



CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C  
A&C AUDITING AND CONSULTING CO., LTD.



**COMBINED FINANCIAL STATEMENTS**  
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2017

**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 2017.

**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 20 times granted by the Ministry of Finance with the Amended Licenses regarding the increase of charter capital and the additional establishment of affiliates.

**Head office**

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

**The Corporation has affiliates as follows:**

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

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

Name	Address
36 Ha Thanh Post-Telecommunication Insurance Company	Floor 5, Lac Hong Building, No. 85 Le Van Luong, Thanh Xuan, Hanoi
37 Nam Dinh Post-Telecommunication Insurance Company	Floor 3 ACB Building – Nam Dinh Branch, No. 67 Le Hong Phong, Nguyen Du Ward, Nam Dinh City
38 Hai Dang Post-Telecommunication Insurance Company	Floor 2 Thanh Dat 1 Building, No. 3 Le Thanh Tong Road, May To Ward, Ngo Quyen District, Hai Phong City
39 Trang An Post-Telecommunication Insurance Company	Floor 6, Building 434 Tran Khat Chan, Pho Hue Ward, Hai Ba Trung District, Hanoi City
40 Northwest Post-Telecommunication Insurance Company	Northern Tran Hung Dao Post Office, Hamlet 12, Su Ngoi Commune, Hoa Binh City, Hoa Binh
41 Au Lac Post-Telecommunication Insurance Company	Apartment No. 2, N7B Trung Hoa – Nhan Chinh Urban area, Nhan Chinh Ward, Thanh Xuan District, Hanoi
42 Soc Trang Post-Telecommunication Insurance Company	No. 1, Tran Hung Dao Road, Soc Trang City, Soc Trang Province
43 Thai Binh Post-Telecommunication Insurance Company	Floor 5, No. 355 Ly Bon, De Tham Ward, Thai Binh City, Thai Binh Province
44 PTI Representative Office for Claim Appraisal in Hanoi	Floor 2, Link Building No. 2, High Apartment Building at Land Lot CT3, Trung Van New Urban Area, Trung Van Ward, Nam Tu Liem District, Hanoi City
45 PTI Representative Office for Claim Appraisal in Ho Chi Minh City	No. 205 Nguyen Xi, Binh Thanh District, Ho Chi Minh City

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

### **Allowable transactions:**

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

### **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:



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

***The Board of Management***

Full names	Position	Appointing date /Re-appointing date/Resigning date
Mr. Nguyen Minh Duc	Chairman	Appointed on 14 April 2016
Mr. Kim, Kang Wook	Vice Chairman	Appointed on 22 April 2015
Mr. Mai Xuan Dung	Member	Re-appointed on 22 April 2015
Ms. Pham Minh Huong	Member	Re-appointed on 22 April 2015
Ms. Tran Thi Minh	Member	Re-appointed on 22 April 2015
Mr. Park, Je Kwang	Member	Appointed on 22 April 2015
Mr. Bui Xuan Thu	Member	Appointed on 22 April 2015

***The Control Board***

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

***The General Directors***

Full names	Position	Appointing date /Re-appointing date/Resigning date
Mr. Bui Xuan Thu	General Director	Appointed on 27 April 2015
Mr. Nguyen Duc Binh	Deputy General Director	Resigned on 1 January 2018
Mr. Do Quang Khanh	Deputy General Director	Re-appointed on 27 April 2015
Mr. Huynh Viet Khoa	Deputy General Director	Re-appointed on 27 April 2015
Mr. Bui Trung Kien	Deputy General Director	Resigned on 31 March 2017
Mr. Nghiem Xuan Thai	Deputy General Director	Appointed on 1 August 2017
Ms. Luu Phuong Lan	Deputy General Director	Appointed on 1 August 2017
Mr. Cao Ba Huy	Deputy General Director	Appointed on 4 April 2017

**Legal representative**

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

**Auditor**

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the combined financial statements for the fiscal year ended 31 December 2017 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.



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

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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 2017, the business results and the cash flows for the fiscal year then ended of the Corporation in conformity with the Insurance Accounting Standards and System issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012 and legal regulations related to the preparation and presentation of combined financial statements.

For and on behalf of the Management Board



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

5 March 2018



**BAKER TILLY  
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C**  
**A&C AUDITING AND CONSULTING CO., LTD.**



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Phuoc Hai Ward, Nha Trang City  
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No. 1.0268/18/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 5 March 2018, from page 9 to page 58, including the combined balance sheet as of 31 December 2017, 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 and the legal regulations related to the preparation and presentation of combined financial statements and responsible for such internal control as the General Directors determine is necessary to enable the preparation and presentation of the combined financial statements to be free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

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



**Auditor's Opinion**

In our opinion, the combined financial statements give a true and fair view, in all material respects, of the financial position of Post-Telecommunication Joint Stock Insurance Corporation as of 31 December 2017, its financial performance and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, the Insurance Business Accounting System issued in accordance with the Circular No. 232/2012/TT-BTC dated 28 December 2012 and the legal regulations related to the preparation and presentation of combined financial statements.

**A&C Auditing and Consulting Co., Ltd.****Nguyen Van Kien - Deputy General Director***Audit Practice Registration Certificate:**No. 0192-2018-008-1*

Hanoi, 5 March 2018

**Vu Minh Khoi - Auditor***Audit Practice Registration Certificate:**No. 2897-2014-008-1*

**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 2017

**COMBINED BALANCE SHEET**

As of 31 December 2017

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>4,310,896,139,393</b>	<b>3,433,658,806,974</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>99,601,609,760</b>	<b>75,002,395,142</b>
1. Cash	111		99,601,609,760	75,002,395,142
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		<b>2,474,576,460,879</b>	<b>1,981,877,660,115</b>
1. Trading securities	121	V.2a	287,384,199,971	144,941,150,633
2. Provision for devaluation of trading securities	122	V.2a	(5,688,220,092)	(263,490,518)
3. Investments held to maturity date	123	V.2b	2,192,880,481,000	1,837,200,000,000
<b>III. Short-term accounts receivable</b>	<b>130</b>		<b>727,892,375,450</b>	<b>665,287,611,952</b>
1. Receivable from customers	131	V.3	430,865,393,828	412,386,360,544
1.1 Receivable on insurance policies	131.1		430,865,393,828	412,386,360,544
1.2 Other receivable from customers	131.2		-	-
2. Short-term prepayments to suppliers	132	V.4	141,265,281,130	126,561,037,205
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 receivable	136	V.5a	219,643,631,395	186,159,970,101
7. Provision for short-term bad debts	137	V.6	(63,881,930,903)	(59,819,755,898)
8. Deficient assets to be treated	139		-	-
<b>IV. Inventories</b>	<b>140</b>		<b>3,628,170,005</b>	<b>3,383,502,562</b>
1. Inventories	141	V.7	3,628,170,005	3,383,502,562
2. Provisions for devaluation of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>184,081,418,834</b>	<b>159,367,065,512</b>
1. Short-term prepaid expenses	151	V.8a	176,478,955,123	152,279,898,233
1.1 Unappropriated commission expenses	151.1		176,030,723,016	151,907,547,345
1.2 Other short-term prepaid expenses	151.2		448,232,107	372,350,888
2. VAT deductible	152		5,914,070,673	5,874,307,000
3. Taxes and accounts receivable from the State	153	V.9	1,688,393,038	1,212,860,279
4. Transaction of repurchasing the Government's bonds	154		-	-
5. Other current assets	155		-	-
<b>VIII. Reinsurance assets</b>	<b>190</b>	<b>V.21b</b>	<b>821,116,104,465</b>	<b>548,740,571,691</b>
1 Reinsurance premium ceded reserve	191		525,983,018,605	331,811,783,188
2 Claim reserve for reinsurance ceded	192		295,133,085,860	216,928,788,503



# 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 2017

### Combined balance sheet (cont.)

ASSETS		Code	Note	Ending balance	Beginning balance
<b>B - LONG-TERM ASSETS</b>		<b>200</b>		<b>1,037,172,460,243</b>	<b>1,462,729,199,463</b>
<b>I. Long-term accounts receivable</b>		<b>210</b>		<b>17,844,209,676</b>	<b>16,791,631,818</b>
1. Long-term accounts receivable from customers		211		-	-
2. Long-term prepayments to suppliers		212		-	-
3. Working capital in affiliates		213		-	-
4. Long-term inter-company receivable		214		-	-
5. Receivable on long-term loans		215		-	-
6. Other long-term receivable		216	V.5b	17,844,209,676	16,791,631,818
6.1 Insurance deposit		216.1		10,280,000,000	10,280,000,000
6.2 Other long-term receivable		216.2		7,564,209,676	6,511,631,818
7. Provision for long-term bad debts		219		-	-
<b>II. Fixed assets</b>		<b>220</b>		<b>74,875,886,372</b>	<b>65,805,357,399</b>
1. Tangible fixed assets		221	V.10	65,014,239,453	59,474,417,966
Historical costs		222		134,945,626,449	119,980,805,746
Accumulated depreciation		223		(69,931,386,996)	(60,506,387,780)
2. Financial leasehold assets		224		-	-
Historical costs		225		-	-
Accumulated depreciation		226		-	-
3. Intangible fixed assets		227	V.11	9,861,646,919	6,330,939,433
Historical costs		228		15,615,292,486	10,989,035,367
Accumulated depreciation		229		(5,753,645,567)	(4,658,095,934)
<b>III. Investment property</b>		<b>230</b>	<b>V.12</b>	<b>115,891,902,279</b>	<b>110,514,416,982</b>
Historical costs		231		121,055,366,654	112,838,923,737
Accumulated depreciation		232		(5,163,464,375)	(2,324,506,755)
<b>IV. Long-term assets in progress</b>		<b>240</b>	<b>V.13</b>	<b>510,000,000</b>	<b>44,032,269,340</b>
1. Long-term operating expenses in progress		241		-	-
2. Construction in progress		242		510,000,000	44,032,269,340
<b>V. Long-term financial investment</b>		<b>250</b>		<b>800,114,914,693</b>	<b>1,204,014,871,619</b>
1. Investment in subsidiaries		251	V.2c	31,500,000,000	23,500,000,000
2. Investment in associates and joint ventures		252	V.2c	122,644,900,000	122,644,900,000
3. Investment, capital contribution in other entities		253	V.2e	245,429,793,280	235,458,566,400
4. Provision for long-term financial investment		254	V.2d	(74,466,948,396)	(30,804,966,363)
5. Investment held until maturity date		255	V.2b	475,007,169,809	853,216,371,582
<b>VI. Other long-term assets</b>		<b>260</b>		<b>27,935,547,223</b>	<b>21,570,652,305</b>
1. Long-term prepaid expenses		261	V.8b	27,935,547,223	21,570,652,305
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>5,348,068,599,636</b>	<b>4,896,388,006,437</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 2017

