investments**

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

**2a. Trading securities**

	<b>Ending balance</b>			<b>Beginning balance</b>		
	<b>Historical costs</b>	<b>Fair value</b>	<b>Provision</b>	<b>Historical costs</b>	<b>Fair value</b>	<b>Provision</b>
<b>Listed securities</b>	<b>5,773,214,858</b>	<b>6,392,200,000</b>	-	<b>354,701,122,868</b>	<b>222,571,116,000</b>	<b>(137,506,487,068)</b>
LPB	-	-	-	176,384,114,856	126,722,400,000	(57,671,626,556)
OIL	-	-	-	121,619,935,754	56,570,010,000	(62,416,494,254)
HUT	-	-	-	33,347,829,873	20,256,720,000	(13,091,109,873)
KDH	4,507,664,968	4,981,000,000	-	-	-	-
CKG	1,265,549,890	1,411,200,000	-	-	-	-
Others	-	-	-	23,349,242,385	19,021,986,000	(4,327,256,385)
<b>Unlisted securities</b>	-	-	-	<b>159,994,380,350</b>	-	-
ALS	-	-	-	60,000,000,000	-	-
OCB	-	-	-	99,994,380,350	-	-
<b>Total</b>	<b>5,773,214,858</b>	<b>6,392,200,000</b>	-	<b>514,695,503,218</b>	<b>222,571,116,000</b>	<b>(137,506,487,068)</b>

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**Notes to the combined financial statements (cont.)**

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

	<b>Current year</b>	<b>Previous year</b>
Beginning balance	137,506,487,068	76,375,920,784
Additional appropriation of provision	-	77,924,924,703
Refund of provision	(137,506,487,068)	(16,794,358,419)
<b>Ending balance</b>	<b>-</b>	<b>137,506,487,068</b>

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

	<b>Ending balance</b>		<b>Beginning balance</b>	
	<b>Historical costs</b>	<b>Provision</b>	<b>Historical costs</b>	<b>Provision</b>
<b>Short-term</b>	<b>3,058,164,669,747</b>	<b>-</b>	<b>2,772,027,817,444</b>	<b>-</b>
Termed deposits	2,958,164,669,747	-	2,667,193,517,444	-
Investments in bonds	100,000,000,000	-	100,000,000,000	-
<i>Gia Lai Electricity JSC. <sup>(i)</sup></i>	100,000,000,000	-	-	-
<i>Thanh Thanh Cong Investment JSC.</i>	-	-	50,000,000,000	-
<i>Sai Gon Thuong Tin Real Estate JSC.</i>	-	-	50,000,000,000	-
Short-term investment trust	-	-	4,834,300,000	-
<b>Long-term</b>	<b>963,000,000,000</b>	<b>(7,344,000,000)</b>	<b>462,837,552,461</b>	<b>(7,344,000,000)</b>
Termed deposits	755,000,000,000	-	341,924,109,589	-
Investments in bonds	200,000,000,000	-	100,000,000,000	-
<i>Becamex IDC Corp. <sup>(ii)</sup></i>	100,000,000,000	-	-	-
<i>LienVietPostBank <sup>(iii)</sup></i>	100,000,000,000	-	-	-
<i>Gia Lai Electricity JSC.</i>	-	-	100,000,000,000	-
Investment portfolio management trust	8,000,000,000	(7,344,000,000)	20,913,442,872	(7,344,000,000)
<b>Total</b>	<b>4,021,164,669,747</b>	<b>(7,344,000,000)</b>	<b>3,234,865,369,905</b>	<b>(7,344,000,000)</b>

<sup>(i)</sup> The Corporation has held 1,000 bonds, equivalent to VND 100,000,000,000 issued by Gia Lai Electricity JSC., with the term of 2 years commencing from 14 June 2019, the interest rate of 12.0%/year.

<sup>(ii)</sup> The Corporation has held 1,000,000 bonds, equivalent to VND 100,000,000,000 issued by Investment and Industrial Development Joint Stock Corporation (Becamex IDC Corp.), with the term of 2 years commencing from 25 June 2020, the interest rate of 10.9%/year.

<sup>(iii)</sup> The Corporation has held 10,000 bonds, equivalent to VND 100,000,000,000 issued by LienVietPostBank, with the term of 7 years commencing from 24 November 2020, the interest rate in the first year is 8.1%/year, the 2<sup>nd</sup> year with margin of 2.3%, from the 3<sup>rd</sup> year onwards with the margin of 3.3%/year plus deferred average 12-month personal saving interest rate of 4 banks including Vietcombank, BIDV, Viettinbank and Agribank. LienVietPostBank commits to repurchasing the bonds before maturity on the date of full 2 years commencing from the date of bond issuance in compliance with the State Bank's regulations and the Laws.



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### 2c. Capital contribution investments in other entities

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
<i>Investments in subsidiaries</i>	<b>88,200,000,000</b>	<b>(18,871,030,709)</b>	<b>119,700,000,000</b>	<b>(1,406,209,451)</b>
VinaPetro <sup>(i)</sup>	-	-	11,700,000,000	(1,406,209,451)
VN-IBS., JSC. <sup>(ii)</sup>	-	-	19,800,000,000	-
PostRE <sup>(iii)</sup>	88,200,000,000	(18,871,030,709)	88,200,000,000	-
<i>Investments in associates</i>	<b>34,444,900,000</b>	<b>(4,110,351,940)</b>	<b>34,444,900,000</b>	-
LAP <sup>(iv)</sup>	20,152,200,000	(4,110,351,940)	20,152,200,000	-
Kasati JSC. <sup>(v)</sup>	14,292,700,000	-	14,292,700,000	-
<i>Capital contribution in other entities</i>	<b>30,129,400,000</b>	<b>(5,999,403,745)</b>	<b>96,373,299,985</b>	<b>(40,398,571,184)</b>
UTXI Aquatic Products Processing Corporation	15,000,000,000	(5,999,403,745)	15,000,000,000	(4,469,439,932)
Post and Telecommunications Tourism JSC.	2,940,000,000	-	2,940,000,000	-
Global Data Service JSC.	5,699,400,000	-	17,080,000,000	-
Huawei Vietnam JSC.	5,800,000,000	-	5,800,000,000	-
Phuong Nam Real Estate Investment JSC.	65,000,000	-	65,000,000	-
Communication Technology Development Investment JSC.	625,000,000	-	625,000,000	-
36 JSC.	-	-	54,863,299,985	(35,929,131,252)
<b>Total</b>	<b>152,774,300,000</b>	<b>(28,980,786,394)</b>	<b>250,518,199,985</b>	<b>(41,804,780,635)</b>

- (i) According to the 4<sup>th</sup> amended Business Registration Certificate No. 0500600975 dated 16 October 2015 granted by Hanoi Authority for Planning and Investment, the Corporation would invest in VinaPetro with the amount of VND 17,185,000,000 equivalent to 95.47% of charter capital.

