

**REPORT ON THE OPERATING RESULTS  
OF THE BOARD OF DIRECTORS OF BAOVIET HOLDINGS  
AT THE 2018 ANNUAL GENERAL SHAREHOLDERS' MEETING**

*Dear honoured Shareholders!*

The Board of Directors (“BOD”) of Baoviet Holdings would like to respectfully report to the Annual General Shareholders’ Meeting (“AGM”) the operating results of the BOD in 2017, operating directions of the BOD in 2018 and the operating results of the BOD for the term 2012-2017; operating directions of the BOD for the term 2018-2023 as follows:

**PART I: REPORT ON THE OPERATING RESULTS OF THE BOD IN 2017  
AND THE OPERATING PLAN OF THE BOD IN 2018**

**I. Operating results of the BOD in 2017**

*1. General evaluations on the operation of the BOD in 2017*

In 2017, upon the implementation of the Law on Enterprise, the Charter of Baoviet Holdings and the Regulation on operation of the BOD, the BOD of Baoviet Holdings organised 06 (six) meetings, including 04 (four) regular meetings and 02 (two) open meetings in order to organise the 2018 AGM as well as implementing the estimated business plan in 2018 of Baoviet Holdings and its Subsidiaries which BVH owns 100% charter capital.

The BOD’s meetings focused on solving key issues related to the directions on organising the 2017 AGM; constructing and implementing the 2017 business plan upon the approval of the AGM; supervising closely the implementation of the business plan, implementation of key tasks across the system of Baoviet as well as implementing the resolutions of the 2017 AGM, etc. Resolutions of the BOD concluded to discuss in the meetings the essential directions in order to assist the Board of Management to implements the Resolutions of the 2017 AGM effectively.

Aside from the BOD’s meeting, the BOD approved of the decisions upon the method of opinion collection from BOD’s members in written forms in order to direct and solve over 70 issues related to the orientations on the corporate governance and other issues upon the competence of the BOD; simultaneously directing, supervising closely the activities of the Board of Management in the implementation of the resolutions of the AGM and the BOD within the year of 2017.

### ***Evaluation of the operating results of the BOD's members in 2017 :***

In 2017, the BOD's members participated fully in the meetings of the BOD and provided opinions in written forms regarding the issues upon the competence of the BOD with the spirit of high responsibilities, fostering the leadership of BOD's members for the benefits of shareholders as well as the sustainable development of the Group.

Aside from the implementation and completion of general responsibilities on the activities of the BOD, the BOD's members completed the assigned tasks upon the delegation of tasks for BOD's members, specifically as follows:

- The BOD's Chairman completed his tasks as the BOD's Chairman as stipulated by the Law on Enterprise, the Charter of Baoviet Holdings, and the Regulation on Operation of the BOD in constructing, implementing the annual business agenda, delegating the tasks amongst BOD's members, organising the meetings, collecting opinions in written forms, issuing Resolutions, Decisions and Announcement of the BOD; directing, managing and supervising the Board of Management to implement the resolutions of the BOD; assigning tasks to the Committees of the BOD and the Internal Audit Block in order to foster the functions in consulting, supervising the BOD regarding issues upon their competence.

- The executive BOD's members actively contributed to the process of completing the systems of internal corporate governance regulations of Baoviet Holdings, along with the BOD to supervise and manage the business management activities, contributing to the completion of the 2017 Business plan.

- BOD's members were assigned to be in charge of the business activities of Baoviet Holdings, and its Subsidiaries directed to excell the 2017 Business Plan of the Company members, contributing to the completion of the 2017 general business plan of the Group.

- BOD's members as the representatives of the strategies shareholders i.e. the Insurance Company Sumitomo Life ("SML") and the State Capital Investment Corporation ("SCIC") contributed such essential roles in fostering the development of partnership business relations between BVH and SML, SCIC; strengthening the Technical Support on Capability Transfer Agreement ("TSCTA") between BVH and SML

### ***2. Results on the supervision of the CEO and managerial positions of Baoviet Holdings***

In 2017, the CEO and other managerial positions of BVH excelled in the management of the business activities of BVH, specifically as follows:

- Completed excellently the business targets in 2017 approved by the AGM and the BOD;

- Implemented effectively and precisely to deadline the subprojects of the Synergy project of the Finance-Insurance Group of Baoviet;

- Implemented the business strategy for the period of 2016-2020 of BVH and its Subsidiaries according to the directions on the Development Strategy for the period of 2016-2020 of BVH approved by the AGM;

- Directed to implement in such serious manners the Decisions of the BOD as well as the key tasks approved by the BOD;

During the process of management, the Board of Management of BVH complied strictly to the decentralisation of management as stipulated by the Charter of BVH, Regulations on corporate governance and the internal regulations of BVH as well as other Decisions of the BOD.