### Combined balance sheet (cont.)

CAPITAL SOURCES		Code	Note	Ending balance	Beginning balance
<b>C - LIABILITIES</b>		<b>300</b>		<b>3,460,448,195,675</b>	<b>3,057,165,880,311</b>
<b>I. Current liabilities</b>		<b>310</b>		<b>3,459,327,739,539</b>	<b>3,056,135,424,175</b>
1. Short-term payable to suppliers		311	V.14	350,308,039,132	218,058,696,356
1.1 Payable on insurance policies		311.1		340,259,182,198	209,943,147,515
1.2 Other payable to suppliers		311.2		10,048,856,934	8,115,548,841
2. Prepayments from customers		312	V.15	6,792,178,773	25,596,262,651
3. Taxes and other obligations to the State budget		313	V.16	30,887,465,578	24,985,342,901
4. Payable to employees		314		47,642,674,998	53,191,525,993
5. Short-term accrued expenses		315		580,399,234	301,382,436
7. Short-term unrealized revenue		318.1	V.17	91,351,852,448	92,416,150,533
8. Short-term unearned commission		318.2	V.18	137,118,307,828	94,850,311,274
9. Other short-term payable		319	V.19a	82,654,988,269	65,382,821,521
10. Short-term loans and financial lease debts		320	V.20	197,144,455,000	70,000,000,000
12. Bonus and welfare funds		322		-	70,900,000
15. Technical reserve		329		2,514,847,378,279	2,411,282,030,510
15.1 Written premium and reinsurance assumed reserve		329.1	V.21a	1,647,879,368,341	1,585,666,973,133
15.2 Claim reserve for written insurance and reinsurance assumed		329.2	V.21a	797,519,969,351	778,982,126,930
15.3 Catastrophe reserve		329.3	V.21c	69,448,040,587	46,632,930,447
<b>II. Long-term liabilities</b>		<b>330</b>		<b>1,120,456,136</b>	<b>1,030,456,136</b>
7. Other long-term payable		337	V.19b	1,120,456,136	1,030,456,136
<b>D - OWNER'S EQUITY</b>		<b>400</b>		<b>1,887,620,403,961</b>	<b>1,839,222,126,126</b>
<b>I. Owner's equity</b>		<b>410</b>	<b>V.22</b>	<b>1,887,620,403,961</b>	<b>1,839,222,126,126</b>
1. Owner's contribution capital		411		803,957,090,000	803,957,090,000
- Common shares with voting right		411a		803,957,090,000	803,957,090,000
- Preferred shares		411b		-	-
2. Share premiums		412		827,943,052,804	827,943,052,804
8. Business promotion fund		418		20,745,386,903	19,699,784,835
9. Compulsory reserved fund		419		48,967,380,576	41,540,743,782
11. Retained profit after tax		421		186,007,493,678	146,081,454,705
- Retained profit after tax accumulated to the end of previous period		421a		44,901,394,599	146,081,454,705
- Retained profit after tax of the current period		421b		141,106,099,079	-
<b>TOTAL CAPITAL SOURCES</b>		<b>440</b>		<b>5,348,068,599,636</b>	<b>4,896,388,006,437</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 2017

### 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		255,384,755,378	241,134,334,187
5. Foreign currencies			
US Dollar (USD)		930,637.42	160,241.25
Euro (EUR)		26,066.04	28,921.27
Pound Sterling (£)		342.88	347.83

Prepared on 5 March 2018

Prepared by



Nguyen Thi Ngoc Khue

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 2017

**COMBINED INCOME STATEMENT**

For the fiscal year ended 31 December 2017

**PART I: COMBINED INCOME STATEMENT**

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Net sales of insurance operation	10.1		2,781,985,447,762	2,542,387,176,731
1.2 Net sales of selling goods and providing other services	10.2		-	-
2. Sales of trading investment property	11	VI.5	15,149,078,057	4,967,475,984
3. Financial income	12	VI.7	244,957,958,615	157,715,411,238
4. Other income	13		1,348,272,730	953,719,183
5. Total expenses for insurance operation	20.1		2,228,700,074,666	2,049,383,545,204
5.2 Costs of providing goods, other services	20.2		-	-
6. Costs of investment property	21	VI.6	9,760,072,951	1,887,918,349
7. Financial expenses	22	VI.8	91,532,215,620	35,051,433,930
8.1 Selling expenses	23.1		-	-
8. Administrative overheads	23.2	VI.9	532,241,665,520	488,210,242,956
9. Other expenses	24		857,047,636	1,994,457,338
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		180,349,680,771	129,496,185,359
11. Current corporate income tax	51	V.16	31,816,944,898	24,935,978,556
12. Deferred corporate income tax	52		-	-
13. Profit after corporate income tax	60		<u>148,532,735,873</u>	<u>104,560,206,803</u>
14. Basic earnings per share	70	VI.10	-	-
15. Declined interest per share	70	VI.10	-	-



**POST-TELECOMMUNICATION JOINT STOCK INSURANCE CORPORATION**

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

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2017

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

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Gross written premium (01 = 01.1 + 01.2 - 01.3)	01	VI.1	3,287,790,703,687	2,904,970,301,052
In which				
- Written premium	01.1		3,206,371,714,043	3,096,474,612,452
- Reinsurance premium assumed	01.2		143,631,384,852	129,700,247,181
- Increase (decrease) in reserve for written premium and reinsurance assumed	01.3		62,212,395,208	321,204,558,581
2. Reinsurance premium ceded (02 = 02.1 - 02.2)	02	VI.2	874,320,789,457	648,905,890,917
In which				
- Reinsurance premium ceded	02.1		1,068,492,024,874	682,607,113,937
- Increase (decrease) in reserve for reinsurance premium ceded	02.2		194,171,235,417	33,701,223,020
3. Net sales of premium (03 = 01 - 02)	03		2,413,469,914,230	2,256,064,410,135
4. Commission of reinsurance ceded and other income from insurance operation (04 = 04.1 + 04.2)	04		368,515,533,532	286,322,766,596
In which				
- Commission on reinsurance ceded	04.1	V.18	237,115,495,348	210,158,962,292
- Other income from insurance operation	04.2		131,400,038,184	76,163,804,304
5.1 Net sales of insurance operation (10 = 03 + 04)	10.1		2,781,985,447,762	2,542,387,176,731
5.2 Net sales of selling goods and providing other services	10.2		-	-
6. Claim expenses (11 = 11.1 - 11.2)	11		1,683,410,889,298	1,208,404,100,462
In which				
- Total claim expenses	11.1		1,709,178,004,193	1,220,933,094,388
- Deductions (Subrogation recovery, receipt from disposal of loss paid 100%)	11.2		25,767,114,895	12,528,993,926
7. Recovery from reinsurance ceded	12		423,122,583,392	235,547,984,309
8. Increase/decrease in claim reserve for written premium and reinsurance assumed	13		18,537,842,421	195,985,190,112
9. Increase (decrease) in claim reserve for reinsurance ceded	14		78,204,297,357	1,749,643,567
10. Total claim expenses (15 = 11 - 12 + 13 - 14)	15	VI.3	1,200,621,850,970	1,167,091,662,698
11. Increase/decrease in catastrophe reserve	16		22,815,110,140	25,435,677,457
12. Other operating expenses (17 = 17.1 + 17.2)	17	VI.4	1,005,263,113,556	856,856,205,049
In which:				
- Commission	17.1		332,656,891,735	277,947,672,582
- Others	17.2		672,606,221,821	578,908,532,467

**Combined income statement (cont.)**15



**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 2017

**COMBINED CASH FLOW STATEMENT**

(Under indirect method)

