

Hanoi dated May 18th 2018

No.: 732/2018/TDBV-BKS

REPORT
OF THE SUPERVISORY BOARD OF BAOVIET HOLDINGS
At the 2018 Annual General Shareholders' Meeting

Respectfully submitted to:

The 2018 Annual General Shareholders' Meeting of Baoviet Holdings

According to the rights and responsibilities of the Supervisory Board ("SB") as stipulated by the Charter of Baoviet Holdings ("BVH"), the regulations on organisation and operation of the SB and other regulations related to the operation of the SB, the members of the SB ("SM") of BVH have organised meetings and unified to approve of the SB's report to submit to the 2018 Annual General Shareholders' Meeting ("AGM") of BVH with the contents specifically as follows:

PART I:
Report on the operation of the SB between the 2 terms
of the AGM 2017 -2018

I/ Operation of the SB

1. The activities of the SB between the 2 terms of the AGM 2017 - 2018

1.1. Summary of meetings of the SB

Between the 2 terms of the AGM 2017 – 2018 of BVH, the SB organised 03 regular meetings and 01 open SB meeting and agree to approve of the following contents:

- Approve of the contents, procedure on the tender selections of independent audit companies for auditing the financial report of 2018, 2019, 2020;
- Approve of the detailed operation plan of the SB between the 2 terms of the AGM 2017 – 2018;
- Evaluate the operating results of the SB between 02 meetings and approve of the key tasks for the upcoming periods;
- Approve of the review of the half-year separated and consolidated financial reports in 2017, revised separated and consolidated financial reports of BVH according to VAS, audited by Ernst & Young Vietnam Ltd. ("EY").
- Approve of the report on the operation of the SB for the term of 2012-2017 of BVH;
- Approve of the report on the operation of the SB at the 2018 Annual report of BVH;
- Approve of the SB's report to submit to the 2018 AGM of BVH;
- Approve of 02 official letters from the BOD of BVH regarding the comments and evaluation of the SB on the half-year separated and consolidated financial reports in 2017 of

BVH; separated and consolidated financial report in 2017 according to VAS reviewed by EY, and some recommendations to the BOD.

1.2. Activities of the SB

Aside from the direct SB meetings as above, between the 2 terms of the AGMs 2017-2018, the SB often discussed, collected opinions from the SM via emails and involved in the primary activities as follows:

- SM participated in the tender offer, the Head of SB was in charge of the tenderer on the bidding of selecting the independent audit company for audit in the financial reports in 2018, 2019, 2020.

- SM participated fully to the meetings of the BOD, Head of SB participated in the regular briefings organised by BVH in order to keep updated with the progress and to supervise the corporate governance and management of BVH.

- Supervise the contents, scope, review progress, audit of the financial reports in 2017 according to the service provision contract signed with EY Vietnam.

- Consider the management letter of the independent audit, review and monitor the progress of implementation by the BOD and CEO.

- Implement other tasks as stipulated by the Charter of BVH, regulations on the operation of the SB, other internal regulations of BVH and regulations stipulated by the related law.

2. Remuneration and operating expenses of the SB and of each SM in 2017

- Regarding the remuneration of the SB in 2017:

- + For non-executive SM, the remuneration excluding income tax is 10 million Dong/pp/month.

- + Executive head of SB shall receive salary upon the salary regime of BVH.

- Regarding the operating expense of the SB in 2017:

- Comply with the regulations and rules on internal expenditure of BVH.

(The detailed summary on remuneration in 2017 of the SM was disclosed in the 2018 Annual Report of BVH).