### ***3. Remuneration and operating expenses of the BOD in 2017***

#### ***Regarding the remuneration of the BOD in 2017:***

- Regarding the non-executive BOD's members, the remuneration including income taxes is 20 million Dong/pp/month.

- Regarding the **executive or concurrently holding titles within the management system of the Parent Company/ Subsidiaries:** Receive salary according to the salary regime of BVH and its Subsidiaries.

#### ***Regarding the operating expenses of the BOD in 2017:***

Comply with the regulations on operation of the BOD and the regulation on the internal expenses of BVH.

*(Detailed summary chart on the remuneration in 2017 for BOD's members was disclosed in the 2017 Annual Report of BVH).*

## **II. Results on the implementation of the Resolutions of the 2017 AGM**

In 2017, the BOD directed to implemented completely and in time the Resolutions of the 2017 AGM, specifically as follows:

### ***1. BOD directed to complete the 2017 Business Plan:***

Upon the approval of the 2017 AGM, the BOD focused on directing the Board of Management to implement the key solutions to complete the 2017 Business plan according to the Resolutions of the AGM and BOD in 2017 with the outstanding business performance as follows:

#### **2017 consolidated business results:**

- Total consolidated revenue of BVH in 2017 reached 32,748 billion Dong, completed 113.4% annual plan, increased by 27.5% compared to 2016.

- Consolidated Profit before taxes (PBT) reached 1,934 billion Dong, completed 129.9% annual plan, increased by 38.2% compared to 2016, Consolidated PAT reached 1,603 billion Dong, completed 134.5% annual plan, increased by 37.6% compared to 2016.

**2017 Business performance of the Parent company:**

- Total revenue: 1,385 billion Dong, completed 90.3% annual plan;

- PBT: 1,035 billion Dong, completed 103% annual plan;

- PAT: 1,026 billion Dong, completed 100.1% annual plan;

- PAT/ charter capital: 15.1%

With such results, BVH ensure the implementation of responsibilities to the State budget, benefits of customers, shareholders and employees.

Upon the evaluation on the 2017 business performance, BVH and its Subsidiaries excelled the business targets and implemented effectively the set solutions. These results emphasises the precision, in-time, and relevance of the solutions implemented by the BOD and BOM, simultaneously to express the commitment, synergy of the Company members, staff and consultances within the system of Baoviet.

**2. BOD directed to make provision of Funds as approved by the AGM and implemented the dividend payouts for the fiscal year 2016** to shareholders right after the completion of the 2017 AGM as well as completing within August 2017 with the rate of 10% over the share prices i.e. 1,000 Dong/share, equivalent to 680.47 billion Dong.

**3. The BOD directed to implement the solutions on increasing charter capital via the issuance of shares according to the Employees' Stock Ownership Programme ("ESOP") in pursuant to the Resolution of the 2017 AGM with the results specifically as follows:**

- Number of issued shares: 20,415,000 shares (equivalent to 3% of the active shares of BVH at the time of issuance)

- Issued price: 35,900 VND/ Share (equivalent to double the book value of BVH according to the reviewed separated financial reports for 9 months of 2017)

- Total number of shares after issuance: 700,886,434 shares

- Charter capital of BVH after issuance: 7,008,864,340,000 VND

**4. BOD directed to implement the Development strategy for the period of 2016-2020 of BVH and its Subsidiaries** according to the Directions on the Development Strategy or the period of of BVH as approved by the 2016 AGM

Upon the evaluation of the 2017 business performance, BVH and its Subsidiaries yielded to complete the business targets and implemented effectively all the set

solutions. Such results emphasises the precision, in-time, and relevance of the solutions implemented by the BOD and BOM, simultaneously to express the commitment, synergy of the Company members, staff and consultances within the system of Baoviet.

**5. BOD directed to implement the selection of the independent audit company to audit the financial reports for the years of 2018, 2019, 2020 of BVH according to te AGM's resolutions and the related regulations.** The selected agency to implement the audit of the financial report for the years of 2018, 2019, 2020 of BVH is Ernst & Young Vietnam Ltd..