For the fiscal year ended 31 December 2017

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		180,349,680,771	129,496,185,359
2. Adjustments				
- Depreciation of fixed assets and investment property	02		13,773,725,537	10,823,959,804
- Reserves	03		(115,661,298,393)	432,849,632,666
- Gain/loss from foreign exchange rate differences due to revaluation of monetary items in foreign currencies	04		-	-
- Gain/loss from investing activities	05		(122,161,365,380)	(111,564,658,048)
- Loan interest expenses	06	VI.8	4,900,802,220	192,983,215
- Adjustments	07		-	-
3. Operating profit/loss before changes of working capital	08		(38,798,455,245)	461,798,102,996
- Increase/decrease of accounts receivable	09		(13,150,831,254)	(97,673,883,454)
- Increase/decrease of inventories	10		(244,667,443)	(171,870,633)
- Increase/decrease of accounts payable	11		154,818,004,237	85,913,262,831
- Increase/decrease of prepaid expenses	12		(30,563,951,808)	(37,978,890,379)
- Increase/decrease of trading securities	13		(110,443,049,338)	(24,718,477,837)
- Loan interests already paid	14		(4,900,802,220)	(192,983,215)
- Corporate income tax already paid	15	V.16	(18,130,931,475)	(25,193,019,028)
- Other gains	16		48,600,000	98,200,000
- Other disbursements	17		(37,800,000)	(51,800,000)
<b>Net cash flows from operating activities</b>	20		<b>(61,403,884,546)</b>	<b>361,828,641,281</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21		(20,495,574,631)	(70,067,395,577)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		5,522,838,729	-
3. Loans given and purchases of debt instruments of other entities	23		(1,040,300,000,000)	(1,713,500,000,000)
4. Recovery of loans given and disposals of debt instruments of other entities	24		1,030,828,720,773	1,282,794,413,446
5. Investments into other entities	25		(88,471,226,880)	(179,113,566,400)
6. Withdrawals of investments in other entities	26		70,500,000,000	750,000,000
7. Receipts of loan interests, dividends and profit shared	27		97,350,649,276	122,474,490,569
<b>Net cash flows from investing activities</b>	30		<b>54,935,407,267</b>	<b>(556,662,057,962)</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 2017

### 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	620,564,148,140	90,000,000,000
4. Loan principal amounts repaid	34	V.20	(493,419,693,140)	(20,000,000,000)
5. Payments for financial leasehold assets	35		-	
6. Dividends and profit already paid to the owners	36	V.22c	(96,076,763,103)	(102,841,203,862)
<i>Net cash flows from financial activities</i>	<i>40</i>		<i>31,067,691,897</i>	<i>(32,841,203,862)</i>
<b>Net cash flows during the year</b>	<b>50</b>		<b>24,599,214,618</b>	<b>(227,674,620,543)</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>75,002,395,142</b>	<b>302,677,015,685</b>
Effects of fluctuations in foreign exchange rates	61		-	-
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<b>99,601,609,760</b>	<b>75,002,395,142</b>

Prepared by



Nguyen Thi Ngoc Khue

Chief Accountant



Cao Thu Hien

Prepared on 5 March 2018

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 2017

**NOTES TO THE COMBINED FINANCIAL STATEMENTS****For the fiscal year ended 31 December 2017****I. OPERATION FEATURES OF THE CORPORATION****1. Investment form**

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

**2. Operating field**

Non-life insurance.

**3. Business operations**

Main operations of the Corporation include: Trading non-life insurance, reinsurance, financial investment and other activities in accordance with the legal regulations.

**4. Ordinary course of business**

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

**5. Structure of the 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	98.67%	98.67%	98.67%

***Joint ventures, associates***

<i>Names</i>	<i>Address</i>	<i>Rate of ownership as committed</i>	<i>Rate of interest</i>
Post Real Estate JSC. (PostRE)	Floor 5, Lot 18 Dinh Cong Urban Area, Dinh Cong Ward, Hoang Mai District, Hanoi City	49.00%	95.32%
Kasati JSC.	270A Ly Thuong Kiet, Ward 14, District 10, Ho Chi Minh City	21.30%	21.30%
Lanexang Assurance Public Insurance JSC. (LAP)	No. 13, Suphanuvong Road, Viangchan City, Lao People's Democratic Republic	50.00%	50.00%

***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 2017, the Corporation had 1 head office, 2 representative offices for Claim Appraisal in Hanoi and Ho Chi Minh City, 43 affiliates nationwide.

# **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 2017

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

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

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

#### **7. Personnel**

As of 31 December 2017, the Corporation had 1,959 employees (at the beginning of the year, the Corporation had 1,810 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) as most of transactions are mainly carried out in VND.

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

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

The Corporation has been applying the Accounting System applied for insurance companies issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012 of the Ministry of Finance, the Circular No. 200/2014/TT-BTC dated 22 December 2014 giving guidance for the implementation of accounting system as well as the Circulars giving the guidance for the implementation of accounting standards and system of the Ministry of Finance in the preparation and presentation of the 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 and Accounting System applied for insurance companies issued together with the Circular No. 232/2012/TT-BTC dated 28 December 2012, the Circular No. 200/2014/TT-BTC dated 22 December 2014 giving guidance on the implementation of accounting system as well as the legal regulations related to the preparation and presentation of these financial statements.

### **IV. ACCOUNTING POLICIES**

#### **1. Accounting convention**

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

#### **2. Transactions in foreign currencies**

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

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.



# 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 2017

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

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

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

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

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



# 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 2017

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

---

#### *Investments held to maturity dates*

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

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

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

#### *Investments in 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.

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

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

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



## 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 2017

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

##### *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 these entities.

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

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

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

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**

Trade receivable and other receivable are recognized at the values on supporting documents and invoices.

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 is made for each bad debt basing on the debt age or the estimated loss. Details are as follows:

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

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



## 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 2017

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

---

#### 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 of inventories 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 original costs higher than net realizable values. Increases/decreases in balances of provision for devaluation of inventories which need appropriating as of the balance sheet date are recognized into costs of goods sold.

#### 7. Prepaid expenses

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

##### *Unappropriated commission*

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

##### *Expenses for agency development*

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

##### *Office rental*

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

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

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

#### 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.

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.



## 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 2017

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

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

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

#### 9. Intangible fixed assets

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

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

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



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

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

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

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

#### 11. Construction in progress

Construction in progress reflects costs directly related (including related loan interest expenses in accordance with the Corporation's accounting policies) to assets in progress of construction and machinery, equipment in progress of installation to serve the purpose of production, lease and management as well as costs related to repair of fixed assets in progress. These assets are recognized in accordance with their original 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, inter-corporation payables 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 giving guidance on the implementation of the Decree No. 73/2016/ND-CP dated 1 July 2016 of the Government regulating the financial regime for insurance companies and insurance brokerage companies.



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#### *Unearned premium reserve*

Unearned premium reserve is appropriated in accordance with the percentage of the insurance premium retained, details are as follows:

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

#### *Claim reserve*

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

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

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

#### *Catastrophe reserve*

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

On 28 December 2005, the Ministry of Finance issued the Decision No. 100/2005/QĐ-BTC regarding the issuance and publication of four Vietnamese Accounting Standards including the Accounting Standard No. 19 - Insurance Policy. Accordingly, commencing from 1 January 2006, the appropriation of catastrophe reserve is no longer required since it represents "possible claims that are not in existence at the reporting date". However, the Ministry of Finance has not given the guidance on implementing the Accounting Standard No. 19 and according to the Decree No. 46/2017/ND-CP dated 27 March 2017 on details of implementation of the Law on insurance business and the Law on amendments to certain articles of the Law on insurance business, therefore, the Corporation is still appropriating catastrophe reserve.

#### 14. Sources of capital

##### *Owner's contribution capital*

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

##### *Share premiums*

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



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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 income

##### *Sales of providing services*

Sales of providing services shall be recognized when all of the following conditions are satisfied:

- Sales are determined reliably. When contracts define that buyers are entitled to return services purchased under specific conditions, revenue is only recognized when such specific conditions no longer exist and buyers are not entitled to return services provided.
- The Corporation has received or will receive economic benefits from the transaction of providing such services.
- The completed work may be determined at the time of reporting.
- Incurred costs for the transaction and the costs to complete the transaction of providing such services can be determined.

In case the service is carried out in many accounting periods, sales are recognized during the period based on the result of completed work as of the balance sheet date.

##### *Activity of trading gross 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).



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

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

#### ***Claim expense***

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

#### ***Commission***

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

#### **Activity of reinsurance assumed**

##### ***Under treaty reinsurance***

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

##### ***Under facultative reinsurance***

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

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

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

#### **Activity of reinsurance ceded**

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

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

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

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



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

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#### **Activity of investment**

##### ***Interests***

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

##### ***Dividends and profit shared***

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

##### ***Investment costs***

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

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

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



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

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#### 21. Financial instruments

##### *Financial assets*

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

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

##### *Financial liabilities*

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

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

##### *Equity instrument*

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

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

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

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

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	17,693,071,771	12,756,489,487
Demand deposits at banks	73,135,277,989	61,393,355,655
Cash in transit	8,773,260,000	852,550,000
<b>Total</b>	<b>99,601,609,760</b>	<b>75,002,395,142</b>

**2. Financial investments**

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

**2a. Trading securities**

	<u>Ending balance</u>			<u>Beginning balance</u>		
	<u>Historical costs</u>	<u>Fair value</u>	<u>Provision</u>	<u>Historical costs</u>	<u>Fair value</u>	<u>Provision</u>
<b>Listed securities</b>	<b>285,475,786,471</b>	<b>298,208,827,900</b>	<b>5,688,220,092</b>	<b>72,892,737,133</b>	<b>108,459,555,000</b>	<b>263,490,518</b>
DBD	3,566,056,897	3,780,800,000				
DNA	1,183,055,674	1,093,850,000	89,205,674			
DRI	1,204,003,300	1,190,000,000	14,003,300			
FOX	1,951,113,716	1,972,080,000				
GSM	5,115,021,624	5,774,720,000				
LPB	56,675,182,165	57,813,736,500				
MIG	18,593,271,665	17,527,200,000	1,066,071,665			
MSR	1,077,226,890	1,471,360,000				
MWG	3,488,024,200	3,406,000,000	82,024,200			
NKG	2,786,673,750	2,793,600,000				
NLG	52,354	60,200				
NTP	1,744,078,996	1,673,000,000	71,078,996			
PC1	7,174,009,890	7,135,982,000	38,027,890			
PHR	4,837,943,831	5,202,000,000				
PLX	6,249,564,310	6,375,000,000				
PNJ	3,966,979,046	6,850,000,000				
PVS	9,582,259,890	10,714,400,000				
SD3	4,153,528,525	2,765,000,000	1,388,528,525			
SKH	26,561,076,900	26,846,200,000				
SSI	5,668,779,434	5,760,000,000				
TDM	67,751,475	73,800,000				
VGG	816,201,675	725,400,000	90,801,675			
VGT	3,192,395,350	3,173,490,000	18,905,350			
VPB	9,756,285,316	10,209,820,000				
VRE	2,323,980,750	2,357,500,000				
VTV	2,695,456,365	2,433,600,000	261,856,365	1,085,951,200	1,083,500,000	2,451,200
HUT	32,000,000,000	34,560,000,000		9,972,730,600	11,116,940,000	