II/ Report on the inspection and evaluation result of the financial reports and comments of the SB

1. Report on the inspection and evaluation result of the financial reports and the business performance of BVH

Throughout the process of supervision of the activities on the corporate governance and management of the BOD, CEO of BVH in 2017, upon the evaluation of the separated and consolidated financial reports in 2017 of BVH according to VAS, the SB would like to respectfully present several comments as follows:

1.1. Progress on the operation of BVH

- 2017 is the turning year of BVH in the implementation of the Business strategy for the period of 2016-2020, upon the close supervision of the BOD, the strong management of the CEO, Baoviet General Insurance Corporation (“BVGI”) i.e. enterprise with 100% charter capital owned by BVH, with the growth rate of revenue double the general market growth rate and emphasized the no. 01 position in the non-life insurance market; Baoviet Life Insurance Corporation (“BVL”) i.e. enterprise with 100% charter capital owned by BVH, remained the no. 01 position in the life insurance market in the total revenue and total new premium revenue.

- In 2017, BVH strengthened the in-depth investment into the training, improvement of professional capability for senior staff, focusing on implementing the Synergy project of BVH in order to breakthrough and foster all existing strength of Baoviet Finance-Insurance Group, strengthening the modernized brand image of Baoviet, launching new products in order to meet the dynamic demands of customers, developing robustly the networks, key IT projects in order to create a solid foundation for the sustainable development in the upcoming periods.

1.2. Results on the supervision of the BOD

- In 2017, the BOD organized 04 regular meetings and 02 open meetings as well as the opinion collections from BOD's members in written forms in order to issue in time the resolutions and decisions of the BOD. BOD issued the resolutions and decisions in order to: revise, supplement the regulations, rules, Charter of the Subsidiaries, in order to complete the tasks on corporate governance; strengthening HR at BVH and its Subsidiaries; continued to maintain strong partnership as well as fostering the experience and strength of the strategic partner i.e Sumitomo Life in the fields of insurance fee counting, IT; oriented, closely directed the implementation of the business plan approved by the 2017 AGM; implemented key tasks throughout the Group; decided on issues upon the competence of the BOD. In the BOD's meetings in general, and the activities of the BOD in particular, the BOD's members participated fully in every meeting, worked with highly responsible spirit, fostering the experience and leadership of each BOD's members. The BOD operated rightfully within the scope of rights and responsibilities as stipulated by the Charter of BVH. The resolutions, decisions of the BOD were issued in relevant contexts to the practical situations, meeting the demand on the corporate governance and the business development of BVH, simultaneously being the essential orientations to assist the Board of Management ("BOM") to implement the business tasks. The BOD excelled its roles and responsibilities in the act of corporate governance of BVH.

- Between the 02 terms of the AGMs 2017-2018, the HR of the BOD of BVH have been changed as follows: On 02nd October 2017, the MOF (Shareholder holds 79.01% shares of BVH) issued the Decision no. 1963/QĐ-BTC regarding the retirement on social insurance regime from 01st January 2018 for Mr. Nguyen Duc Tuan- BOD's member of BVH; considered the request form of Mr. Nguyen Quang Phi – BOD's member, CEO of BVH dated 29th December 2017, the MOF issued the Decision no. 2725/QĐ-BCT regarding the dismissal of the Capital Representative upon the capital authorization on the State capital invested in BVH for Mr. Nguyen Quang Phi. According to the Charter of BVH, Mr. Nguyen Duc Tuan and Mr. Nguyen Quang Phi shall no longer be the members of the BOD of BVH.

1.3. Results on the supervision of the CEO

- Upon the close directions of the BOD, in 2017, the CEO focused on directing fiercely the implementation of the key business solutions upon the proactive, creative, and committed to achieve the business targets in 2017 approved by the 2017 AGM, other resolutions and decision of the BOD. Within the process of management, the CEO complied rightfully to the decentralization of governance as stipulated by the Charter, resolutions and decisions of the BOD.