### **III. Report on the corporate governance of BVH in 2017**

Upon the realization of the importance of the corporate governance, the BOD identify the improvement of the quality on the corporate governance is such an essential content of the strategic orientations of BVH in order to construct a solid corporate governance system based upon the implementation of the best International practices, combined with the corporate strength of all resources within the system in order to supervise, monitor the activities of the enterprise in such responsible, transparent and effective manners.

In 2017, the BOD's Chairman, BOD's members, Supervisory Board, CEO and other managerial positions, the Corporate Secretary were committed to participate in the training, forums, conferences related to the corporate governance, business management, proactively use the Asean Corporate Governance Scorecard in order to improve the standards and practical implementation of corporate governance at Baoviet Holdings.

The reports on the corporate governance of BVH in 2017 were disclosed with full information, precisely closed to deadlines to the State Securities Committees and Ho Chi Minh Stock Exchange. The detailed contents of the reports on the corporate governance in 2017 were also disclosed in the 2017 Annual reports of BVH

### **IV. Operating plan of the BOD in 2018**

2018 is an essential year to implement the Development strategy for the period of 2016 – 2020 with the vision to “*maintain the leading position of the Finance-Insurance Corporation, improve the International competitiveness, strong financial potentials as well as the effective and sustainable development*”, the BOD unified the key targets in the 2018 Business plan of the Parent company of BVH attentively to submit to the AGM as follows:

- Total revenue: 1,428 billion Dong;
- PAT: 1,050 billion Dong;

- PAT/ Charter Capital of BVH: 15.0% (over the charter capital of 7008.billion Dong).

*The 2018 Business plan was attentively based upon the provision interest on life insurance profession i.e. 4%. Upon the actual provision interest as stipulated and the market status, the BOD shall report the implementation progress on the 2018 business plan of BVH in the 2019 AGM.*

BVH shall focus on strengthening the implementation of key tasks in order to be prepared with the existing resources for the sustainable development, specifically as follows

- ***System Management***: continue to complete the regulatory system on the internal corporate governance of BVH and its Subsidiaries in order to strengthen and foster the role of central management across the Group in the key areas i.e. HR, finance, investment, headquarter construction, branding, IT, in order to support the company members to focus the resources in core business activities.

- ***HR management***: strengthen the organization of staff throughout the system including the planning, appointment, rotation, delegation of staff closely to the training for development of employees' capability; strengthening the appearance of BVH in the regions, areas to support the company members in implementing the Synergy project as well as the management of the Group to its Subsidiaries.

- ***Strengthening financial capability of BVH*** and core business fields, researching for investment on the potential areas i.e. healthcare insurance, pension insurance, card companies, etc. in order to expand the scale and to improve the competitiveness as well as business capability of the Group.

- ***IT***: Fostering the progress of key projects i.e. New core, Disaster prevention centres, customer database for mutual usage, etc. in order to build and complete the IT infrastructure of BVH to ensure the connection, modernization to become the enterprise relevant to the digital era.

- ***Marketing & branding***: Unified brand image of BVH for full coverage nationwide; strengthening the marketing, advertising via big promotions i.e. Mega Sale organized by the Group in order to support the business of the Subsidiaries.

- ***Construction of the headquarter office***: foster the construction of the synergy buildings, headquarters for sharing amongst company members in various regions and cities according to the unified designs, ensuring the unification of brand image of Baoviet; Creating the mutual areas for company members in various districts/ provinces.

- ***Products***: review, refresh the existing products close to the specific distribution channels i.e. bancassurance channel, cross-selling channels, etc. in order to dynamise the selective choices for customers; research, development the integrated products on investment-finance with specialised features of Baoviet in order to utilize the benefits for customers.

- ***Distribution channels***: Continue to strengthen the effectiveness of the traditional distribution channels, develop the agent system, professional consultants; foster the exploitation, development of new distribution channels i.e. online, telesales, bancassurance, etc.

- **Customer services:** Improve the quality of the customer services, post-customer services, always closely align to “serve customers in the best manners for development”.

- **Implementation of the environmental and social objectives towards to the sustainable development via the implementation of the community activities to express social responsibilities** as implemented the Scholarship fund of Baoviet in order to invest for education and youth generation; develop the local community, merit to honoured individuals, reduction of poverty via the implementation of the social welfare projects via the business activities.