On 10 December 2019, the Corporation's BOM issued the Resolution No. 56/NQ-PTI-HDQT on approving the Corporation's divestment in VinaPetro. Accordingly, the Corporation offered to sell all 1,198,000 shares equivalent to 93.63% of charter capital actually contributed with the starting price of VND 9,800/share.

During the year, the Corporation transferred all 1,198,000 shares in VinaPetro in accordance with the transfer contract dated 27 December 2019 with the transfer price of VND 9,800/share, total transfer value of VND 11,740,400,000, the profit from the subsidiary transfer transaction was VND 1,446,609,451.

As of the balance sheet date, the Corporation had completed the divestment in VinaPetro.

- (ii) According to the 9<sup>th</sup> amended Business Registration Certificate No. 0102720783 dated 22 October 2014 granted by Hanoi Authority for Planning and Investment, the Corporation would invest in VN-IBS., JSC. with the amount of VND 19,800,000,000 equivalent to 99% of charter capital.

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



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During the year, the Corporation transferred all 1,198,000 shares in VinaPetro in accordance with the transfer contract dated 11 August 2020 with the transfer price of VND 12,490/share, total transfer value of VND 24,730,200,000, the profit from the subsidiary transfer transaction was VND 4,930,200,000.

As of the balance sheet date, the Corporation had completed the divestment in VN-IBS., JSC.

- (iii) According to the Business Registration Certificate No. 0103027478 dated 21 October 2008 granted by Hanoi Authority for Planning and Investment, the Corporation would invest in PostRE with the amount of VND 88,200,000,000 equivalent to 49% of charter capital. Currently, the remaining shareholders have not contributed enough capital into PostRE as committed. Therefore, the rate of the Corporation's contribution capital accounts for 95.32% of PostRE's actual contribution capital as of 31 December 2020.

In 2019, according to the State Auditor's opinion, the Corporation classified the capital contribution investment in PostRE into the investment in subsidiary in line with the regulations of the prevailing accounting regime.

- (iv) According to the amended Investment Certificate No. 347/BKH-DTRNN-DC3 dated 30 September 2014 granted by the Ministry of Planning and Investment, the Corporation would invest in LAP with the amount of USD 1,000,000 equivalent to 50% of charter capital. As of 31 December 2020, the Corporation had fully invested the capital as registered with the amount of USD 1,000,000 equivalent to VND 20,152,200,000.
- (v) The Corporation owns 638,090 shares of Kasati JSC. equivalent to 21.3% of charter capital with the book value of VND 14,292,700,000.

#### *Fair value*

As for investments with listed prices, the fair value is determined based on listed prices as of the balance sheet date.

#### *Operation of subsidiaries and associates*

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

#### *Transactions with subsidiaries and associates*

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

	<u>Current year</u>	<u>Previous year</u>
<b>VN-IBS., JSC.</b>		
Dividends shared	-	3,594,000,000
Receipt of dividends of the previous years	6,897,671,233	-
<b>PostRE</b>		
Sales of real estate business cooperation	1,474,710,705	15,824,689,500
Recovery of business cooperation money	8,660,000,000	4,330,000,000
Receipt of business cooperation interest during the year	-	3,849,142,061
Dividends shared	-	500,000,000
Receipt of dividends of the previous years	2,292,000,000	-



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	<u>Current year</u>	<u>Previous year</u>
<b>VinaPetro</b>		
Recovery of business cooperation money	-	2,200,000,000
Business cooperation interest during the year	-	208,331,852
<b>LAP</b>		
<b>Reinsurance ceded</b>		
Reinsurance premium ceded	167,046,303,205	329,569,299,169
Receiving commission on reinsurance ceded	71,354,156,987	143,333,868,530
Receiving indemnity of reinsurance ceded	58,049,611,112	151,944,907,741
Other income from activity of reinsurance ceded	37,934,739,566	27,637,834,780
<b>Reinsurance assumed</b>		
Reinsurance premium assumed	9,226,090,188	8,466,548,558
Commission expenses for reinsurance assumed	2,013,991,846	2,129,067,251
Claim expenses for reinsurance assumed	1,253,039,762	2,677,453,481
<b>Dividends</b>		
Dividends shared	-	985,308,960
<b>Kasati JSC.</b>		
Dividends shared	1,190,675,940	957,135,000
<b>2d. Provision for devaluation of long-term financial investments</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for investments held to maturity date	7,344,000,000	7,344,000,000
Provision for capital contribution in other entities	28,980,786,394	41,804,780,635
<b>Total</b>	<b>36,324,786,394</b>	<b>49,148,780,635</b>
Situation of fluctuations in provision for devaluation of long-term financial investments is as follows:		
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	49,148,780,635	86,649,020,878
Additional appropriation of provision	24,511,346,462	-
Use of provision	(37,335,340,703)	(25,176,375,649)
Refund of provision	-	(12,323,864,594)
<b>Ending balance</b>	<b>36,324,786,394</b>	<b>49,148,780,635</b>
<b>3. Receivable on insurance policies</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable on written premium	369,497,986,705	340,234,806,699
Receivable on reinsurance	170,867,769,920	268,081,519,036
<b>Total</b>	<b>540,365,756,625</b>	<b>608,316,325,735</b>
<b>4. Short-term prepayments to suppliers</b>		
	<u>Ending balance</u>	<u>Beginning balance</u>
Prepayment of claim for written premium	107,207,718,750	69,265,768,884
Other prepayments of written premium activity	836,751,977	1,030,789,360
Prepayments to other suppliers	179,208,254,292	15,822,854,411
<b>Total</b>	<b>287,252,725,019</b>	<b>86,119,412,655</b>

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**Notes to the combined financial statements (cont.)****5. Other receivable****5a. Short-term receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Estimated interest receivable from financial incomes	210,203,745,458	205,708,692,454
Advance of agency commission	22,312,932,836	21,263,982,840
Receivable on claim paid to Khai Thanh Production and Trading Co., Ltd. (due to the decision of the Court in which PTI does not have to pay claim)	5,614,181,754	5,614,181,754
Advances	13,601,079,747	13,179,655,700
Short-term deposits and mortgages	6,541,684,562	1,454,728,872
Others	31,871,173,507	33,629,243,724
<b>Total</b>	<b>290,144,797,864</b>	<b>280,850,485,344</b>