- On 03rd January 2018, the BOD of BVH organized a meeting and issued the resolution No. 01/2018/NQ-HĐQT, thus decided for Mr. Nguyen Quang Phi to be dismissed from the title CEO of BVH upon the personal wish and appointed Mr. Do Truong Minh – Acting CEO of BVGI to hold the title of the Acting CEO of BVH. On the same day, the BOD's Chairman of BVH signed the Decision No. 06/QĐ-HĐQT regarding

the dismissal of the CEO of BVH for Mr. Nguyen Quang Phi and the Decision No. 08/QĐ-HĐQT regarding the appointment of the Acting CEO of BVH for Mr. Do Truong Minh. The process of dismissal of the CEO title and the appointment of the Acting CEO position have been implemented as stipulated.

1.4. Results on the review of the financial reports and the business performance

Upon the review of the separated and consolidated financial reports in 2017 audited by EY, the SB would like to report the results on the review as follows:

- Regarding the implementation of the accounting regimes

+ The separated and consolidated financial reports in 2017 were established upon the selection of the relevant accounting policies and application of such policy in a unified manner.

+ These reports reflexed in such honest and relevant manners, upon the key aspects of the separated and consolidated financial status of BVH as at 31/12/2017, the separated and consolidated business results, the progress of currency transfer for the fiscal year ending on 31/12/2017 according to VAS, the Corporate Accounting Standards of Vietnam and other legal regulations related to the construction and presentation of the financial reports.

+ These reports were audited by EY and there has been no comment for omission from EY.

- Regarding the statistics and business results

+ The SB agreed upon the statistics shown in the separated and consolidated financial reports in 2017 of BVH according to VAS, audited by EY.

+ The separated financial report in 2017 of the Parent company:

According to the 2017 separated financial report of the Parent company i.e. BVH, some of the key indicators on the business results are as follows:

Unit: billion Dong

Objectives	Actual 2016	Actual 2017	Actual 2017	Rate Actual /Plan 2017	Rate Actual 2017/2016
1. Total revenue	1.400,27	1.533	1.384,58	90,32%	98,88%
Including the retrievals from the Subsidiaries with 100% charter capital owned by BVH	813,83	978	828	84,66%	101,62%
2. Profits after taxes (PAT)	1.021,77	1.025	1.026,20	100,12%	100,43%
3. ROE	15,02%	15,10%	15,08%	99,87%	100,40%

With such results, the SB would like to present some comments as follows:

- Total revenue is 1,384.58 billion Dong, equivalent to 90.32% planned and 98.88% compared to 2016.

- PAT is 1,026.20 billion Dong, achieved 100.12 % planned and equivalent to 100.43% compared to 2016;

- PAT/ Charter Capital is 15.08%, equivalent to 99.87% planned and equivalent to 100.4% compared to 2016.

- Total asset as at 31/12/2017 is 12,859.58 billion Dong, increased by 223.66 billion Dong, equivalent to 101.77 % compared to 2016. Within the total assets, 255.71 billion Dong is from the asset formed from the Repo government bonds.

- The charter capital of the Parent company as at 31/12/2017 is 12,439.94 billion Dong, increased by 273.99 billion Dong, equivalent to 102.12% compared to 2016, including: Charter capital: 6,804.71 billion Dong, surplus of shares by 3,184.33 billion Dong, Fund of development investment i.e. 415.76 billion Dong, indistributed PAT i.e. 2,035.14 billion Dong.

+ Some of the indicators on the analysis and evaluation of the financial landscape in 2017 of the Parent company as follows:

Objectives	2016	2017
1. Assets over liabilities		
1.1 Distribution of assets		
- Short-term assets/ total assets	24.24%	19.05%
- Long-term assets/ total assets	75.76%	80.95%
1.2 Distribution of liabilities		
- Loans/ total liabilities	3.72%	3.26%
- Charter capital/ total liabilities	96.28%	96.74%
2. Solvency		
2.1 Current solvency	6.52 times	5.84 times
2.2 Quick solvency	6.52 times	5.84 times
3. Profit rates		
3.1 PBT/ net revenue	74.52%	76.32%
3.2 Profits/ total assets		
- PBT/ total assets	8.26%	8.21%
- (ROA)	8.09%	7.98%
3.3 (ROE)	8.40%	8.25%