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	Ending balance			Beginning balance		
	Historical costs	Fair value	Provision	Historical costs	Fair value	Provision
MBB	51,250,202,983	59,245,449,200		6,804,522,905	9,898,000,000	
BLI	4,452,400,700	4,509,400,000		940,648,860	962,523,000	
VNR				14,261,500,905	41,340,000,000	
PGI				2,417,542,864	4,253,418,000	
FCN				2,056,868,640	2,005,500,000	51,368,640
SBA				2,180,863,928	2,669,747,000	
CHP				1,245,918,624	1,248,210,000	
DHG				3,961,362,641	4,097,380,000	
VKC				3,740,180,228	3,630,400,000	109,780,228
VSH				618,942,416	646,195,000	
SDI				612,827,865	654,780,000	
TCO				9,059,105,656	10,294,470,000	
VNE				2,101,296,996	2,722,590,000	
FPT				2,604,901,500	2,640,000,000	
HDG				3,103,326,952	3,121,011,000	
HAH				993,182,903	1,043,720,000	
CTD				5,131,061,450	5,031,171,000	99,890,450
G36	13,343,208,800	10,775,380,000	2,567,716,452			
<i>Unlisted securities</i>	<i>1,908,413,500</i>			<i>72,048,413,500</i>		
DPTW2	1,908,413,500			1,908,413,500		
TCB				70,140,000,000		
<b>Total</b>	<b>287,384,199,971</b>		<b>5,688,220,092</b>	<b>144,941,150,633</b>		<b>263,490,518</b>

### 2b. Investments held to maturity dates

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
<i>Short-term</i>	<i>2,192,880,481,000</i>		<i>1,837,200,000,000</i>	
Termed deposits <sup>(*)</sup>	2,030,046,181,000		1,823,000,000,000	
Investments in bonds	148,000,000,000			
Short-term investment trust	14,834,300,000		14,200,000,000	
<i>Long-term</i>	<i>475,007,169,809</i>	<i>31,235,306,464</i>	<i>853,216,371,582</i>	<i>23,891,306,464</i>
Termed deposits <sup>(*)</sup>	352,920,000,000		611,920,000,000	
Investments in bonds			130,000,000,000	
Short-term investment trust	122,087,169,809	31,235,306,464	111,296,371,582	23,891,306,464
<b>Total</b>	<b>2,667,887,650,809</b>	<b>31,235,306,464</b>	<b>2,690,416,371,582</b>	<b>23,891,306,464</b>

<sup>(\*)</sup> The Corporation has used the deposits at 4 credit institutions including Vietcombank, Vietinbank, BIDV, Agribank with the value of VND 93,000,000,000 to secure the loan from Vietcombank – Thang Long Branch (see Note V.20).

Besides, the Corporation has used the deposits at 3 credit institutions including SHB, VPBank,

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Agribank – Gia Dinh Branch with the value of VND 291,000,000,000 to secure the loan from Shinhan Bank Vietnam (see Note V.20).

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

	Ending balance		Beginning balance	
	Historical costs	Provision	Historical costs	Provision
<i>Investments in subsidiaries</i>	<b>31,500,000,000</b>	<b>1,593,442,206</b>	<b>23,500,000,000</b>	<b>2,418,455,345</b>
VinaPetro <sup>(i)</sup>	11,700,000,000	1,593,442,206	11,700,000,000	2,418,455,345
VN-IBS., JSC. <sup>(ii)</sup>	19,800,000,000		11,800,000,000	
<i>Investments in associates</i>	<b>122,644,900,000</b>		<b>122,644,900,000</b>	
PostRE <sup>(iii)</sup>	88,200,000,000		88,200,000,000	
LAP <sup>(iv)</sup>	20,152,200,000		20,152,200,000	
Kasati JSC. <sup>(v)</sup>	14,292,700,000		14,292,700,000	
<i>Capital contribution investments in other entities</i>	<b>245,429,793,280</b>	<b>41,638,199,726</b>	<b>235,458,566,400</b>	<b>4,495,204,554</b>
UTXI Aquatic Products Processing Corporation	15,000,000,000	8,880,000,000	15,000,000,000	1,919,228,563
Post and Telecommunications Tourism JSC.	2,940,000,000	10,253,558	2,940,000,000	1,332,110,756
Global Data Service JSC.	17,080,000,000		17,080,000,000	
Huawei Vietnam JSC.	5,800,000,000		5,800,000,000	
Phuong Nam Real Estate Investment JSC.	14,900,000,000	1,243,865,235	14,900,000,000	1,243,865,235
Communication Technology Development Investment JSC.	625,000,000		625,000,000	
BIWASE			70,500,000,000	
36 JSC.	64,280,812,685	31,504,080,933	64,090,938,300	
VWACO	44,803,980,595		44,522,628,100	
Thu Dau Mot Water JSC.	80,000,000,000			
<b>Total</b>	<b>399,574,693,280</b>	<b>43,231,641,932</b>	<b>381,603,466,400</b>	<b>6,913,659,899</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. As of 31 December 2017, the actual contributed capital of the Corporation was VND 11,980,000,000 equivalent to 93.63% of the actual charter capital of the subsidiary.



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- (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. During the year, the Corporation additionally contributed VND 8,000,000,000. As of 31 December 2017, the Corporation had fully invested charter capital.
- (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. As of 31 December 2017, the Corporation had fully invested charter capital.
- (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 2017, the Corporation had contributed in LAP with the amount of VND 20,152,200,000 (equivalent to USD 1,000,000), accounting for 50% of charter capital.
- (v) The Corporation purchased 638,090 shares of Kasati JSC. equivalent to 21.3 % of charter capital with the purchasing price of VND 14,292,700,000. As of 31 December 2017, the Corporation held 638,090 shares, accounting for 21.3% of capital of Kasati JSC.

#### *Fair value*

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

#### *Operation of subsidiaries and associates*

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

#### *Transactions with associates*

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

	<u>Current year</u>	<u>Previous year</u>
<b><i>Kasati JSC.</i></b>		
Receipt of dividends	893,326,000	
<b><i>PostRE</i></b>		
Recovery of business cooperation capital	8,655,000,000	
<b><i>LAP</i></b>		
Receipt of dividends	1,077,472,237	
<b><i>Reinsurance assumed</i></b>		
Reinsurance premium assumed	5,364,267,442	
Commission expenses for reinsurance assumed	1,305,159,768	
Claim expenses for reinsurance assumed	507,852,370	
<b><i>Reinsurance ceded</i></b>		
Reinsurance premium ceded	155,342,240,915	
Receiving commission on reinsurance ceded	52,762,295,580	
Receiving indemnity of reinsurance ceded	100,741,642,826	

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**Notes to the combined financial statements (cont.)****2d. Provision for devaluation of long-term financial investments**

	<u>Ending balance</u>	<u>Beginning balance</u>
Provision for investments held to maturity date	31,235,306,464	23,891,306,464
Provision for capital contribution in other entities	43,231,641,932	6,913,659,899
<b>Total</b>	<b>74,466,948,396</b>	<b>30,804,966,363</b>

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	30,804,966,363	45,616,527,061
Additional appropriation of provision	45,808,852,370	1,919,228,563
Disbursement		(14,178,124,900)
Refund of provision	(2,146,870,337)	(2,552,664,361)
<b>Ending balance</b>	<b>74,466,948,396</b>	<b>30,804,966,363</b>

**3. Receivable on insurance policies**

	<u>Ending balance</u>	<u>Beginning balance</u>
Receivable on written premium	253,777,774,038	307,954,754,006
Receivable on reinsurance	177,087,619,790	104,431,606,538
<b>Total</b>	<b>430,865,393,828</b>	<b>412,386,360,544</b>

**4. Short-term prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Prepayment of claim for written premium	117,410,637,082	103,847,876,589
Other prepayments of written premium activity	10,120,497,078	11,179,790,673
Prepayments to other suppliers	13,734,146,970	11,533,369,943
<b>Total</b>	<b>141,265,281,130</b>	<b>126,561,037,205</b>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Estimated interest receivable from financial incomes	134,939,111,894	110,937,614,759
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	15,519,566,234	15,311,546,432
Short-term deposits and mortgages	5,822,545,664	3,059,585,960
Others	57,748,225,849	51,237,041,196
<b>Total</b>	<b>219,643,631,395</b>	<b>186,159,970,101</b>

**5b. Long-term receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits and mortgages	10,280,000,000	10,280,000,000
Others	7,564,209,676	6,511,631,818
<b>Total</b>	<b>17,844,209,676</b>	<b>16,791,631,818</b>



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**Notes to the combined financial statements (cont.)****6. Provision for short-term bad debts**

	<b>Ending balance</b>	<b>Beginning balance</b>
Provision for overdue debts	63,881,930,903	59,819,755,898
- <i>Debts overdue under 1 year</i>	2,725,677,434	1,505,479,741
- <i>Debts overdue from 1 year to under 2 years</i>	3,403,329,412	4,448,827,141
- <i>Debts overdue from 2 years to under 3 years</i>	3,582,339,409	4,768,523,097
- <i>Debts overdue over 3 years</i>	54,170,584,649	49,096,925,919
Provision for doubtful debts but not overdue		
<b>Total</b>	<b>63,881,930,903</b>	<b>59,819,755,898</b>