**5b. Long-term receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits and mortgages	8,200,000,000	10,280,000,000
Others	9,291,728,901	12,068,255,844
<b>Total</b>	<b>17,491,728,901</b>	<b>22,348,255,844</b>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for overdue debts under 1 year	336,651,842	754,492,530
Provision for overdue debts from 1 year to under 2 years	854,212,224	1,033,166,692
Provision for overdue debts from 2 years to under 3 years	1,105,668,560	1,319,264,949
Provision for overdue debts over 3 years	79,477,182,212	42,105,205,800
<b>Total</b>	<b>81,773,714,838</b>	<b>45,212,129,971</b>

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	45,212,129,971	58,076,666,808
Appropriation of provision	37,039,384,209	-
Refund of provision	(477,799,342)	(1,718,477,399)
Use of provision	-	(11,146,059,438)
<b>Ending balance</b>	<b>81,773,714,838</b>	<b>45,212,129,971</b>

**7. Inventories**

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials, supplies	1,470,610,329	4,166,119,926
Tools, instruments	399,201,390	446,455,942
Merchandises	155,690,000	10,062,867,241
<b>Total</b>	<b>2,025,501,719</b>	<b>14,675,443,109</b>



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**Notes to the combined financial statements (cont.)****8. Prepaid expenses****8a. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Unappropriated commission expenses (*)	404,700,563,407	392,345,860,078
Operating expenses to be allocated (**)	184,363,217,865	-
Others	46,000,000	200,215,600
<b>Total</b>	<b><u>589,109,781,272</u></b>	<b><u>392,546,075,678</u></b>

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	392,345,860,078	233,777,609,509
Increase during the year	681,899,837,292	672,596,802,275
Amount already allocated into expenses during the year	(669,545,133,963)	(514,028,551,706)
<b>Ending balance</b>	<b><u>404,700,563,407</u></b>	<b><u>392,345,860,078</u></b>

(\*\*) These are operating expenses incurred from the line of Credit security insurance which have not been allocated during the year. These operating expenses are recognized and allocated in line with the appropriation method of unearned premium reserve of this insurance line.

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Tools, instruments	4,302,645,026	6,219,685,369
Housing rental	4,856,862,306	4,293,023,339
Others	29,991,163,334	21,770,446,333
<b>Total</b>	<b><u>39,150,670,666</u></b>	<b><u>32,283,155,041</u></b>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT on local sales	2,746,480	801,988
Personal income tax	564,620,872	384,274,774
Other taxes	11,803,303	78,098,403
<b>Total</b>	<b><u>579,170,655</u></b>	<b><u>463,175,165</u></b>

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

	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Total</b>
<b>Historical costs</b>					
Beginning balance	15,536,736,730	237,270,000	109,488,174,407	35,086,773,956	160,348,955,093
Purchase during the year	-	-	12,237,037,182	5,603,348,455	17,840,385,637
Complete construction	6,458,842,680	-	-	-	6,458,842,680
Liquidation and disposal	-	-	(4,035,281,732)	-	(4,035,281,732)
<b>Ending balance</b>	<b>21,995,579,410</b>	<b>237,270,000</b>	<b>117,689,929,857</b>	<b>40,690,122,411</b>	<b>180,612,901,678</b>
<i>In which:</i>					
Fully depreciated but being still in use	-	142,850,000	25,541,194,099	17,808,515,032	43,492,559,131
To be liquidated	-	-	-	-	-
<b>Depreciation</b>					
Beginning balance	3,392,080,474	123,126,540	62,445,236,572	23,510,446,333	89,470,889,919
Depreciation during the year	630,205,625	33,529,336	8,611,931,975	4,455,664,672	13,731,331,608
Liquidation and disposal	-	-	(3,432,677,281)	-	(3,432,677,281)
<b>Ending balance</b>	<b>4,022,286,099</b>	<b>156,655,876</b>	<b>67,624,491,266</b>	<b>27,966,111,005</b>	<b>99,769,544,246</b>
<b>Net book value</b>					
Beginning balance	12,144,656,256	114,143,460	47,042,937,835	11,576,327,623	70,878,065,174
<b>Ending balance</b>	<b>17,973,293,311</b>	<b>80,614,124</b>	<b>50,065,438,591</b>	<b>12,724,011,406</b>	<b>80,843,357,432</b>
<i>In which:</i>					
Temporarily unused					
To be liquidated					

**11. Intangible fixed assets**

	<b>Land use right</b>	<b>Computer software</b>	<b>Total</b>
<b>Historical costs</b>			
Beginning balance	5,096,806,800	13,413,785,686	18,510,592,486
Purchase during the year	6,380,470,000	2,451,000,000	8,831,470,000
<b>Ending balance</b>	<b>11,477,276,800</b>	<b>15,864,785,686</b>	<b>27,342,062,486</b>
<i>In which:</i>			
Fully amortized but being still in use	-	10,903,485,686	10,903,485,686
<b>Amortization</b>			
Beginning balance	-	10,185,957,358	10,185,957,358
Amortization during year	-	2,360,004,872	2,360,004,872
<b>Ending balance</b>	<b>-</b>	<b>12,545,962,230</b>	<b>12,545,962,230</b>
<b>Net book value</b>			
Beginning balance	5,096,806,800	3,227,828,328	8,324,635,128
<b>Ending balance</b>	<b>11,477,276,800</b>	<b>3,318,823,456</b>	<b>14,796,100,256</b>
<i>In which:</i>			
Temporarily unused	-	-	-
To be liquidated	-	-	-



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

The Corporation's investment properties only include buildings and structures for lease.

	<b>Historical costs</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>
Beginning balance	145,709,389,296	11,440,137,859	134,269,251,437
Depreciation during the year	-	3,536,620,030	(3,536,620,030)
Liquidation and disposal	(24,606,063,108)	(804,352,801)	(23,801,710,307)
<b>Ending balance</b>	<b>121,103,326,188</b>	<b>14,172,405,088</b>	<b>106,930,921,100</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 Corporation has not been able to determine the fair value of investment properties.

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

	<b>Historical costs</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>
Commercial floor at Thuy Loi 4 Apartment Building	86,512,743,262	9,200,494,746	77,312,248,516
FLC Quy Nhon	22,557,136,380	4,519,929,439	18,037,206,941
Tasco Project	12,033,446,546	451,980,903	11,581,465,643
<b>Total</b>	<b>121,103,326,188</b>	<b>14,172,405,088</b>	<b>106,930,921,100</b>

Income from and expenses for leasing properties during the year are VND 13,152,907,119 and VND 3,479,598,879 (those in the previous year were VND 14,119,395,850 and VND 5,058,473,323).