Such statistics show that: Compared to 2016, in 2017, the assets have been transferred from the short term assets into long term assets, the rate of long term assets/total assets increased from 75.76% to 80.95%, primarily due to the investment into the Subsidiaries increased by 300 billion Dong, expenses on the unfinished primary construction increased by 277 billion Dong. The rate of short term assets/total assets reduced by 24.24% from 19.05%, thus the liquidity fell from 6.52 to 5.84 yet remained relatively high. The rate of loan/total capital fell from 3.72 to 3.26% primarily due to the payment of Repo Government Bonds fell by 40.74 billion Dong, other short-term loans fell by 14.83 billion Dong. ROA and ROE also decreased compared to 2016

- The Consolidated Financial reports in 2017 of BVH:

Key indicators on the consolidated business results of BVH according to the 2016 audited consolidated financial report are as follows:

Unit: billion Dong

Objectives	2016	2017	(%) 2017/2016
1. Revenue	25,675.46	32,748.37	127.55%
- From insurance activities	20,650.05	26,462.70	128.15%
- From others	297.97	382.45	128.35%
- From financial activities	4,627.97	5,758.69	124.43%
- From others	10.09	23.60	233.98%
- From partnership	89.38	120.92	135.29%
2. Profits	4,027.22	5,081.25	126.17%

- From insurance business activities	400,42	535,90	133,83%
- From others	27,49	67,82	246,70%
- From financial activities	3.503,96	4.337,89	123,80%
- From others	5,96	18,71	313,85%
- From partnership	89,38	120,92	135,29%
3. Expenses on business management	-2.628,43	-3.147,50	119,75%
4. PBT	1.398,78	1.933,74	138,24%
5. PAT	1.164,95	1.603,10	137,61%
6. Profits of BVH	1.123,33	1.555,45	138,47%
7. Basic profits over share price (Dong)	1.564	2.286	146,16%

With such results, the SB would like to provide comments as follows:

+ Total consolidated revenue in 2017: 32,748.37 billion Dong, increased by 27.55% compared to 2016, including: Retrievals from the business activities on insurance (26,462.70 billion Dong) increased by 28.15% compared to (accounted for 80.81% of the total revenue); Retrievals from the financial investment activities (5,758.69 billion Dong, increased by 24.43% compared to 2016 (accounted for 17.58% of the total revenue).

+ Total profit before taxes in 2017 (1,933.74 billion Dong) increased by 38.24% compared to 2016.

+ Total PAT in 2017 (1,603.10 billion Dong) increased by 37.61% % compared to 2016.

+ Profits of BVH in 2017 (1,555.45 billion Dong), increased by 138.47% so với năm 2016.

+ Basic interest over shares in 2017 is 2,286 Dong/share, increased by 146.16% compared to 2016;

+ The targets on the assets and capital of BVH as at 31/12/2017 according to the consolidated financial reports are summarised as follows:

Unit: billion Dong

Objectives	31/12/2016	31/12/2017	(%) 2017/2016
I/ Tota assets	72,996.45	91,402.34	125.21%
1/ Short term assets	30,299.18	44,962.83	148.40%
3/ Long term assets	42,697.28	46,439.51	108.76%
II/ Total liabilities	72,996.45	91,402.34	125.21%
1/ Loans	59,309.92	76,934.94	129.72%
- Short term loans	16,230.27	22,286.03	137.31%
- Long term loans	103.15	138.50	134.27%
- Insurance provision funds	42,976.49	54,510.41	126.84%
2/ Charter capital	13,686.54	14,467.40	105.71%
- Contributed capital from owner	6,804.71	6,804.71	100.00%
- Surplus on share capital	3,184.33	3,184.33	100.00%
- Fund and changes in interest rates	753.44	969.17	128.63%
- Undistributed PAT	2,288.13	2,808.19	122.73%
- Uncontrolled benefits of shareholders	655.92	701.00	106.87%

With the statistics as above, the SB comments as follows:

+ Total assets of BVH as at 31/12/2017 is 91,402.34 billion Dong, increased by 125.21% compared to 2016; of which includes 17,602.07 billion Dong formed from the Repo Government bonds.