- In 2018, the BOD shall continue to maintain the regular meeting regime in Quarters as stipulated and organise other meetings in written opinion collection form to BOD’s members in order to implement the 2017 AGM, implement issues related to the corporate governance as well as directing to implement the key tasks in 2017 of BVH. The BOD shall continue to foster the roles of the Committees of the BOD for their consultancy to the BOD related to issues on senior HR, business strategy and investment activities; strengthening the tasks on supervision, monitoring via the internal audit activities, risk management, compliance to improve the efficiency of the business activities and capital reservice.

With the message “**Emphasising the Vietnamese brand**”, the BOD oriented the key tasks for implementation specifically as follows:

**First**, implement the resolutions of the 2018 AGM, including the completion of the 2018 Business plan and closely aligning to the development strategy for the period of 2016 – 2020 via the implementation of key tasks throughout the Group.

**Second**, continue to foster the constructed foundations for the period after capitalization, focusing on issues as follows: (i) strengthening of investment on infrastructure and the application of IT according to the International standard throughout the Group; (ii) investment for development of the HR and planning of senior staff of BVH, review and construct the relevant salary and bonus regimes; (iii) implementation of the synergy project on marketing, branding; synergized buildings, headquarters for mutual sharing in order to modernize, unify the brand image of Baoviet throughout the system.

**Third**, strengthening strongly the roles of the Parent company of Baoviet Holdings throughout the system via (i) central management, allocation of resources within the Group to finance, HR- training, IT, marketing, investment, basic construction; (ii) foster synergy of the Group in order to maximize the resources and the Group’s strength; (iii) Strengthening the financial capability of the Parent company in order to implement the capital investment function effectively into the Subsidiaries in the traditional businesses as well as new potential businesses.

**Fourth**, continue to improve the corporate governance capability based upon the application of the best International practices in order to ensure the efficiency in

exploiting resources to create the sustainable values for the long term, as well as attracting investment sources into the business.

*Fifth*, continue to cooperate with the State management agencies to complete the legal framework, develop the market, new products; continue to focus on implementing the social welfare activities, supporting the community upon the directions of the Communist Party and the Government; being the pioneer enterprise in the act of protecting the environment, yielding towards the implementation of the sustainable development strategy of Baoviet.

## **PART II: REPORT ON THE OPERATING RESULTS OF THE BOD FOR THE TERM OF 2012-2017 AND THE DIRECTIONS, RESPONSIBILITY OF THE BOD FOR THE TERM OF 2018-2023**

### **I. Report on the operating results of the BOD for the term of 2012-2017**

During the term of 2012-2017, upon the close directions of the BOD as well as the dynamic, creative and committed spirits of the BOM and the employees across the system, Baoviet completed excellently the business targets approved by the AGM annually with the outstanding results in the period of 2012- 2017 specifically as follows:

- Regarding the scale of assets, capital: In 2017, total consolidated asset reached 91,402 billion Dong, doubled the results in 2012, average increase in the period of 2012-2017 reached 14.6%; charter capital reached 14,467 billion Dong, equivalent to 1.2 times of the results in 2012, average increase in the period of 2012-2017 reached 3.6%.

- Regarding the increase in revenue, profits: Total consolidated revenue of the Group in 2017 reached 32,748 billion Dong, double the figures in 2012, average increase within the term reached 15.4%. Up to 2016, Baoviet remained the first Financial Group in Vietnam to reach the revenue of 1 billion USD. With such results, Baoviet emphasizes the leading position as well as its strong financial capability of a leading enterprise in the fields of finance and insurance in Vietnam.

- ROE of BVH always maintained highly from 8.5% to 11.8% in the period of 2012-2017. The financial capability in the period of 2012-2017 was generally strong, could always ensure the ability to complete the duty on dividend payouts, as well as the business demands of its Subsidiaries. The charter capital maintained stable, which indicate the success of BVH in reversing capital within the difficult times.

- Annual dividend payouts from 2012 to 2017 were from 8-15%, reasonably high compared to the average payouts of the finance and banking sectors. This represents the results of the objectives in the macro strategies of the Group.