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

	<b>Current year</b>	<b>Previous year</b>
Beginning balance	59,819,755,898	69,421,979,926
Additional appropriation of provision	4,661,958,317	6,903,987,194
Refund of provision	(599,783,312)	(16,506,211,222)
<b>Ending balance</b>	<b>63,881,930,903</b>	<b>59,819,755,898</b>

**7. Inventories**

	<b>Ending balance</b>	<b>Beginning balance</b>
Materials, supplies	3,240,774,601	2,915,629,299
Tools, instruments	387,395,404	439,673,263
Merchandises		28,200,000
<b>Total</b>	<b>3,628,170,005</b>	<b>3,383,502,562</b>

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Commission to be allocated (*)	176,030,723,016	151,907,547,345
Others	448,232,107	372,350,888
<b>Total</b>	<b>176,478,955,123</b>	<b>152,279,898,233</b>

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

	<b>Current year</b>	<b>Previous year</b>
Beginning balance	151,907,547,345	121,468,560,031
Increase during the year	356,780,067,406	308,386,659,896
Amount already allocated into expenses during the year	(332,656,891,735)	(277,947,672,582)
<b>Ending balance</b>	<b>176,030,723,016</b>	<b>151,907,547,345</b>

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Tools, instruments	6,221,748,644	3,313,824,347
Housing rental	3,962,071,720	4,481,579,395
Expenses for agency development	825,434,701	352,618,057
Others	16,926,292,158	13,422,630,506
<b>Total</b>	<b>27,935,547,223</b>	<b>21,570,652,305</b>

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**Notes to the combined financial statements (cont.)****9. Taxes and accounts receivable from the State**

	<u>Ending balance</u>	<u>Beginning balance</u>
VAT on local sales	995,130,087	190,119,285
Corporate income tax		187,103,022
Personal income tax	585,517,834	749,858,395
Other taxes	107,745,117	84,878,336
Fees, legal fees and other duties		901,241
<b>Total</b>	<b><u>1,688,393,038</u></b>	<b><u>1,212,860,279</u></b>

**10. Tangible fixed assets**

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
<b>Historical costs</b>					
Beginning balance	15,500,386,730	130,730,000	83,417,843,943	20,931,845,073	119,980,805,746
Purchase during the year		40,000,000	6,600,028,220	8,719,289,292	15,359,317,512
Liquidation and disposal			(394,496,809)		(394,496,809)
<b>Ending balance</b>	<b><u>15,500,386,730</u></b>	<b><u>170,730,000</u></b>	<b><u>89,623,375,354</u></b>	<b><u>29,651,134,365</u></b>	<b><u>134,945,626,449</u></b>
<i>In which:</i>					
Fully depreciated but being still in use		33,850,000	15,175,183,451	11,788,486,107	26,997,519,558
To be liquidated					
<b>Depreciation</b>					
Beginning balance	2,017,584,568	47,870,038	43,825,417,375	14,615,515,799	60,506,387,780
Depreciation during the year	427,260,984	19,568,923	6,168,987,908	3,203,678,210	9,819,496,025
Liquidation and disposal			(394,496,809)		(394,496,809)
<b>Ending balance</b>	<b><u>2,444,845,552</u></b>	<b><u>67,438,961</u></b>	<b><u>49,599,908,474</u></b>	<b><u>17,819,194,009</u></b>	<b><u>69,931,386,996</u></b>
<b>Net book value</b>					
Beginning balance	13,482,802,162	82,859,962	39,592,426,568	6,316,329,274	59,474,417,966
<b>Ending balance</b>	<b><u>13,055,541,178</u></b>	<b><u>103,291,039</u></b>	<b><u>40,023,466,880</u></b>	<b><u>11,831,940,356</u></b>	<b><u>65,014,239,453</u></b>
<i>In which:</i>					
Temporarily unused					
To be liquidated					

**11. Intangible fixed assets**

	<u>Land use right</u>	<u>Computer software</u>	<u>Total</u>
<b>Historical costs</b>			
Beginning balance	5,096,806,800	5,892,228,567	10,989,035,367
Purchase during the year		4,626,257,119	4,626,257,119
<b>Ending balance</b>	<b><u>5,096,806,800</u></b>	<b><u>10,518,485,686</u></b>	<b><u>15,615,292,486</u></b>
<i>In which:</i>			
Fully amortized but being still in use		4,035,273,011	4,035,273,011



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

	<b>Land use right</b>	<b>Computer software</b>	<b>Total</b>
<b>Amortization</b>			
Beginning balance		4,658,095,934	4,658,095,934
Amortization during year		1,095,549,633	1,095,549,633
<b>Ending balance</b>		<b>5,753,645,567</b>	<b>5,753,645,567</b>
<b>Net book value</b>			
Beginning balance	5,096,806,800	1,234,132,633	6,330,939,433
<b>Ending balance</b>	<b>5,096,806,800</b>	<b>4,764,840,119</b>	<b>9,861,646,919</b>
<i>In which:</i>			
Temporarily unused			
To be liquidated			

**12. Investment property**

	<b>Land use right</b>	<b>Buildings &amp; Structures</b>	<b>Total</b>
<b>Historical costs</b>			
Beginning balance	6,994,763,527	105,844,160,210	112,838,923,737
Completed construction		12,949,784,936	12,949,784,936
Liquidation and disposal		(4,733,342,019)	(4,733,342,019)
<b>Ending balance</b>	<b>6,994,763,527</b>	<b>114,060,603,127</b>	<b>121,055,366,654</b>
<i>In which:</i>			
Fully depreciated but being still for lease			
<b>Depreciation</b>			
Beginning balance		2,324,506,755	2,324,506,755
Depreciation during the year		2,858,679,879	2,858,679,879
Liquidation and disposal		(19,722,259)	(19,722,259)
<b>Ending balance</b>		<b>5,163,464,375</b>	<b>5,163,464,375</b>
<b>Net book value</b>			
Beginning balance	6,994,763,527	103,519,653,455	110,514,416,982
<b>Ending balance</b>	<b>6,994,763,527</b>	<b>108,897,138,752</b>	<b>115,891,902,279</b>

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

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

	<b>Historical costs</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>
Land use right in Binh Duong	6,994,763,527		6,994,763,527
Commercial floor at Thuy Loi 4 Apartment Building	85,050,699,262	4,025,957,715	81,024,741,547
FLC Quy Nhon	20,793,460,948	1,039,673,040	19,753,787,908
Xuan Phuong Project	5,868,436,130		5,868,436,130
Fhome Apartment	2,348,006,787	97,833,620	2,250,173,167
<b>Total</b>	<b>121,055,366,654</b>	<b>5,163,464,375</b>	<b>115,891,902,279</b>

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Income from and expenses for leasing properties during the year are VND 5,340,111,456 and VND 3,531,545,385 respectively.

**13. Construction in progress**

	<b>Beginning balance</b>	<b>Increase during the year</b>	<b>Increasing transfer in investment properties</b>	<b>Other decreasing transfer</b>	<b>Ending balance</b>
Purchase of fixed assets		510,000,000			510,000,000
Construction in progress	43,984,812,067		12,949,784,936	31,035,027,131	
<i>Fhome Floor</i>	7,946,766,982		7,081,348,806	865,418,176	
<i>Xuan Phuong Project</i>	36,038,045,085		5,868,436,130	30,169,608,955	
Large repair of fixed assets	47,457,273			47,457,273	
<b>Total</b>	<b>44,032,269,340</b>	<b>510,000,000</b>	<b>12,949,784,936</b>	<b>31,082,484,404</b>	<b>510,000,000</b>

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Payable on written premium	106,914,967,419	109,397,037,045
Payable on reinsurance activity	227,229,440,676	91,218,040,241
Payable for co-insurer	6,114,774,103	9,328,070,229
Payable to other suppliers	10,048,856,934	8,115,548,841
<b>Total</b>	<b>350,308,039,132</b>	<b>218,058,696,356</b>

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

Including the prepayments from customers for written premium.

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

	<b>Ending balance</b>	<b>Beginning balance</b>
VAT on local sales	11,130,139,150	17,682,347,477
Corporate income tax	13,545,345,494	-
Personal income tax	6,033,409,993	7,147,699,368
Other taxes	178,570,941	155,296,056
<b>Total</b>	<b>30,887,465,578</b>	<b>24,985,342,901</b>



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**Notes to the combined financial statements (cont.)*****Situation of fulfilling obligations to the State budget***

	Beginning balance		Increase during the year		Ending balance	
	Payable	Receivable	Amount payable	Amount already paid	Payable	Receivable
VAT on local sales	17,682,347,477	190,119,285	92,650,266,670	100,007,485,799	11,130,139,150	995,130,087
Corporate income tax (*)		187,103,022	31,863,379,991	18,130,931,475	13,545,345,494	
Personal income tax	7,147,699,368	749,858,395	26,564,388,235	27,514,337,049	6,033,409,993	585,517,834
Other taxes	155,296,056	84,878,336	552,005,570	551,597,466	178,570,941	107,745,117
Fees, legal fees and other duties		901,241	44,604,095	43,702,854		
<b>Total</b>	<b>24,985,342,901</b>	<b>1,212,860,279</b>	<b>151,674,644,561</b>	<b>146,248,054,643</b>	<b>30,887,465,578</b>	<b>1,688,393,038</b>

(\*) Payable corporate income tax included into the Corporation's expenses

31,816,944,898

Payable corporate income tax recovered from individuals

46,435,093

**Total****31,863,379,991*****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 on taxable income at the rate of 20%.