+ Charter capital of BVH as at 31/12/2017 is 14,467.40 billion Dong, increased by 780.86 billion Dong and equivalent to 105.71% compare to 2016.

1.5. Results on the supervision of implementing the resolutions of the 2017 AGM

- The implementation of the key business targets of the Parent company in 2017: with the business results as mentioned above, in 2017, despite the completion of 90.32% business plan, the indicators on the PAT completed 100.12% planned approved by the 2017 AGM.

- BVH completed the dividend payouts for the fiscal year 2017 with the rate of 10% (1,000 Dong/share) calculated over the charter capital of 6,804,714,340,000 Dong with the total payouts of 680,471,434,000 Dong and used the PAT in the fiscal year 2016 to provide the funds as stipulated by the 2017 AGM.

- The Sb participated in the tendering offer of the bidding selection on the independent audit company for the audit of the financial reports in 2018, 2019, 2020. The tendering process ensured the transparency, fairness, publicity and efficiency and shall continue to select EY as the auditing agency for auditing the financial reports in 2018, 2019, 2020.

- Regarding the increase of charter capital: Upon the resolution No. 02/NQ-DHDCD-dated 26/05/2017 of the 2017 AGM, on 03rd January 2018, the BOD issued the resolution No.04/2018/NQ-HDQT regarding the solutions on the issuance of shares according to the ESOP, on 5th March 2018, the BOD issued the Resolution no. 11/2018/NQ-HDQT regarding the approval of the regulation on issuance of ESOP and the solutions on the distribution of the shares of ESOP, from which the quantity of shares for ESOP was estimated to be issues with 20,415 shares, equivalent to 3% total active shares, with the issued price of 35,900 Dong/share, equivalent to double the book value upon the reviewed separated financial reports for the mid period dated 30/09/2017 of the Parent company.

2. Evaluation on the coordination between the SB and the BOD, CEO and shareholders

- Between the 02 terms of the AGMs 2017 - 2018, the SB coordinated tightly with the BOD and CEO upon the principles of maximised legal interests of BVH and shareholders as stipulated by the law and the Charter of BVH. The SMs were invited fully to the BOD's meetings, the head of SB was invited to the regular briefings of BVH.

- Regarding the shareholders: within the term of 2012-2017, the SB has not received any complaints or recommendation of the shareholders with the rate and time of ownership as stipulated by the law and the Charter of BVH.

III/ Report on the self-evaluation of the operating activities of the SB and SMs

1/Evaluation on the operating results of the SB

The SB includes 03 SMs, including 01 executive head of SB and 02 concurrent SMs. The SMs operated independently, without holding any managing titles at BVH nor working at the Accounting and Auditing departments of BVH or being the independent auditors of the financial reports of BVH. Upon the rights and responsibilities as stipulated by the Charter of BVH, with the operating results as above, the SB provides the self-evaluation as follows:

- The SB utilized its functions in the supervision of the BOD and CEO in the corporate governance and management of BVH.

- Completed the evaluation of the separated and consolidated financial reports according the VAS and audited by EY.

- Participated in the tendering offer, implemented the bidding package in selecting the independent audit agency for the audit of the financial reports 2018, 2019, 2020, the process of bidding ensured the publicity, transparency and economic efficiency.
- Upon the implementation of tasks, the SB proposed, recommended to the BOD to revise and supplement the regulations and rules in-time and up to date in order to unify and strengthen the corporate governance, to complete the internal supervisory system, to meet the demand of the business development of BVH. Such recommendations and proposals of the SB were considered by the BOD and CEO to direct and to implement.
- The SB organized the regular meetings as stipulated by the law on Enterprise and the Charter of BVH. In order to solve any arising issues, the SB often discussed and collected opinions from SMs via emails.
- The SB operated within the scope of rights and responsibilities as stipulated by the Charter of BVH. The Decisions of the SB were issued in the correct order, procedures as stipulated by the law on Enterprise and the Charter of BVH