## **II. Evaluation of implementing the tasks of the BOD in the term of 2012-2017**

The BOD of Baoviet Holdings for the term of 2012-2017 was voted at the Extraordinary AGM in 2012 with 09 members. At the 2017 AGM, the AGM approved of increasing the BOD's members from 09 members to 11 members, thus voted for the supplementary 02 BOD' members. Nonetheless, up to the current time, the number of BOD's members is 09 due to the dismissal and retirement of 02 BOD' members. Within the term, the BOD was committed to direct the implementation of annual tasks assigned by the AGM, resulting in excellent performance of BVH, excelling the planned targets approved by the AGM. At all of the AGM, the BOD presents thorough reports on the implementation of tasks assigned by the AGM each year. The BOD would like to respectfully report on the key results in the corporate governance in the term of 2012-2017 specifically as follows:

### ***2.1 Basically complete the strategy for 2011-2015 of Baoviet Finance-Insurance Group.***

The 2011 AGM approved of the development strategy for the period of 2011-2015 of Baoviet Holdings with the vision to 2015 to "Become the leading Finance-Insurance Group in Vietnam with strong financial strength, gradually integrate into the regional market and the World based upon three pillars: Insurance, Investment and Financial services".

In the period of 2011-2015, Vietnamese economy entered the low growth period with various fluctuations towards the less positive direction than forecasted with the Government's direction to restructure the economy. In 2013, the BOD of BVH reviewed and adjusted the strategic objectives of the strategy for the period of 2011-2015 in order to align with the actual market health and the actual business performance of BVH. Upon the close directions of the BOD, BVH focused, committed to implement synchronously the strategic solutions to complete the strategic objectives for the period of 2011 - 2015.

End of 2015, in general, BVH was successful in refreshing the brand image in every aspects, emphasizing and maintaining the competitive advantages in the Vietnamese market with the staff of over 70,000 employees, agents and consultants, such reputable brand image in the financial marketing of Vietnam, huge customer database, distribution channels covered nationwide with over 160 branches and 700 insurance service points, provision of products and service in insurance, banking, security and fund management. Insurance remains the core traditional business aspect of BVH, with life insurance and non-life insurance became the leading enterprise in the sectors. Nonetheless, with the challenges to the market, the non-life insurance showed trends to decline, which is a challenge as well as a motivation for BVH to

focus on developing, solving the difficulties systematically, simultaneously improve the competitiveness in the non-life insurance market.

Baoviet was successful in constructing “One Baoviet, one new foundation”. Step by step to build a model on modern corporate governance of the Parent company and the Subsidiaries. The IT system focuses on modernization, the HR resource system was built upon the International practices, the management HR system was constructed upon the International practices; the branding system was modernized towards a more dynamic, modern model. The subsidiarial members of BVH focused on strengthening, successfully change the business model into more focused orientations as well as improving the customer services, developing the professional sale staff, slowly develop the service packages into exclusive model, appreciating every new opportunities in the market.

## ***2.2 Generally completed the Restructure project of Baoviet Finance-Insurance project (“Restructure project”)***

Along with the direction on restructuring the economy of the Government in late 2011, 2012, Baoviet Holding constructed the Restructure project and began to implement from July 2013 upon the approval of the MOF at the Announcement No. 206/TB-BTC dated 21/5/2013 with the directions to continue to develop the model of the Baoviet Finance-Insurance Group based on 3 pillars: insurance, investment and financial services.

In the period of 2012 – 2017, the BOD focused on directing to implement the Restructure Project with the results specifically as follows:

- **Regarding the strategy on professions:** BVH always aligns with the strategic directions on professions, strengthening the leading position in the traditional businesses i.e. insurance, investment, financial services, emphasizing the leading position in the insurance market as well as its competitive advantages in the field of financial services.

- **Regarding strategy on capital:** Closely align with the profession strategy, fostering the financial capability of the Parent Company i.e. BVH in order to sponsor the capital to expand the business activities of its Subsidiaries: increased charter capital of BVGI from 2,000 billion Dong to 2,300 billion Dong; BVL from 2,000 to 2,500 billion Dong; BVF from 50 to 100 billion Dong. In 2017 and early 2018, BVH implemented the increase of charter capital via the Employees’ Stock Ownership Program (“ESOP”) of BVH from 6,804.7 to 7,008.86 billion Dong.

- **Business model:** BVH directed the Subsidiaries to foster the implementation of centralization. BVL is the leading unit, implementing the central management model, completing the system on procedures, organizing and training HR,

constructing the organization into more adaptive to changes, simultaneously prioritising the resources to develop the sale staff and customer services at all of the company members.