**13. Construction in progress**

Beginning balance	10,956,459,398
Increase during the year	11,792,305,611
Transfer to fixed assets during the year	(6,458,842,680)
<b>Ending balance (*)</b>	<b>16,289,922,329</b>

(\*) Details of expenses for construction in progress at the end of the year are as follows:

	<b>Ending balance</b>	<b>Beginning balance</b>
Purchasing house and land use right at Northern Midland PTI Office	8,321,600,000	10,956,459,398
Purchasing house and land use right at Binh Tri Thien PTI Office	7,504,510,000	-
Purchasing other assets	463,812,329	-
<b>Total</b>	<b>16,289,922,329</b>	<b>10,956,459,398</b>

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Payable on written premium	165,745,617,292	144,799,167,468
Payable on reinsurance activity	261,239,702,159	338,244,791,629
Payable for co-insurer	14,254,003,451	17,528,041,475
Payable to other suppliers	30,022,095,739	26,284,362,663
<b>Total</b>	<b>471,261,418,641</b>	<b>526,856,363,235</b>

**15. Short-term prepayments from customers**

Including the prepayments from customers for written premium.



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**Notes to the combined financial statements (cont.)****16. Taxes and other obligations to the State budget**

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT on local sales	28,493,639,383	24,857,032,783
Corporate income tax	20,515,572,973	13,148,830,932
Personal income tax	11,060,885,933	11,531,469,779
Other taxes	237,595,086	294,315,155
<b>Total</b>	<b>60,307,693,375</b>	<b>49,831,648,649</b>

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

	<u>Beginning balance</u>		<u>Increase during the year</u>		<u>Ending balance</u>	
	<u>Payable</u>	<u>Receivable</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Payable</u>	<u>Receivable</u>
VAT on local sales	24,857,032,783	801,988	214,734,709,629	(211,100,047,521)	28,493,639,383	2,746,480
Corporate income tax (*)	13,148,830,932	-	54,515,592,973	(47,148,850,932)	20,515,572,973	-
Personal income tax	11,531,469,779	384,274,774	50,656,726,076	(51,307,656,020)	11,060,885,933	564,620,872
Other taxes	294,315,155	78,098,403	1,589,249,290	(1,579,674,259)	237,595,086	11,803,303
<b>Total</b>	<b>49,831,648,649</b>	<b>463,175,165</b>	<b>321,496,277,968</b>	<b>(311,136,228,732)</b>	<b>60,307,693,375</b>	<b>579,170,655</b>

(*) Payable corporate income tax included into the Corporation's expenses	54,467,076,928
Payable corporate income tax recovered from individuals	48,516,045
<b>Total</b>	<b>54,515,592,973</b>

**Value added tax (VAT)**

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

**Corporate income tax**

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

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

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	304,658,658,494	133,611,623,633
Increase/decrease adjustments of accounting profit to determine profit subject to corporate income tax:	14,863,516,085	2,378,641,558
- Increase adjustments	14,863,516,085	2,496,010,282
- Decrease adjustments	-	(117,368,724)
Income subject to tax	319,522,174,579	135,990,265,191
Income exempted from tax	(47,186,789,940)	(19,701,642,838)
Taxable income	272,335,384,639	116,288,622,353
Corporate income tax rate	20%	20%
<b>Total corporate income tax payable</b>	<b>54,467,076,928</b>	<b>23,257,724,471</b>

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

**Other taxes**

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



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**Notes to the combined financial statements (cont.)****17. Short-term unrealized revenue**

Including written premium received in advance for the following periods.

**18. Unearned commission**

	<b>Current year</b>	<b>Previous year</b>
Beginning balance	293,161,262,536	155,855,656,519
Increase during the year	597,037,212,188	518,578,082,384
Amount already allocated into commission on reinsurance ceded during the year	(536,833,281,524)	(381,272,476,367)
<b>Ending balance</b>	<b>353,365,193,200</b>	<b>293,161,262,536</b>

**19. Other payable****19a. Other short-term payable**

	<b>Ending balance</b>	<b>Beginning balance</b>
Trade Union's expenditure	5,462,920,349	4,725,341,220
Social insurance, health insurance, unemployment insurance	395,317,365	580,138,788
Contribution to insurance funds	18,269,196,554	18,181,965,051
Dividends payable	10,309,046,235	9,657,149,161
Foreign Contractor Withholding tax temporarily retained	2,725,779,722	2,474,729,464
Premium collected from VNPost not collated yet	26,297,991,663	19,528,905,584
Customer bonus fund	1,427,012,941	2,623,473,949
Short-term deposits and mortgages assumed	20,735,736	855,136,400
Advance received for selling securities	-	6,663,249,226
Others	39,793,237,470	30,979,184,669
<b>Total</b>	<b>104,701,238,035</b>	<b>96,269,273,512</b>

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

Including long-term deposits and mortgages.

**20. Short-term loans**

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

	<b>Beginning balance</b>	<b>Increase during the year</b>	<b>Amount already paid during the year</b>	<b>Ending balance</b>
Shinhan Bank Vietnam <sup>(i)</sup>	-	218,700,000,000	(218,700,000,000)	-
Woori Bank Vietnam – Hoan Kiem Branch <sup>(ii)</sup>	-	50,000,000,000	(50,000,000,000)	-
<b>Total</b>	-	<b>268,700,000,000</b>	<b>(268,700,000,000)</b>	-

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#### Notes to the combined financial statements (cont.)

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(i) This is the loan from Shinhan Bank Vietnam to supplement working capital, with the credit limit of USD 9,800,000, the interest rate of 3-month libor plus margin of 0.8%. This loan is secured by the termed deposits at the credit institutions with the value as of 31 December 2020 of VND 30,000,000,000 (see Note V.2b).

(ii) This is the loan from Woori Bank Vietnam – Hoan Kiem Branch to supplement working capital, with the credit limit of VND 100,000,000,000, the interest rate equal to the average 3-month deposit interest rate (for corporate) of state-owned banks in Vietnam plus margin of 0.65%/year. This loan is secured by the termed deposits at the credit institutions with the value as of 31 December 2020 of VND 140,000,000,000 (see Note V.2b).

#### 21. Provision for current liabilities

Including provision for salary fund to be paid in 2021, which has been approved by the Corporation's Salary Council Chairman, the Corporation's General Director.

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Notes to the combined financial statements (cont.)