2/Evaluation on the operation results of the SMs

- Based upon the Charter of BVH, the regulation on operation of the SB, the delegation of tasks regarding the SMs, the SMs were proactive in participating fully into the BOD's meetings, the SMs' meeting and to complete the assigned tasks.
- The SMs were committed to the participation of the tenderer's activities in offering the bidding on the selection of the independent audit agencies for the audit of the financial reports in 2018, 2019, 2020, implemented as stipulated by the law on Tender and other detailed regulations of the Law on Tender.
- In the meetings and the activities of the SB. The SMs were proactively participated with highly responsible spirit to contribute the essential comments, to comply with the Charter of BVH and the regulation on operation of the SB.

IV/ The operation plan of the SB for the 02 terms of the AGMs 2018 -2019

According to the responsibilities of the SB as stipulated by the Charter of BVH, the regulations on the organisation and operation of the SB as well as the regulations related to the operation of the SB, the SB attentively plan the operation between the 02 terms of the AGMs 2018 - 2019 as follows:

- Revise, supplement the regulation on the organisation and operation of the SB in order to comply with the Resolution no. 71/2017/NĐ-CP, dated 06/06/2017 of the Government to guide on the corporate governance applied to the public enterprise and the Charter of BVH (9th Edition).
- Consider the management letters of the independent audit agency after the audit of the financial reports in 2017 and follow up with the responses from the BOD and CEO.
- Implement the supervisory content, progress on the constructions and review, audit of the financial reports in the fiscal year 2018 according to the contract on the service provision signed with EY.
- Evaluate the separated and consolidated financial reports in 2-18 and draft the official letters to the BOD of BVH.
- Participate fully to the regular BOD's meetings, participate to all of the meetings organised by BVH in order to update on the progress, to implement the supervision on the corporate governance and management of BVH.
- Evaluate the separated and consolidated financial reports in 2018 and submit the evaluation reports on the financial reports, report on the business performance in 2018 of BVH, report on the supervision, evaluation of the corporate governance of the BOD and CEO as well as the report on the operation of the SB to the 2019 AGM.

- Implement other tasks as stipulated by the Charter of BVH, the regulation on the organization and operation of the SB, the internal regulations of BVH and other related regulations stipulated by the law.

PART II

Report on the operation of the Supervisory Board for the term of 2012 - 2017

1. Regarding the quantity of members and the activities of the SB for the term 2012 - 2017

1.1. Regarding the members of the SB

According to the resolution no. 03/2012/NQ-ĐHĐCĐ dated 29/11/2012 of the 2012 Extraordinary AGM of BVH, at the beginning of the term 2012-2017, the SB of BVH includes 05 members, specifically as follows:

1. Mr. Phan Kim Bang - Head of the SB
2. Mr. Nguyen Ngoc Thuy - Member
3. Mr. Ong Tien Hung - Member
4. Mr. Dang Thai Quy - Member
5. Mr. Lui Ho Yin Danny - Member

Within the process of operation, the SB of BVH have incurred various changes in the HR, in the order of time as follows:

- On 23/04/2013, Mr. Lui Ho Yin Danny submitted the resignation letter as the SB's member and was approved by the 2013 AGM of BVH dated 24/04/2013.

- On 24/04/2013, the 2013 AGM voted for Mr. Yagi Nobuyuki to replace Mr. Lui Ho Yin Danny to be the SB's member for the remaining time of the term 2012 - 2017.

- On 23/12/2014, BVH received the resignation letter from Mr. Phan Kim Bang – Head of SB to resign from being the Head of the SB and the member of the SB due to the change in working positions.