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

	Current year	Previous year
Total accounting profit before tax	180,349,680,771	129,496,185,359
Increase/decrease adjustments of accounting profit to determine profit subject to corporate income tax:	1,471,905,941	2,086,830,899
- Increase adjustments	1,471,905,941	2,086,830,899
- Decrease adjustments		
Income subject to tax	181,821,586,712	131,583,016,258
Income exempted from tax	(14,868,459,446)	(11,897,992,877)
Loss of previous years brought forward		
Taxable income	166,953,127,266	119,685,023,381
Corporate income tax rate	20%	20%
<b>Corporate income tax payable</b>	<b>33,390,625,453</b>	<b>23,937,004,676</b>
<b>Adjustment of corporate income tax payable of previous years</b>	<b>(1,573,680,555)</b>	<b>998,973,880</b>
<b>Corporate income tax payable</b>	<b>31,816,944,898</b>	<b>24,935,978,556</b>

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

**Other taxes**

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

**17. Short-term 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	94,850,311,274	109,233,960,118
Appropriation of commission during the year	279,383,491,902	195,775,313,448
Refund of commission during the year	(237,115,495,348)	(210,158,962,292)
<b>Ending balance</b>	<b>137,118,307,828</b>	<b>94,850,311,274</b>

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Trade Union's expenditure	2,722,138,940	2,110,142,165
Social insurance, health insurance, unemployment insurance	504,997,152	675,408,984
Dividends, profit payable	10,831,168,942	10,433,081,245
Withholding tax temporarily retained	3,056,493,053	2,421,497,458
Contribution to insurance fund	6,197,474,751	5,292,172,177
Premium collected from VNPost not collated yet	14,453,701,823	13,416,281,519
Customer bonus fund	2,454,669,995	2,209,067,927
Short-term deposits and mortgages assumed	16,399,000,000	
Others	26,035,343,613	28,825,170,046
<b>Total</b>	<b>82,654,988,269</b>	<b>65,382,821,521</b>

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

Including long-term deposits and mortgages.



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**Notes to the combined financial statements (cont.)****20. Short-term loans and financial lease debts**

	<b>Ending balance</b>	<b>Beginning balance</b>
Vietcombank – Thang Long Branch (*)	26,779,755,000	70,000,000,000
Shinhan Bank Vietnam (**)	170,364,700,000	
<b>Total</b>	<b>197,144,455,000</b>	<b>70,000,000,000</b>

(\*) This is the loan from Vietcombank – Thang Long Branch for the purpose of supplementing working capital with the interest rate of 4.7%/year for the loan arising in 2016 and 5%/year for the loan arising in 2017, the maximum loan term of 6 months commencing from the loan capital disbursement date. This loan is secured by mortgaging the deposits at 4 credit institutions including Vietcombank, Vietinbank, BIDV and Agribank (see Note V.2).

(\*\*) This is the loan from Shinhan Bank Vietnam for the purpose of issuing standby guarantee, L/C with the interest rate of 3-month libor plus margin of 0.8%, the maximum loan term until 31 March 2018, if by 31 March 2018, the Corporation provides the Bank with BOM Resolution regarding the extension of loans, this loan contract may be extended to 1 year commencing from the date of contract signing (30 November 2017) or earlier under the extension time stated in the BOM Resolution. This loan is secured by the termed deposits at 3 credit institutions including SHB, VPBank, Agribank – Gia Dinh Branch (see Note V.2).

The Corporation has solvency to pay short-term loans.

Details of increases/decreases in 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		170,364,700,000		170,364,700,000
BIDV – Than Xuan Branch		20,000,000,000	20,000,000,000	
Vietcombank – Thang Long Branch	70,000,000,000	430,199,448,140	473,419,693,140	26,779,755,000
<b>Total</b>	<b>70,000,000,000</b>	<b>620,564,148,140</b>	<b>493,419,693,140</b>	<b>197,144,455,000</b>

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Notes to the combined financial statements (cont.)

### **21. Technical reserve**

	Current year			Previous year		
	Written premium and reinsurance assumed reserve	Reinsurance ceded reserve	Net reserve	Written premium and reinsurance assumed reserve	Reinsurance ceded reserve	Net reserve
	(1)	(2)	(3) = (1) - (2)	(4)	(5)	(6) = (4) - (5)
<b>21a. Claim and unearned premium reserve</b>						
<b>1. Claim reserve<sup>(i)</sup></b>	<b>797,519,969,351</b>	<b>295,133,085,860</b>	<b>502,386,883,491</b>	<b>778,982,126,930</b>	<b>216,928,788,503</b>	<b>562,053,338,427</b>
Claim reserve for outstanding claims	789,813,341,350	295,133,085,860	494,680,255,490	749,868,461,352	216,928,788,503	532,939,672,849
Claim reserve for IBNR	7,706,628,001		7,706,628,001	29,113,665,578		29,113,665,578
<b>2. Unearned premium reserve<sup>(ii)</sup></b>	<b>1,647,879,368,341</b>	<b>525,983,018,605</b>	<b>1,121,896,349,736</b>	<b>1,585,666,973,133</b>	<b>331,811,783,188</b>	<b>1,253,855,189,945</b>
<b>Total</b>	<b>2,445,399,337,692</b>	<b>821,116,104,465</b>	<b>1,624,283,233,227</b>	<b>2,364,649,100,063</b>	<b>548,740,571,691</b>	<b>1,815,908,528,372</b>
<b>In which:</b>						
<sup>(i)</sup> Claim reserve						
Beginning balance	778,982,126,930	216,928,788,503	562,053,338,427	582,996,936,818	215,179,144,936	367,817,791,882
Appropriation during the year	18,537,842,421	78,204,297,357	(59,666,454,936)	195,985,190,112	1,749,643,567	194,235,546,545
Refund during the year						
<b>Ending balance</b>	<b>797,519,969,351</b>	<b>295,133,085,860</b>	<b>502,386,883,491</b>	<b>778,982,126,930</b>	<b>216,928,788,503</b>	<b>562,053,338,427</b>
<sup>(ii)</sup> Unearned premium reserve						
Beginning balance	1,585,666,973,133	331,811,783,188	1,253,855,189,945	1,264,462,864,552	298,110,560,168	966,352,304,384
Appropriation during the year	62,212,395,208	194,171,235,417	(131,958,840,209)	321,204,108,581	33,701,223,020	287,502,885,561
Refund during the year						
<b>Ending balance</b>	<b>1,647,879,368,341</b>	<b>525,983,018,605</b>	<b>1,121,896,349,736</b>	<b>1,585,666,973,133</b>	<b>331,811,783,188</b>	<b>1,253,855,189,945</b>

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



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	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Claim reserve for reinsurance ceded</i>	<i>295,133,085,860</i>	<i>216,928,788,503</i>
Claim reserve for outstanding claims	295,133,085,860	216,928,788,503
Claim reserve for IBNR		
<i>Reserve for reinsurance ceded premium</i>	<i>525,983,018,605</i>	<i>331,811,783,188</i>
<b>Total</b>	<b><u>821,116,104,465</u></b>	<b><u>548,740,571,691</u></b>

**21c. Catastrophe reserve**

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	46,632,930,447	71,197,252,990
Additional appropriation during the year	22,815,110,140	25,435,677,457
Disbursement during the year		(50,000,000,000)
<b>Ending balance</b>	<b><u>69,448,040,587</u></b>	<b><u>46,632,930,447</u></b>

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

#### **22a. Statement of fluctuations in owner's equity**

	Owner's investment capital	Share premiums	Business promotion fund	Compulsory reserve fund	Retained profit after tax	Total
Beginning balance of the previous year	803,957,090,000	827,943,052,804	18,131,617,954	36,312,733,442	150,280,860,006	1,836,625,354,206
Profit in the previous year					104,560,206,803	104,560,206,803
Appropriation for funds in the previous year			1,568,166,881	5,228,010,340	(6,796,177,221)	
Share of dividends in the previous year					(96,474,850,800)	(96,474,850,800)
Appropriation for customer bonus fund					(1,568,166,881)	(1,568,166,881)
Payment of allowances and bonuses to the BOM					(1,568,166,881)	(1,568,166,881)
Appropriation for the Executive officers' bonuses					(2,352,250,321)	(2,352,250,321)
<b>Ending balance of the previous year</b>	<b>803,957,090,000</b>	<b>827,943,052,804</b>	<b>19,699,784,835</b>	<b>41,540,743,782</b>	<b>146,081,454,705</b>	<b>1,839,222,126,126</b>
Beginning balance of the current year	803,957,090,000	827,943,052,804	19,699,784,835	41,540,743,782	146,081,454,705	1,839,222,126,126
Profit in the current year					148,532,735,873	148,532,735,873
Appropriation for funds during the year					(8,472,238,862)	(8,472,238,862)
Share of dividends during the year			1,045,602,068	7,426,636,794	(96,474,850,800)	(96,474,850,800)
Appropriation for customer bonus fund					(1,045,602,068)	(1,045,602,068)
Payment of allowances and bonuses to the BOM, Control Board					(1,045,602,068)	(1,045,602,068)
Appropriation for the Executive officers' bonuses					(1,568,403,102)	(1,568,403,102)
<b>Ending balance of the current year</b>	<b>803,957,090,000</b>	<b>827,943,052,804</b>	<b>20,745,386,903</b>	<b>48,967,380,576</b>	<b>186,007,493,678</b>	<b>1,887,620,403,961</b>

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

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

**22c. Dividends**

	<b>Current year</b>	<b>Previous year</b>
Unpaid dividends at the beginning of year	10,433,081,245	16,799,434,307
Share of dividends in the previous year	96,474,850,800	96,474,850,800
Dividends already paid	(96,076,763,103)	(102,841,203,862)
<b>Dividends to be paid at the end of the year</b>	<b>10,831,168,942</b>	<b>10,433,081,245</b>

**22d. Shares**

	<b>Ending balance</b>	<b>Beginning balance</b>
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.