- **Regarding the restructure of corporate governance mechanism:** BVH implemented the review and completed the regulations related to the activities of the BOD, of the Committees of the BOD; completed and issued the regulations on important internal corporate governance i.e. regulations on the capital representatives at the enterprises with charter capital from BVH; regulation on investment, regulations on risk management, regulation on rotation, delegation of staff, etc.; proceeded the review, revision of the Charter of capital of BVH and its Subsidiaries with 100% charter capital owned by BVH relevantly align with the Law on Enterprise No. 68/2014/QH13 valid from 01/7/2015.

- **Regarding the restructure on organizational mechanism:** In general, BVH completed the model of the Group (Parent company – Subsidiaries), strengthening the organizational mechanism towards better streamline and efficiency.

- **Regarding the orientations on the development and IT operating model:** BVH completed the restructure of the model from the IT block to the IT central branches of BVH; issued the regulation on organization and operation; regulations on the functional responsibilities and organizational structure of the departments of the IT central branch of BVH upon the directions to provide the IT services across the system of BVH.

Therefore, in general, BVH completed the subprojects of the Restructure Project for the period of 2011 – 2015. The remaining subprojects i.e. IT project and the project on improving the financial capability of BVH have been incompleting and shall be convert into the strategy for the period of 2016-2020 for further implementation.

### ***2.3 Construct and organize the implementation of the Development strategy for the period of 2016 – 2020 of Baoviet Finance-Insurance Group,***

With the objectives to maintain the leading position in the Finance-Insurance market in Vietnam, as well as to develop for integration to the region and the world, the BOD of BVH directed to construct the Development Strategy for the period of 2016 – 2020. Such strategy was approved by the 2016 AGM.

Upon the approval of the AGM, the BOD directed to construct the detailed plan for each year and to implement the Development strategy for the period of 2016 – 2020, implemented the evaluation and review regularly on the implemented results

of the strategy annually in order to ensure the quantitative and qualitative objects up to 2020 as approved by the AGM.

In 2016, Baoviet Holdings was the first financial enterprise in Vietnam to reach the revenue of over 1 billion USD, emphasizing the leading brand and the strong financial capability in the field of finance, insurance in Vietnam.

In 2017, the total revenue of the Group reached approximately 1.5 billion USD, with the rate of increase in revenue reached 27.4% in 2016. BVH yielded to be the leading position in the field of both life insurance and non-life insurance.

The implemented results of the strategy for the period 2016 -2020, initially through 2016 and 2017 were to the target with some of the financial indicators as follows:

- Total consolidated asset of BVH is the strategic objective to be completed 2 years earlier than deadline. Up to the end of 2017, the total consolidated asset reached 91,402 billion Dong, excelled the strategy's target up to 2020 as 80,000-85,000 billion Dong.

- Total consolidated revenue in 2017 reached 32,748 billion Dong, expected by the end of 2018 to complete the set target up to 2020 as 33,000-35,000 billion Dong.

- Consolidated PAT in 2017 reached 1,603 billion Dong, equivalent to 134.2% of the 2017 business plan, excelled the strategy's target to 2020.

- ROE of the Parent company: in 2017 reached 8.2%, average ROE of the period of 2015-2017 was 8.4%, ensuring the strategy's target, higher than interest rate of the Government bonds for the 10-year-period of 4 banks i.e. Vietcombank, Vietinbank, BIDV and Agribank i.e. 6.23%.

- Rate of dividend payouts: According to the policy on dividend payouts of the approved strategy, in the period of 2016-2020, the Parent company i.e. BVH shall proceed to payout the dividend of maximum 50% of PAT annually.

- Up to the end of 2017, BVH completed before deadline the strategic objective to maintain No. 1 in the market of life and non-life insurance.

- + In the field of non-life insurance: the growth rate on average premium in the period of 2015-2017 reached 17.5%, higher than the average growth rate set for the period of 2015-2020 i.e. 12%.

- + In the field of life insurance: the premium revenue in 2017 reached 17,471 billion Dong, average growth rate for the period of 2015-2017 reached 31.4%, double the average growth rate set for the period of 2015-2020 i.e. 14%. New premium revenue in 2017 reached 4,071 billion Dong, average growth rate for the period of 2015-2017 reached 32.8%, doubled the average growth rate for the period of 2015-2020 i.e. 17%.

- BVH continue to emphasise its position as the leading enterprise in the field of fund management, providing the financial services domestically, with total managed assets up to the end of 2017 higher than the market, reached 44,500 billion Dong. Investment results were higher than the market average.