- On 25/12/2014, the SB of BVH organized a meeting and voted for Mr. Nguyen Ngoc Thuy – SB's member to be the head of SB.

- On 17/04/2015, the extraordinary AGM of BVH proceeded the supplementary voting for Ms. Phi Thi Quynh Nga to be the SB's member of BVH for the remaining time of the term 2012-2017.

- On 01/06/2015, BVH received a letter from Mr. Nobuyuki Yagi – SB's member, and on 25/04/2016 BKS received a letter from Mr. Dang Thai Quy – SB's member to request for resignation from being the SB's members, which have been approved by the 2016 AGM of BVH organised on 18/05/2016.

At the current time, the SB of BVH includes 03 members as follows:

1. Mr. Nguyen Ngoc Thuy -Head of Supervisory Board
2. Mr. Ong Tien Hung -Member
3. Ms. Phi Thi Quynh Nga -Member

1.2. The activities of the SB

The main activities of the SB for the term of 2012-2017 are as follows:

- The SB was the focal point for summarizing and unifying the contents, scope, progress of review, audit of the financial reports for the fiscal years of 2015, 2016 and 2017 of BVH and its Subsidiaries, partnered enterprises in order to draft invitation letters sent to the independent audit companies regarding the offer on provision of services for the review and audit of financial reports, which has been approved by the 2014 AGM of BVH;

coordinated with the representatives of the Subsidiaries, the strategic partner i.e. Sumitomo Life, the Audit Committee of BVH to organize the selection of the independent audit company and to propose to the BOD for approval.

- Participated, be in charge of the tenderer party and implemented the bidding process on selecting the independent audit company to audit the financial reports for the year 2018, 2019, 2020 of the Parent companies, the Subsidiaries and other partnered enterprises. The bidding process was public, transparent and economically efficient.

- Organised the review, evaluation of the separated and consolidated financial reports in 2012, the half-year separated and consolidated financial reports, the separated and consolidated financial reports in 2013, 2014, 2015, 2016 và 2017 of BVH reviewed and audited by the independent audit company;

- Reported to the AGMs in 2013, 2014, 2015, 2016, 2017 and 2018 of BVH regarding the activities of the SB between the 02 terms of the AGMs; results on the supervision of the operating progress, evaluation of the financial reports and the business performance of BVH; Results on the supervision of the BOD, CEO and managerial positions in the corporate governance and management of the Group;

- Drafted the submissions to the 2014 AGM and the 2017 AGM of BVH regarding the selection of the independent audit company for the provision of services on the review and audit of financial reports;

- Within the working term, the SB's members participated fully to the regular meetings of the BOD; representatives of the SB participated in the regular briefings of BVH in order to understand the actual performance as the basis on supervising the process of implementation;

- Maintained the regular meetings of the BS for the discussion, evaluation of the progress on the operation, business result, the corporate governance and management of the BOD, CEO and other managerial positions of BVH.

2. Results on the supervision of operation and evaluation of the financial reports and the business performance of BVH.

Throughout the process of supervising the business activities of BVH, the SB would like to propose some evaluations as follows:

2.1. Regarding the operation of BVH

Since 2012, aside from the economic advantages, Vietnam has faced various challenges in the unstable economy, high rate of bad debts, the unstable stock market, negative impacts from the changing climate, which have affected heavily to the living and business operation in general, especially the enterprises in the fields of finance and insurance such as BVH.

Facing such challenges, upon the close direction of the BOD as well as the dynamic management of the BOM, BVH and its Subsidiaries maintained the stable business performance. The core business fields of BVH i.e. insurance, investment and financial services completed the targets on revenue and profits.

In order to keep updated with the regulations of the law, to complete the internal supervisory system, to improve the business efficiency, during the process of operation, BVH constantly review, revise and supplement to complete the Charter of BVH and its Subsidiaries, regulations, procedures in order to assist the acts of corporate governance,

management and business activities; completed the Development strategy for the period of 2016 - 2020; focused on the construction and completion of the IT infrastructure in order to assist BVH and its Subsidiaries in the business management, improved customer services, assisting the drafting of financial reports, drafting and implementing the Synergy project of BVH; fostering the cross-selling amongst Subsidiaries as well as the efficiency of existing strength of Baoviet Finance-Insurance Group.