### **22. Technical reserves**

#### **22a. Claim and unearned premium reserves**

	Current year			Previous year		
	Written premium and reinsurance assumed reserve	Reinsurance ceded reserve	Net written premium and reinsurance assumed reserve	Written premium and reinsurance assumed reserve	Reinsurance ceded reserve	Net written premium and reinsurance assumed reserve
	(1)	(2)	(3) = (1) – (2)	(4)	(5)	(6) = (4) – (5)
<b>1. Claim reserve<sup>(i)</sup></b>	<b>1,203,186,839,531</b>	<b>521,255,463,634</b>	<b>681,931,375,897</b>	<b>1,161,842,936,713</b>	<b>609,646,277,303</b>	<b>552,196,659,410</b>
Claim reserve for outstanding claims	1,082,042,059,961	483,962,717,471	598,079,342,490	1,018,867,697,213	519,422,155,045	499,445,542,168
Claim reserve for IBNR	121,144,779,570	37,292,746,163	83,852,033,407	142,975,239,500	90,224,122,258	52,751,117,242
<b>2. Unearned premium reserve<sup>(ii)</sup></b>	<b>3,126,304,107,134</b>	<b>894,555,566,300</b>	<b>2,231,748,540,834</b>	<b>3,160,260,976,999</b>	<b>1,373,748,583,697</b>	<b>1,786,512,393,302</b>
<b>Total</b>	<b>4,329,490,946,665</b>	<b>1,415,811,029,934</b>	<b>2,913,679,916,731</b>	<b>4,322,103,913,712</b>	<b>1,983,394,861,000</b>	<b>2,338,709,052,712</b>
<b>In which:</b>						
<sup>(i)</sup> Claim reserve						
Beginning balance	1,161,842,936,713	609,646,277,303	552,196,659,410	896,915,750,913	347,425,959,496	549,489,791,417
Appropriation during the year	41,343,902,818	-	41,343,902,818	264,927,185,800	262,220,317,807	2,706,867,993
Refund during the year	-	(88,390,813,669)	88,390,813,669	-	-	-
<b>Ending balance</b>	<b>1,203,186,839,531</b>	<b>521,255,463,634</b>	<b>681,931,375,897</b>	<b>1,161,842,936,713</b>	<b>609,646,277,303</b>	<b>552,196,659,410</b>
<sup>(ii)</sup> Unearned premium reserve						
Beginning balance	3,160,260,976,999	1,373,748,583,697	1,786,512,393,302	2,144,592,205,609	732,477,619,828	1,412,114,585,781
Appropriation during the year	-	-	-	1,015,668,771,390	641,270,963,869	374,397,807,521
Refund during the year	(33,956,869,865)	(479,193,017,397)	445,236,147,532	-	-	-
<b>Ending balance</b>	<b>3,126,304,107,134</b>	<b>894,555,566,300</b>	<b>2,231,748,540,834</b>	<b>3,160,260,976,999</b>	<b>1,373,748,583,697</b>	<b>1,786,512,393,302</b>



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**Notes to the combined financial statements (cont.)****22b. Reinsurance assets**

	<b>Ending balance</b>	<b>Beginning balance</b>
Claim reserve for reinsurance ceded	<b>521,255,463,634</b>	<b>609,646,277,303</b>
Claim reserve for outstanding claims	483,962,717,471	519,422,155,045
Claim reserve for IBNR	37,292,746,163	90,224,122,258
Unearned premium reserve for reinsurance ceded	<b>894,555,566,300</b>	<b>1,373,748,583,697</b>
<b>Total</b>	<b><u>1,415,811,029,934</u></b>	<b><u>1,983,394,861,000</u></b>

**22c. Catastrophe reserve**

	<b>Current year</b>	<b>Previous year</b>
Beginning balance	103,775,184,431	98,160,886,772
Additional appropriation during the year	44,022,584,353	35,614,297,659
Disbursement during the year	(105,291,442,343)	(30,000,000,000)
<b>Ending balance</b>	<b><u>42,506,326,441</u></b>	<b><u>103,775,184,431</u></b>



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Notes to the combined financial statements (cont.)

### **23. Owner's equity**

#### **23a. Statement of fluctuations in owner's equity**

	Owner's investment capital	Share premiums	Business promotion fund	Compulsory reserve fund	Retained profit after tax	Total
Beginning balance of the previous year	803,957,090,000	827,943,052,804	22,230,714,262	49,884,763,553	100,278,946,316	1,804,294,566,935
Profit in the previous year	-	-	-	-	110,353,899,162	110,353,899,162
Appropriation of funds during the year	-	-	183,476,595	5,517,694,958	(5,701,171,553)	-
Share of dividends in the previous year	-	-	-	-	(64,316,567,200)	(64,316,567,200)
Appropriation of customer bonus fund	-	-	-	-	(183,476,595)	(183,476,595)
Payment of allowance and bonus to the BOM, the Control Board	-	-	-	-	(917,382,977)	(917,382,977)
Executive officers' bonus fund	-	-	-	-	(366,953,190)	(366,953,190)
<b>Ending balance of the previous period</b>	<b>803,957,090,000</b>	<b>827,943,052,804</b>	<b>22,414,190,857</b>	<b>55,402,458,511</b>	<b>139,147,293,963</b>	<b>1,848,864,086,135</b>
Beginning balance of the current year	803,957,090,000	827,943,052,804	22,414,190,857	55,402,458,511	139,147,293,963	1,848,864,086,135
Profit in the current year	-	-	-	-	250,191,581,566	250,191,581,566
Appropriation of funds	-	-	1,103,538,992	12,509,579,078	(13,613,118,070)	-
Share of dividends	-	-	-	-	(80,395,709,000)	(80,395,709,000)
Appropriation of customer bonus fund	-	-	-	-	(1,103,538,992)	(1,103,538,992)
Payment of allowance and bonus to the BOM, the Control Board	-	-	-	-	(1,103,538,992)	(1,103,538,992)
Executive officers' bonus fund	-	-	-	-	(2,207,077,983)	(2,207,077,983)
<b>Ending balance of the current year</b>	<b>803,957,090,000</b>	<b>827,943,052,804</b>	<b>23,517,729,849</b>	<b>67,912,037,589</b>	<b>290,915,892,492</b>	<b>2,014,245,802,734</b>

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**Notes to the combined financial statements (cont.)****23b. 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><u>1,631,900,142,804</u></b>	<b><u>1,631,900,142,804</u></b>

**23c. Dividends**

	<u>Current year</u>	<u>Previous year</u>
Unpaid dividends at the beginning of year	9,657,149,161	10,686,233,993
Share of dividends from profit of the previous year	80,395,709,000	64,316,567,200
Dividends already paid during the year	(79,743,811,926)	(65,345,652,032)
<b>Dividends to be paid at the end of the year</b>	<b><u>10,309,046,235</u></b>	<b><u>9,657,149,161</u></b>

**23d. Shares**

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

Face value per outstanding share: VND 10,000.