**22e. Profit distribution**

During the year, the Corporation distributed the profit in accordance with the Resolution of the 2017 Annual General Meeting of Shareholders No. 33/NQ-PTI-DHDCD dated 21 April 2017 as follows:

	<b>VND</b>
• Share of dividends to shareholders	: 96,474,850,800
• Appropriation for business promotion fund	: 1,045,602,068
• Appropriation for customer bonus fund	: 1,045,602,068
• Payment of allowances and bonuses to the BOM, Control Board	: 1,045,602,068
• Appropriation for the Executive officers' bonuses	: 1,568,403,102

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

	<b>Current year</b>	<b>Previous year</b>
Written premium	3,206,371,714,043	3,096,474,612,452
<i>Health insurance and human accident insurance</i>	856,104,186,717	565,659,717,716
<i>Property and damage insurance</i>	276,810,804,916	265,797,203,194
<i>Cargo insurance</i>	100,746,397,250	102,115,123,206
<i>Aviation insurance</i>	15,390,467,860	13,353,003,741
<i>Motor vehicle insurance</i>	1,736,690,642,185	1,855,742,272,024
<i>Fire insurance</i>	107,614,624,249	107,225,137,805
<i>Hull and civil liability of ship owner insurance</i>	78,123,266,586	87,151,360,369
<i>Joint liability insurance</i>	34,316,008,758	98,809,217,164
<i>Business damage insurance</i>	575,315,522	621,577,233
Reinsurance assumed premium	143,631,384,852	129,700,247,181
<i>Health insurance and human accident insurance</i>	54,649,000,694	28,908,549,176
<i>Property and damage insurance</i>	60,381,066,299	72,975,078,865
<i>Cargo insurance</i>	7,740,407,171	7,564,903,521
<i>Aviation insurance</i>	177,193,755	940,614,438
<i>Motor vehicle insurance</i>	1,409,955,850	1,517,725,923
<i>Fire insurance</i>	5,646,768,315	5,754,783,145
<i>Hull and civil liability of ship owner insurance</i>	8,469,455,189	7,468,306,489
<i>Joint liability insurance</i>	4,906,072,355	4,557,769,624
<i>Agricultural insurance</i>	251,465,224	12,516,000
Increase/decrease in reserve for written premium and reinsurance assumed	(62,212,395,208)	(321,204,558,581)
<b>Total</b>	<b>3,287,790,703,687</b>	<b>2,904,970,301,052</b>

**2. Reinsurance premium ceded**

	<b>Current year</b>	<b>Previous year</b>
Reinsurance ceded premium	1,068,492,024,874	682,607,113,937
<i>Health insurance and human accident insurance</i>	412,601,614,206	86,650,613,157
<i>Property and damage insurance</i>	312,994,872,462	220,084,507,649
<i>Cargo insurance</i>	33,051,975,327	37,967,095,120
<i>Motor vehicle insurance</i>	145,146,322,961	161,868,462,232
<i>Fire insurance</i>	61,057,588,344	62,214,724,006
<i>Hull and civil liability of ship owner insurance</i>	56,743,045,587	43,019,841,179
<i>Joint liability insurance</i>	46,761,452,666	70,801,870,595
<i>Agricultural insurance</i>	135,153,321	
Increase/decrease in reserve for reinsurance premium ceded	(194,171,235,417)	(33,701,223,020)
<b>Reinsurance premium ceded</b>	<b>874,320,789,457</b>	<b>648,905,890,917</b>



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

	<b>Current year</b>	<b>Previous year</b>
Total claim expenses	1,683,410,889,298	1,208,404,100,462
<i>Health insurance and accident insurance</i>	307,941,536,079	225,835,636,339
<i>Property and damage insurance</i>	113,427,092,052	73,491,899,757
<i>Cargo insurance</i>	84,250,145,087	33,433,522,086
<i>Aviation insurance</i>	192,120,560	4,573,067
<i>Motor vehicle insurance</i>	1,064,913,606,479	804,386,270,992
<i>Fire insurance</i>	22,092,946,551	11,053,613,373
<i>Hull and civil liability of ship owner insurance</i>	32,193,669,397	33,837,982,155
<i>Joint liability insurance</i>	58,370,913,093	26,360,602,693
<i>Agricultural insurance</i>	28,860,000	
Receiving indemnity of reinsurance ceded	(423,122,583,392)	(235,547,984,309)
Increase/decrease in claim reserve for written premium and reinsurance assumed	18,537,842,421	195,985,190,112
Increase/decrease in indemnity reserve for reinsurance ceded	(78,204,297,357)	(1,749,643,567)
<b>Total claim expenses</b>	<b>1,200,621,850,970</b>	<b>1,167,091,662,698</b>

**4. Other expenses for insurance operation**

	<b>Current year</b>	<b>Previous year</b>
Insurance commission	332,656,891,735	277,947,672,582
Insurance agency management	178,702,347,564	154,714,705,102
Damage limit provision	20,364,956,457	22,432,889,304
Insurance funds	11,813,101,443	10,929,108,617
Others	461,725,816,357	390,831,829,444
<b>Total</b>	<b>1,005,263,113,556</b>	<b>856,856,205,049</b>

**5. Sales of trading investment property**

	<b>Current year</b>	<b>Previous year</b>
Leasing investment property	5,340,111,456	2,702,228,400
Selling investment property	9,808,966,601	2,265,247,584
<b>Total</b>	<b>15,149,078,057</b>	<b>4,967,475,984</b>

**6. Costs of investment property**

	<b>Current year</b>	<b>Previous year</b>
Leasing investment property	3,531,545,385	1,887,918,349
Selling investment property	4,713,619,760	
Others	1,514,907,806	
<b>Total</b>	<b>9,760,072,951</b>	<b>1,887,918,349</b>

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

	<b>Current year</b>	<b>Previous year</b>
Demand deposit interest	104,953,881,332	105,344,821,968
Termed deposit interest	359,229,038	417,749,202
Interest on trading Government bonds	9,672,133,333	
Interest on trading securities	121,216,805,354	38,777,398,494
Dividends and profit shared	6,726,131,746	6,219,836,080
Gain on realized exchange rate differences	2,024,840,009	2,097,602,857
Others	4,937,803	4,858,002,637
<b>Total</b>	<b>244,957,958,615</b>	<b>157,715,411,238</b>

**8. Financial expenses**

	<b>Current year</b>	<b>Previous year</b>
Loan interest expenses	4,900,802,220	192,983,215
Loss from realized exchange rate difference	1,812,996,321	1,306,454,065
Loss from trading securities	10,869,627,604	10,080,659,375
Provision for/(Refund of) devaluation of short-term and long-term investments	49,086,711,607	621,123,226
Others	24,862,077,868	22,850,214,049
<b>Total</b>	<b>91,532,215,620</b>	<b>35,051,433,930</b>

**9. Administrative overheads**

	<b>Current year</b>	<b>Previous year</b>
Expenses for staff	305,903,745,504	295,476,348,617
Expenses for managing materials	19,363,582,666	18,150,436,115
Expenses for office stationery	9,853,062,951	10,254,695,689
Depreciation of fixed assets	10,915,045,658	9,136,041,455
Taxes, fees and duties	16,622,994,243	10,957,903,648
Contingent expenses	4,062,175,005	(3,863,488,029)
External services hired	75,300,847,694	67,270,010,944
Others	90,220,211,799	80,828,294,517
<b>Total</b>	<b>532,241,665,520</b>	<b>488,210,242,956</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.



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

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

*Income of the key managers is as follows:*

	<b>Current year</b>	<b>Previous year</b>
Salary of the Executive Officers	7,754,846,071	6,287,334,476
Allowances for the BOM and the Control Board	1,045,602,068	1,551,947,602
<b>Total</b>	<b>8,800,448,139</b>	<b>7,839,282,078</b>

**Transactions and balances with other related parties**

Other related parties of the Corporation include:

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

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

	<b>Current year</b>	<b>Previous year</b>
<b>DB Insurance Co., Ltd.</b>		
<i>Reinsurance ceded</i>		
Reinsurance premium ceded	2,439,286,826	1,578,622,130
Receiving commission on reinsurance ceded	925,296,973	514,661,092
Receiving indemnity of reinsurance ceded	368,660,306	26,710,204
<b>VINARE</b>		
<i>Reinsurance assumed</i>		
Reinsurance premium assumed	84,226,166,562	15,894,366,753
Commission expenses for reinsurance assumed	19,936,196,592	4,123,598,085
Claim expenses for reinsurance assumed	76,757,192,303	6,523,582,559
<i>Reinsurance ceded</i>		
Reinsurance premium ceded	88,116,337,692	45,131,712,442
Receiving commission on reinsurance ceded	20,579,298,027	9,511,267,707
Receiving indemnity of reinsurance ceded	32,326,286,192	11,061,527,176

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

	<b>Ending balance</b>	<b>Beginning balance</b>
VINARE	13,679,646,236	4,824,736,312
<b>Total liabilities receivable</b>	<b>13,679,646,236</b>	<b>4,824,736,312</b>
DB Insurance Co., Ltd.	509,162,585	898,718,844
<b>Total liabilities payable</b>	<b>509,162,585</b>	<b>898,718,844</b>

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

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

**2. Segment information**

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*

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

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

*Cash in bank*

Most termed and demand deposits of the 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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Analysis of overdue time and devaluation of financial assets is as follows:

	<b>Not yet overdue or devalued</b>	<b>Already overdue and/or devalued</b>	<b>Total</b>
<b>Ending balance</b>			
Cash and cash equivalents	99,601,609,760		99,601,609,760
Financial assets recognized at fair value through profit or loss statement	229,796,965,531	57,587,234,440	287,384,199,971
Investments held to maturity date	2,587,055,828,222	40,831,822,587	2,627,887,650,809
Receivable from customers	375,373,742,464	55,491,651,364	430,865,393,828
Other receivable	188,892,708,217	19,688,811,280	208,581,519,497
Financial assets available for sale	188,308,980,595	97,120,812,685	285,429,793,280
<b>Total</b>	<b>3,669,029,834,789</b>	<b>270,720,332,356</b>	<b>3,939,750,167,145</b>
<b>Beginning balance</b>			
Cash and cash equivalents	75,002,395,142		75,002,395,142
Financial assets recognized at fair value through profit or loss statement	132,927,089,115	12,014,061,518	144,941,150,633
Investments held to maturity date	2,622,830,347,222	33,386,024,360	2,656,216,371,582
Receivable from customers	362,325,387,674	50,060,972,870	412,386,360,544
Other receivable	167,876,006,499	19,764,048,988	187,640,055,487
Financial assets available for sale	236,818,566,400	32,840,000,000	269,658,566,400
<b>Total</b>	<b>3,597,779,792,052</b>	<b>148,065,107,736</b>	<b>3,745,844,899,788</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:

	<b>Under 1 year</b>	<b>From 1 year to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Ending balance</b>				
Payable to suppliers	350,308,039,132			350,308,039,132
Loans and debts	197,144,455,000			197,144,455,000
Other payable	63,609,251,411	1,120,456,136		64,729,707,547
<b>Total</b>	<b>611,061,745,543</b>	<b>1,120,456,136</b>		<b>612,182,201,679</b>



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

	<b>Under 1 year</b>	<b>From 1 year to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Beginning balance</b>				
Payable to suppliers	70,000,000,000			70,000,000,000
Loans and debts	218,058,696,356			218,058,696,356
Other payable	62,898,652,808	1,030,456,136		63,929,108,944
<b>Total</b>	<b>350,957,349,164</b>	<b>1,030,456,136</b>		<b>351,987,805,300</b>

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 2017 and 1 January 2017 and are based on the value of net liabilities. Changes in foreign exchange rates, interest rates, price of securities used in the analyses of sensitivity are based on the evaluation of ability to occur within the next one year under observable circumstances of the market at present.

*Foreign currency risk*

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

The 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 instrument will change according to changes of market interest rates.

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

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



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

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

	<b>Ending balance</b>	<b>Beginning balance</b>
Investments held to maturity dates	2,627,887,650,809	2,656,216,371,582
Loans and debts	(197,144,455,000)	(70,000,000,000)
<b>Net assets/(liabilities) payable</b>	<b>2,430,743,195,809</b>	<b>2,586,216,371,582</b>

As of the balance sheet date, with the assumption of other unchangeable variables, if the interest rate of loans in VND with floating rate increased/decreased by 2%, profit after tax and owner's equity of the current year of the Corporation would increase/decrease by VND 38,891,891,133 (last year they had increased/decreased by VND 40,465,920,000). The sensitivity level to fluctuations of interest rates of the current year increase/decrease in comparison with that of the previous year due to the increase/decrease in loans at floating interest rates.

*Risk related to price of securities*

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

As of the balance sheet date, with the assumption of other unchangeable variables, if prices of listed securities invested by the Corporation increased/decreased by 2%, profit after tax and owner's equity of the current year of the Corporation would increase/decrease by VND 4,598,147,200 (last year they had increased/decreased by VND 3,344,513,423) due to decrease/increase in reserves. The sensitivity level to fluctuations in prices of securities in the current year does not change materially in comparison with that of the previous year. The sensitivity level to changes in prices of securities in the current year does not change materially in comparison with that of the previous year.

**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 2017 and as of 31 December 2016.

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

	<b>Ending balance</b>		<b>Beginning balance</b>	
	<b>Historical costs</b>	<b>Provision</b>	<b>Historical costs</b>	<b>Provision</b>
Cash and cash equivalents	99,601,609,760		75,002,395,142	
Financial assets recognized at fair value through profit or loss statement	287,384,199,971	(5,688,220,092)	209,032,088,933	(263,490,518)
Investments held to maturity date	2,627,887,650,809	(31,235,306,464)	2,656,216,371,582	(23,891,306,464)
Receivable from customers	430,865,393,828	(44,193,119,623)	412,386,360,544	(40,055,706,911)
Other receivable	208,581,519,497	(19,688,811,280)	187,640,055,487	(19,764,048,988)
Financial assets available for sale	285,429,793,280	(41,638,199,726)	205,567,628,100	(4,495,204,554)
<b>Total</b>	<b>3,939,750,167,145</b>	<b>(142,443,657,185)</b>	<b>3,745,844,899,788</b>	<b>(88,469,757,435)</b>

*Financial liabilities*

Net book value of financial liabilities is as follows:

	<b>Ending balance</b>	<b>Beginning balance</b>
Loans and debts	197,144,455,000	70,000,000,000
Payable to suppliers	350,308,039,132	218,058,696,356
Others	64,729,707,547	63,929,108,944
<b>Total</b>	<b>612,182,201,679</b>	<b>351,987,805,300</b>



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

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

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

<b>Items</b>	<b>Unit</b>	<b>Current year</b>	<b>Previous year</b>
<b>Structures of assets and capital sources</b>			
<b><i>Structure of assets</i></b>			
Current assets/Total assets	%	80.61	71.44
Long-term assets/Total assets	%	19.39	28.56
<b><i>Capital sources</i></b>			
Liabilities/Total capital sources	%	64.70	62.44
Owner's equity/Total capital sources	%	35.30	37.56
<b><i>Solvency</i></b>			
Current solvency	Time	1.55	1.60
Short-term liabilities solvency	Time	1.25	1.14
Quick solvency	Time	0.03	0.02
Long-term liabilities solvency	Time	925.67	1.357.30
<b><i>Profit ratio</i></b>			
<b><i>Profit ratio/Revenue</i></b>			
Profit ratio before tax/Net revenue	%	6.48	5.10
Profit ratio after tax/Net revenue	%	5.34	4.12
<b><i>Profit ratio/Total assets</i></b>			
Profit ratio before tax/Total assets	%	3.37	2.65
Profit ratio after tax/Total assets	%	2.78	2.14
<b><i>Profit ratio after tax/Owner's equity</i></b>	<b>%</b>	<b>7.87</b>	<b>5.69</b>

**6. Insurance risk**

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

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



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### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2017

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

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

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 5 March 2018

Prepared by

Chief Accountant

General Director



Nguyen Thi Ngoc Khue



Cao Thu Hien



Bui Xuan Thu

**SOLVENCY STATEMENT**

Unit: VND

	Current year	Previous year
<b>I. Difference between asset value and liabilities payable</b>	<b>1,887,620,403,961</b>	<b>1,839,222,126,126</b>
1. Total assets	5,348,068,599,636	4,896,388,006,437
2. Liabilities payable	3,460,448,195,675	3,057,165,880,311
<b>II. Asset value excluded</b>	<b>335,946,890,809</b>	<b>328,249,528,429</b>
<b>1. Assets of which accounting values are fully excluded:</b>	<b>65,590,833,882</b>	<b>73,711,903,286</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 Bad debts as regulated less relevant provision for bad debts	-	-
1.4 Intangible fixed assets except for computer software	-	-
1.5 Prepaid expenses, loans without guarantee, advances, office equipment and stationery, inter-company receivable	43,903,345,564	37,254,549,625
1.6 Receivable on insurance premium and reinsurance premium assumed overdue 2 years less relevant provision for bad debts as regulated	1,535,288,318	2,043,652,756
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	-	14,261,500,905
<b>2. Assets of which accounting values are partly excluded:</b>	<b>270,356,056,926</b>	<b>254,537,625,143</b>
2.1 Investment assets:	122,696,740,569	114,889,895,059
a) Secured bonds: excluding 1% of accounting value;	-	500,000,000
b) Unsecured bonds: excluding 3% of accounting value;	2,940,000,000	2,400,000,000
c) Listed shares: excluding 15% of accounting value;	41,968,134,957	8,794,685,434
d) Unlisted shares: excluding 20% of accounting value;	41,140,023,880	61,501,395,980
d) Direct investments in property used by the company itself: excluding 8% of accounting value;	9,119,515,644	967,325,626
e) Direct investments in property for lease, secured trading loans: excluding 15% of accounting value;	1,049,214,529	15,527,948,018
g) Contribution capital to other entities except for insurance companies: excluding 20% of accounting value.	26,479,851,559	25,198,540,000
2.2 Accounts receivable	3,609,638,909	3,278,249,389



**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 2017

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%	1,907,974,203	1,053,835,819
b)	Receivable on insurance premium and reinsurance premium assumed overdue from 1 year to under 2 years less relevant provision for bad debts as regulated: excluding 50%.	1,701,664,706	2,224,413,571
2.3	Tangible fixed assets, intangible fixed assets which are computer software and inventories: excluding 25% of accounting value	18,351,812,394	16,023,013,290
2.4	Other assets: excluding 15% of accounting value	125,697,865,054	120,346,467,405
III.	<b>Solvency margin (I-II)</b>	<b>1,551,673,513,152</b>	<b>1,510,972,597,697</b>
IV.	<b>Minimum solvency margin</b>		
	25% total retained premium	570,377,768,505	635,891,936,424
	Comparison of solvency margin and minimum solvency margin (III and IV)		
	Absolute figure difference	981,295,744,647	875,080,661,273
	Percentage (%) difference	272%	238%

Prepared on 5 March 2018

Prepared by



Nguyen Thi Ngoc Khue

Chief Accountant



Cao Thu Hien

General Director



Bui Xuan Thu