2.2. Regarding the evaluation of the financial reports and the business results.

Upon the evaluation of the separated and consolidated financial reports in 2012, half-year consolidated financial reports, consolidated financial reports for the years 2013, 2014, 2015, 2016 and 2017, the SB would like to summarise the evaluation results as follows:

- Regarding the implementation of the accounting policies:

+ The separated and consolidated financial reports were constructed based upon the selection of the relevant accounting policies and applied consistently.

+ The separated and consolidated financial reports reflexed in such honest and relevant manners, in consideration of the separated and consolidated financial aspects of BVH as at 31st December annually, the separated and consolidated business results and the separated and consolidated flow of currency for the fiscal years ending on the same day, complying to the Vietnamese accounting standards and other legal frameworks related to the constructin and submission of the separated financial reports.

+ The separated and consolidated financial reports were audited by EY without any elimination comments on the audit.

+ In order to assist the shareholders and investors to evaluate the impacts of the financial tools to the financial performance as well as the business results of BVH, the separated and consolidated financial reports presented on the risk management mechanism as well as the supplementary presentation on the financial assets and liabilities as stipulated at the Circular No. 210/2009/TT-BTC of the MOF.

Regarding the staticstics and business results

+ The SB agreed upon the statistics presented in the separated and consolidated financial reports for the year of 2012, 2013, 2014, 2015, 2016 and 2017 of BVH, audited by EY.

+ The key targets of the business results, the financial performance of the Parent company i.e. BVH according to the consolidated financial reports for the years 2012, 2013, 2014, 2015, 2016 and 2017 audited by EY, the SB reported in detailed at the annual AGMs and approved by the AGM.

3. Results on the supervision of the BOD and CEO.

- Throughout the process of supervising the activities on corporate governance and management of BVH from November 2012 up to now, the SB comments that: The BOD organized and maintained the regular meeting regimes in quarters and often collects opinions from the BOD's members in written forms in order to issues the resolutions, decisions; in the meeting of the BOD, the BOD's members participated fully, working at highly responsible spirit, fostering the experience and leadership skills of the BOD's members into the issuance of the resolutions and decisions in-time in order to govern, to complete the internal supervisory system, to complete the Strategy for the term 2016 - 2020, to orient the business directions, to implement the resolutions of the AGMs as well as other regulations stipulated by the law; BVh strengthened the in-depth investment into the

research, product development, IT, network expansion, improvement of HR quality, marketing and branding, in order to create such a solid foundation for the fast and sustainable development for the upcoming periods.

4. The coordination of activities between the SB and the BOD, CEO and managerial positions and shareholders.

- Within the term of 2012-2017, between the SB and the BOD, CEO maintained such a tight business relations and coordination based upon the mutual interests of BVH and shareholders, complying to the regulation stipulate by the law, the Charter of BVh and the internal regulations.

- Regarding the shareholders: within the term of 2012-2017, the SB has not received any complaints or recommendation of the shareholders with the rate and time of ownership as stipulated by the law and the Charter of BVH.

The above represents the report on the operation of the SB of BVH between the 02 terms of AGMs 2017 - 2018 and for the term of 2012 - 2017 of BVH, the SB would like to respectfully submit to the AGM for consideration and approval.

On behalf of the SB, it is in my honour wishing the honoured delegators and shareholders the best of health, happiness; wish the AGM a great success./.

**ON BEHALF OF THE SUPERVISORY BOARD
HEAD OF THE SUPERVISORY BOARD**

Achieves:

- As above;
- BOD;
- Acting. CEO;
- For filing: Admin, CS, SB.

(signed)

Nguyen Ngoc Thuy