**23e. Profit distribution**

During the year, the Corporation distributed the profit in accordance with the Resolution of the 2020 Annual General Meeting of Shareholders No. 49/NQ-PTI-DHDCD dated 24 June 2020 as follows:

	<u>VND</u>
• Share of dividends to shareholders	: 80,395,709,000
• Appropriation of business promotion fund	: 1,103,538,992
• Appropriation of customer bonus fund	: 1,103,538,992
• Payment of allowance and bonus to the BOM, the Control Board	: 1,103,538,992
• Executive officers' bonus fund	: 2,207,077,983



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

	<u>Current year</u>	<u>Previous year</u>
Written premium	5,959,243,463,387	5,692,726,345,390
<i>Health insurance and personal accident insurance</i>	2,040,573,698,383	2,225,234,652,476
<i>Property and damage insurance</i>	572,212,525,506	373,902,860,316
<i>Cargo insurance</i>	136,054,804,410	138,426,064,910
<i>Aviation insurance</i>	36,470,470,927	35,029,804,567
<i>Motor vehicle insurance</i>	2,684,052,665,309	2,478,432,623,712
<i>Fire and explosion insurance</i>	332,347,400,118	326,439,265,780
<i>Hull and P&amp;I</i>	102,048,759,862	71,611,994,098
<i>Joint liability insurance</i>	55,483,138,872	43,649,079,531
Reinsurance premium assumed	86,310,238,331	108,920,975,323
Increase/decrease in unearned premium reserve for written premium and reinsurance assumed	33,956,869,865	(1,015,668,871,390)
<b>Sales of insurance premium</b>	<b><u>6,079,510,571,583</u></b>	<b><u>4,785,978,449,323</u></b>

**2. Reinsurance premium ceded**

	<u>Current year</u>	<u>Previous year</u>
Reinsurance premium ceded	1,643,295,266,402	2,240,217,554,853
<i>Health insurance and personal accident insurance</i>	828,382,041,767	1,342,336,009,441
<i>Property and damage insurance</i>	376,970,074,132	314,018,251,984
<i>Cargo insurance</i>	39,446,118,609	43,217,191,876
<i>Aviation insurance</i>	14,104,368,195	18,858,583,399
<i>Motor vehicle insurance</i>	(154,341,516)	276,452,482,639
<i>Fire and explosion insurance</i>	332,556,908,002	190,298,044,175
<i>Hull and P&amp;I</i>	38,244,274,293	43,162,422,467
<i>Joint liability insurance</i>	13,745,822,920	11,874,568,872
Increase/decrease in unearned premium reserve for reinsurance ceded	479,193,017,397	(641,270,963,869)
<b>Reinsurance premium ceded</b>	<b><u>2,122,488,283,799</u></b>	<b><u>1,598,946,590,984</u></b>

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**Notes to the combined financial statements (cont.)****3. Total claim expenses**

	<b>Current year</b>	<b>Previous year</b>
Claim expenses	2,047,891,329,348	2,038,496,004,596
<i>Health insurance and personal accident insurance</i>	683,222,774,521	543,955,371,932
<i>Property and damage insurance</i>	112,238,177,913	140,196,633,628
<i>Cargo insurance</i>	28,306,049,085	66,775,747,977
<i>Aviation insurance</i>	16,774,801,203	-
<i>Motor vehicle insurance</i>	1,125,368,409,690	1,107,784,850,674
<i>Fire and explosion insurance</i>	66,522,099,150	64,052,917,010
<i>Hull and P&amp;I</i>	111,719,627,825	131,131,225,688
<i>Joint liability insurance</i>	9,030,832,304	14,599,257,687
<i>Disbursement of catastrophe reserve</i>	(105,291,442,343)	(30,000,000,000)
Receiving indemnity of reinsurance ceded	(532,380,584,002)	(589,960,692,386)
Increase/decrease in claim reserve for written premium and reinsurance assumed	41,343,902,818	264,927,185,800
Increase/decrease in claim reserve for reinsurance ceded	88,390,813,669	(262,220,317,806)
<b>Total claim expenses</b>	<b>1,645,245,461,833</b>	<b>1,451,242,180,204</b>

**4. Other expenses for insurance operation**

	<b>Current year</b>	<b>Previous year</b>
Insurance commission	669,545,133,963	514,028,551,706
Insurance agency management	496,404,323,279	494,872,249,974
Prevention and reduction of losses	17,657,542,225	21,742,060,944
Insurance funds	8,573,866,423	18,427,965,051
Others	1,153,028,963,612	1,099,223,015,122
<b>Total</b>	<b>2,345,209,829,502</b>	<b>2,148,293,842,797</b>

**5. Sales of trading investment property**

	<b>Current year</b>	<b>Previous year</b>
Leasing investment property	13,152,907,119	14,119,395,850
Selling investment property	10,909,090,909	16,737,188,363
<b>Total</b>	<b>24,061,998,028</b>	<b>30,856,584,213</b>

**6. Costs of investment property**

	<b>Current year</b>	<b>Previous year</b>
Leasing investment property	3,479,598,879	5,058,473,323
Selling investment property	10,108,467,031	9,032,504,055
<b>Total</b>	<b>13,588,065,910</b>	<b>14,090,977,378</b>



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

	<b>Current year</b>	<b>Previous year</b>
Termed deposit interest	123,735,316,357	120,219,220,232
Demand deposit interest	154,785,776	386,242,817
Gain on liquidation of subsidiary	6,376,809,451	-
Long-term investment interest	2,903,907,467	24,823,430,422
Gain on trading securities	8,676,687,498	21,044,283,702
Dividends and profit shared	47,186,789,940	19,701,642,838
Gain on realized exchange rate differences	2,679,637,857	2,532,181,714
Others	18,015,616	905,557
<b>Total</b>	<b>191,731,949,962</b>	<b>188,707,907,282</b>

**8. Financial expenses**

	<b>Current year</b>	<b>Previous year</b>
Loan interest expenses	7,727,966,505	8,233,306,808
Loss from realized exchange rate difference	5,189,115,699	3,593,641,538
Loss from trading securities	110,897,859,151	48,672,124,529
Appropriation/(Refund) of provision for devaluation of trading securities and financial investments	(112,995,140,606)	48,806,701,690
Others	21,282,053,176	22,319,275,856
<b>Total</b>	<b>32,101,853,925</b>	<b>131,625,050,421</b>