- In the field of security, up to the end of 2017, BVSC excelled the set target for the strategy to 2020 with total revenue reached 484 billion Dong, higher than the objective for 2020 i.e. 440 billion Dong. Growth rate of the average total revenue for the period of 2015-2017 reached 29.7%, tripled the average growth rate set for the period of 2015-2020 i.e. 9%.

#### ***2.4 Limitations***

Asise from the above achievement, the BOD of BVH recognized some remaining limitations in the operation, as follows: the number of the executive and independent BOD's members remain low, the current BOD's members were holding various executive positions in managing the operation of the enterprise, thus, leading to the limitation in providing the professional directions, solutions in depth in specialized business field of Baoviet.

In general, during the term of 2012-2017, the BOD has closely aligned with the objectives assigned by the AGM, strongly and flexibly directed the management of the actual progress in order to direct the activities of the Gorup closed align with the set targets, completed the annual business plan assigned by the AGM. Such achievements within the term of 2012-2017 emphasised the precision of the strategic orientations set by the AGM and shall continue to be the essential foundation for the implementation of the Development strategy of BVH for the following periods.

### **III. Orientations on the operation of the BOD for the term 2018-2023**

In the upcoming years, BVH shall intake some advantages in the development activities of insurance, financial services within the market conditions and the deeper International integration, Vietnamese economy is oriented to continue to change in its growth model in order to achieve the development objective faster, more sustainable than the previous periods, especially focusing on the quality of growth. Within the landscape of the world market gradually evolved for recovery yet underlying significant potential risks, the business environment of Vietnam is forecated to become more complex. Big trends such as regional and international integration, ultimate restructure of the economy, urbanization have been processing at rapid pace, the digitalization has become more developed, climate change, lack of capital resources, mineral resources, HR resourcse shall create significant change to the competitiveness in the finance-insurance market.

In the middle and long run, Vietnam shall still be evaluated as the developing marketing with great potentials i.e. big scale in population, HR resources, increasing middle class, people's recognition in the roles of insurance and other tools for protecting and managing personal finance.

Upon such forecast on the domestic and international economies as above, the BOD of BVH is committed to continue to closely align with the Strategic orientations for development in the period of 2016-2020 and the vision to 2025 to maintain as the leading finance-insurance Group in Vietnam, improving the International competitiveness, strong financial potentials, as well as the effective and sustainable growth.

Some key tasks of the BOD for the term of 2018 - 2023 are as follows:

- Review, revise to submit to the AGM for adjustment of the strategy for the period of 2016-2020 to be relevant to the actual situations (due to the completion of some objectives before deadlines).
- Focus on directing to complete the Development strategy for the period of 2016 – 2020.
- Construct the business strategy for the period of 2021 – 2025 and vision to 2030.
- Focus on directing to implement and to complete the business strategy for the period of 2021 – 2025.
- Strengthen the training programmes to align with the planning, rotation of staff throughout the system in order to improve the quality of HR and be prepared with the resources to meet the business demand of the company member throughout the system.
- Complete the modern IT system; develop the business model and new products to align with the 4.0 digital revolution;
- Actively research, refresh the working methods, construct new business solutions, streamline the HR machine, in order to improve the business efficiency as well as utilizing the employees' productivity;
- Continue to foster the synergy amongst all Subsidiaries in the system of Baoveiet in order to strengthen the system, contributing to the growth in revenue, improving the business efficiency, emphasising the position and brand of Baoviet.

With the results achieved in the term of 2012-2017, in the upcoming term i.e. 2018-2023, the BOD shall continue to strengthen the corporate governance, forstering the roles in directing, orienting the business activities in each area, setting groups of relevant and dynamic key solutions for each phases, each period, yielding

to complete the business targets, meeting the scale of developing enterprise as well as the expectations of the investors.

On behalf of the BOD of Baoviet Holdings, I would like to send my sincere thanks to the Honoured Shareholders for our trusts and commitment to Baoviet Holdings in the past years. The BOD would like to express our thanks for the precious help from the Communist Leaders, the Government, leaders of the MOF and other State agencies for your contribution to the success of Baoviet today.

Wishing the honoured shareholders and delegators the best of health, success, wishing the AGM success./.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**

***Achieves:***

- As above;
- BOD, SB;
- CEO;
- For filing: Admin, Corporate Secretary.

*(signed & sealed)*

**Đào Đình Thi**