**9. Administrative overheads**

	<b>Current year</b>	<b>Previous year</b>
Expenses for staff	195,955,960,515	302,544,993,898
Expenses for materials, supplies	20,137,448,434	23,030,613,138
Expenses for managing tools	9,672,761,798	10,459,874,443
Depreciation of fixed assets	16,091,336,480	15,294,204,281
Taxes, fees and duties	29,254,460,127	25,299,920,908
Contingent expenses	36,561,584,867	(1,718,477,399)
External services hired	97,386,056,557	94,204,519,682
Other expenses in cash	164,914,491,728	146,932,016,431
<b>Total</b>	<b>569,974,100,506</b>	<b>616,047,665,382</b>

**10. Earnings per share**

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

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

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

***Income of the key managers***

	<b>Current year</b>	<b>Previous year</b>
Salary of the General Directors	11,903,745,485	12,264,433,350
Allowance and bonus to the BOM and the Control Board	2,384,305,942	2,127,344,576
<b>Total</b>	<b>14,288,051,427</b>	<b>14,391,777,926</b>

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**Notes to the combined financial statements (cont.)****Transactions with other related parties**

Other related parties of the Corporation include:

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

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

	<b>Current year</b>	<b>Previous year</b>
<b>DB Insurance Co., Ltd.</b>		
Reinsurance premium ceded	15,373,826,035	10,445,927,652
Receiving commission on reinsurance ceded	4,883,293,828	3,415,580,103
Receiving indemnity of reinsurance ceded	978,697,577	730,587,676
Share of dividends	30,000,000,000	24,000,000,000
<b>VNPost</b>		
Share of dividends	18,225,648,000	14,580,518,400
<b>VNDirect Securities JSC.</b>		
Share of dividends	13,216,055,000	10,572,844,000
<b>IPAF</b>		
Recovery of investment trust	-	5,000,000,000

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

	<b>Ending balance</b>	<b>Beginning balance</b>
PostRE – receivable on long-term investment trust	8,000,000,000	8,000,000,000
PostRE – receivable on dividends	-	2,292,000,000
VN-IBS., JSC. – receivable on dividends	1,500,000,000	8,398,333,000
DB Insurance Co., Ltd. – receivable on reinsurance premium	388,048,070	
LAP – receivable on reinsurance premium	1,668,956,514	
IPAF – receivable on business cooperation	-	12,913,442,872
<b>Total accounts receivable</b>	<b>11,557,004,584</b>	<b>31,603,775,872</b>
DB Insurance Co., Ltd. – payable on reinsurance premium	3,754,128,675	1,690,262,049
LAP – payable on reinsurance premium	5,786,394,410	3,701,292,292
<b>Total accounts payable</b>	<b>9,540,523,085</b>	<b>5,391,554,341</b>

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



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### Notes to the combined financial statements (cont.)

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

#### 2. Segment information

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

#### 3. Financial risk management

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

##### 3a. Credit risk

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

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

##### *Receivable from customers*

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

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

##### *Cash in bank*

Termed and demand deposits of the Corporation 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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**COMBINED FINANCIAL STATEMENTS**

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**Notes to the combined 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	297,060,378,455	-	297,060,378,455
Trading securities	5,773,214,858	-	5,773,214,858
Investments held to maturity date	4,013,164,669,747	8,000,000,000	4,021,164,669,747
Receivable from customers	539,243,583,818	1,122,172,807	540,365,756,625
Other receivable	188,957,381,332	82,765,132,850	271,722,514,182
Capital contribution in other entities	15,129,400,000	15,000,000,000	30,129,400,000
<b>Total</b>	<b>5,059,328,628,210</b>	<b>106,887,305,657</b>	<b>5,166,215,933,867</b>
<b>Beginning balance</b>			
Cash and cash equivalents	117,595,429,206	-	117,595,429,206
Trading securities	159,994,380,350	354,701,122,868	514,695,503,218
Investments held to maturity date	3,213,951,927,033	8,000,000,000	3,221,951,927,033
Receivable from customers	572,067,091,655	36,249,234,081	608,316,325,735
Other receivable	253,933,089,164	14,822,013,484	268,755,102,648
Capital contribution in other entities	26,510,000,000	69,863,299,985	96,373,299,985
<b>Total</b>	<b>4,344,051,917,408</b>	<b>483,635,670,418</b>	<b>4,827,687,587,825</b>

**3b. Liquidity risk**

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

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

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

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

	Under 1 year	From 1 year to 5 years	Total
<b>Ending balance</b>			
Payable to suppliers	471,261,418,641	-	471,261,418,641
Other payable	85,128,971,488	2,477,692,411	87,606,663,899
<b>Total</b>	<b>556,390,390,129</b>	<b>2,477,692,411</b>	<b>558,868,082,540</b>
<b>Beginning balance</b>			
Payable to suppliers	526,856,363,235	-	526,856,363,235
Other payable	84,684,163,478	1,320,665,586	86,004,829,064
<b>Total</b>	<b>611,540,526,713</b>	<b>1,320,665,586</b>	<b>612,861,192,299</b>



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### Notes to the combined financial statements (cont.)

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

#### 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 Corporation includes foreign currency risk, interest rate risk and risk related to price of securities.

The analyses of sensitivity and evaluations hereafter are related to the financial position of the Corporation as of 31 December 2020 and 1 January 2020 and are based on the value of net liabilities. Changes in foreign exchange rates, interest rates, price of securities used in the analyses of sensitivity are based on the evaluation of ability to occur within the next one year under observable circumstances of the market at present.

##### *Foreign currency risk*

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

The Corporation manages risks concerning fluctuations in exchange rates by optimizing maturity of debts, forecasting foreign exchange rates, maintaining reasonably structure of borrowing and loans between foreign currencies and VND, choosing time of buying and paying of items in foreign currencies at the time of low foreign exchange rate, utilizing available cash resources to balance between foreign exchange risk and liquidity risk.

The Management Board realizes the impact level due to fluctuations in foreign exchange rates to profit after tax and owner's equity of the Corporation is not material.

##### *Interest rate risk*

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

As of 1 January 2020 and 31 December 2020, the Corporation did not have balances of financial instruments affected by interest rate risk.

##### *Risk related to price of securities*

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

As of the balance sheet date, with the assumption of other unchangeable variables, if prices of listed securities invested by the Corporation increased/decreased by 2%, profit after tax and owner's equity of the Corporation in the current year would increase/decrease by VND 92,371,438 (in the previous year, they had increased/decreased by VND 8,235,128,051) due to decrease/increase in provisions. The sensitivity level to fluctuations in prices of securities in the current year decreased in comparison with that of the previous year as the Corporation decreased the investment in listed trading securities.

#### 3d. *Collaterals*

The Corporation has had no financial assets used as collaterals to other entities as well as collaterals received from other entities as of 31 December 2020 and as of 31 December 2019.



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**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

Notes to the combined financial statements (cont.)

**4. Financial assets and liabilities***Financial assets*

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
Cash and cash equivalents	297,060,378,455	-	117,595,429,206	-
Trading securities	5,773,214,858	-	514,695,503,218	(137,506,487,068)
Investments held to maturity date	4,021,164,669,747	(7,344,000,000)	3,221,951,927,033	(7,344,000,000)
Receivable from customers	540,365,756,625	(30,465,939,669)	608,316,325,735	(30,390,116,487)
Other receivable	271,722,514,182	(51,307,775,169)	290,019,085,488	(14,822,013,484)
Capital contribution in other entities	30,129,400,000	(5,999,403,745)	96,373,299,985	(40,398,571,184)
<b>Total</b>	<b>5,166,215,933,867</b>	<b>(95,117,118,583)</b>	<b>4,848,951,570,665</b>	<b>(230,461,188,223)</b>

*Financial liabilities*

Net book value of financial liabilities is as follows:

	Ending balance	Beginning balance
Payable to suppliers	471,261,418,641	526,856,363,235
Other payable	87,606,663,899	86,004,829,064
<b>Total</b>	<b>558,868,082,540</b>	<b>612,861,192,299</b>

*Fair value*

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

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

Items	Unit	Current year	Previous year
<b>Structures of assets and capital sources</b>			
<i>Structure of assets</i>			
Current assets/Total assets	%	82.54	87.48
Long-term assets/Total assets	%	17.46	12.52
<i>Capital sources</i>			
Liabilities/Total capital sources	%	74.04	75.47
Owner's equity/Total capital sources	%	25.96	24.53
<i>Solvency</i>			
Total assets/Total liabilities	Time	1.35	1.33
Current ratio	Time	1.12	1.16
Cash ratio	Time	0.05	0.02
Long-term assets/Long-term liabilities	Time	546.86	714.24
<i>Profit ratio</i>			
<i>Profit to Revenue ratio</i>			
Profit before tax to Net revenue ratio	%	6.44	3.10
Profit after tax to Net revenue ratio	%	5.28	2.56



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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2020

Notes to the combined financial statements (cont.)

Items	Unit	Current year	Previous year
<i>Profit to Total assets ratio</i>			
Profit before tax to Total assets ratio	%	3.98	1.97
Profit after tax to Total assets ratio	%	3.27	1.62
<i>Profit after tax to Owner's equity ratio</i>	%	12.95	6.04

### 6. Insurance risk

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

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

The attached appendix (pages 57 - 58) presents the minimum solvency margin and solvency margin of the Corporation. Policy makers are concerned about the protection of the insured's benefits and keep tracking to ensure that insurance companies are operating effectively for the insured's benefits. They are also concerned about the assurance that insurance companies are able to maintain adequate solvency to respond to unexpected insurance obligations due to economic recession or natural disasters.

### 7. Subsequent events

On 8 January 2021, the Corporation was granted with the amended Business License No. 41A/GPDC27/KDBH regarding the establishment of PTI Representative Office for Claim Appraisal in Hai Phong City.

On 22 January 2021, the Corporation was granted with the amended Business License No. 41A/GPDC28/KDBH regarding the establishment of the affiliate – Lang Son Post-Telecommunication Insurance Company.

Apart from the above 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 combined financial statements.

Prepared on 22 March 2021

Prepared by

Chief Accountant


General Director



Pham Hong Tien



Cao Thu Hien



Bui Xuan Thu

**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

APPENDIX

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2020

**SOLVENCY STATEMENT**

Unit: VND

		Current year	Previous year
<b>I.</b>	<b>Difference between total assets and liabilities payable</b>	<b>2,014,245,802,734</b>	<b>1,848,864,086,135</b>
1.	Total assets	7,760,098,529,552	7,536,593,274,453
2.	Liabilities payable	5,745,852,726,818	5,687,729,188,318
<b>II.</b>	<b>Asset value excluded</b>	<b>390,139,349,135</b>	<b>422,024,444,808</b>
<b>1.</b>	<b>Assets of which accounting values are fully excluded:</b>	<b>73,423,808,044</b>	<b>66,380,625,606</b>
1.1	Capital contribution to establish other insurance companies from the owner's equity of insurance company	20,152,200,000	20,152,200,000
1.2	Assets equivalent to bonus and welfare funds	-	-
1.3	Irrecoverable debts as regulated less relevant provision for irrecoverable debts	-	-
1.4	Intangible fixed assets except for computer software and land use right	-	-
1.5	Prepaid expenses, loans without guarantee, advances, office equipment and stationery, inter-company receivable	52,797,750,413	45,663,026,341
1.6	Receivable on insurance premium and reinsurance premium assumed overdue 2 years less relevant provision for bad debts as regulated	473,857,631	565,399,265
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>316,715,541,091</b>	<b>355,643,819,202</b>
2.1	Investment assets:	48,374,135,647	127,891,739,133
a)	Secured bonds: excluding 1% of accounting value;	-	-
b)	Unsecured bonds: excluding 3% of accounting value;	9,000,000,000	6,000,000,000
c)	Listed shares: excluding 15% of accounting value;	865,982,229	35,419,320,680
d)	Unlisted shares: excluding 20% of accounting value;	4,825,999,251	39,406,988,084
d)	Direct investments in property used by the company itself: excluding 8% of accounting value;	918,182,144	407,744,544
e)	Direct investments in property for lease, secured trading loans: excluding 15% of accounting value;	16,039,638,165	20,140,387,716
g)	Contribution capital to other entities except for insurance companies: excluding 20% of accounting value.	16,724,333,858	26,517,298,110
2.2	Accounts receivable	662,762,401	1,044,728,116
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%;	235,656,290	528,144,770
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%;	427,106,112	516,583,346



## APPENDIX

For the fiscal year ended 31 December 2020

### Solvency statement (cont.)

		<u>Current year</u>	<u>Previous year</u>
2.3	Tangible fixed assets, intangible fixed assets which are computer software and inventories: excluding 25% of accounting value;	21,546,920,652	22,195,334,153
2.4	Other assets: excluding 15% of accounting value.	246,131,722,391	204,512,017,800
III.	<b>Solvency margin (I-II)</b>	<b>1,624,106,453,599</b>	<b>1,426,839,641,327</b>
IV.	<b>Minimum solvency margin</b>		
	25% total retained premium	1,100,564,608,829	890,357,441,465
	Comparison of solvency margin and minimum solvency margin (III and IV)		
	Absolute figure difference	523,541,844,770	536,482,199,862
	Percentage (%) difference	148%	160%

Prepared on 22 March 2021

Prepared by

Illegit

Pham Hong Tien

### Chief Accountant



Cao Thu Hien

**General Director**



**Bui Xuan Thu**