**VNR: Board resolution**

On 24 Mar 2020, Vietnam National Reinsurance Corporation announced the Board resolution as follows:

Article 1: Approve the 2019 financial statements audited by Deloitte Vietnam and submitted to the General Meeting of Shareholders for approval:

1.1 Approving the separate financial statements of 2019: Some key targets

- Total assets: VND 6,772,562,125,506

- Equity: VND 2,921,058,225,708

- Technical reserve:

Provision for ceding reinsurance: VND 1,510,842,655,787

Provisions receiving reinsurance: VND 2,825,201,498,892

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Indicators | Realization 2019 VND | Plan 2019 VND | Realization 2018 VND | Comparison 2019/ Plan | Comparison 2019/ 2018 |
| Reinsurance fee revenue | 2,221,248,294,242 | 1,967,000,000,000 | 1,802,718,232,456 |  |  |
| Reinsurance fee revenue excluding piloting activities | 2,221,248,294,242 | 1,967,000,000,000 | 1,802,718,232,456 | 112.9% | 123.2% |
| Reinsurance fee revenue from piloting activities | 0 | 0 | 0 |  |  |
| 2. Retained fee | 1,190,969,680,063 | 944,600,000,000 | 784,786,428,263 |  |  |
| Retained fee excluding piloting activities | 1,190,969,680,006 | 944,600,000,000 | 784,741,146,563 | 126.1% | 151.8% |
| Retained fee from piloting activities | 57 |  | 45,281,700 |  |  |
| 3. Profits from financial investments and other activities | 301,543,392,923 | 295,000,000,000 | 260,249,437,033 |  |  |
| In which: Profit from undistributed exchange rate difference | (248,994,817) |  | 5,377,691,054 |  |  |
| Gains from financial investment activities and other activities excluding exchange rate difference | 301,792,387,740 | 295,000,000,000 | 254,871,745,979 | 102.3% | 118.4% |
| 4. Profit before tax | 332,126,614,132 | 331,000,000,000 | 315,679,806,761 |  |  |
| In which: Profit from undistributed exchange rate difference | (248,994,817) | 5,377,691,054 |  |  |  |
| Profit before tax excluding profits from non-distributed exchange rate difference | 332,375,608,949 | 331,000,000,000 | 310,302,115,707 | 100.4% | 107.1% |
| 5. Total revenue - Total expenditure without pay | 383,830,259,701 | 382,000,000,000 | 360,045,589,372 | 100.5% | 106.6% |

The corporation has completed the assigned business plan

1.2 Approve the consolidated financial statements in 2019 with the following main indicators:

- Total assets: VND 6,994,381,824,809

- Equity: VND 3,107,341,671,545

Technical reserve:

Provision for ceding reinsurance: VND 1,510,842,655,787

Provisions receiving reinsurance: VND 2,825,201,498,892

Article 2: Approve the plan for profit distribution in 2019 and submit it to the General Meeting of Shareholders for approval, with the following main contents:

2.1 Profit targets by 31 Dec 2019:

|  |  |
| --- | --- |
| Profit  | December 31, 2019 (VND) |
| The remaining profit on January 1, 2019 | 440,887,305,670 |
| - Distributed profit  | 364,443,745,080 |
| - Non-distributed profit (exchange rate difference) | 76,443,560,590 |
| Profit after tax in 2019 | 274,561,743,847 |
| - Distributed profit | 274,810,738,664 |
| - Undistributed profit (exchange rate difference) | (248,994,817) |
| Accumulated profit after tax December 31, 2019 | 715,449,049,517 |
| - Distributed profit | 639,254,483,744 |
| - Undistributed profit (exchange rate difference)  | 76,194,565,773 |

2.2 Plan for using profit after tax 2019 to submit to the General Meeting of Shareholders for approval:

|  |  |
| --- | --- |
| Distribution of profit after tax 2019 | Amount (VND) |
| - Deduction for setting up business development fund (2% of profit after tax) | 0 |
| Bonus fund (1.5% of profit after tax) | 4,122,161,080 |
| Corporate Welfare Fund (01 month salary)  | 4,287,887,563  |
| Commending VINARE's employees on the 25th anniversary of the establishment (\*) | 2,000,000,000 |
| Dividend payment in 2019 (rate of 20%) | 262,151,874,000 |
| The remaining profit | 442,887,126,874 |
| - Distributed profit | 366,692,561,101 |
| - Non-distributed profit (exchange rate difference)  | 76,194,565,773 |

- The rate of appropriation of funds was approved by the General Meeting of Shareholders in General Mandate No.07/NQ-DHDCD/2006 dated April 28, 2006, which is amended with some points in accordance with General Mandate No.08/NQ-DHDCD/2008 dated April 28, 2008 and Board resolution No.14/2019/QD-HDQT dated August 27, 2019

- Fiscal year 2019 did not make a provision for Business Development Fund

- The dividend rate in 2019 is expected to be 12% and was approved by the General Meeting of Shareholders in General Mandate No.09/2019/NQ-DHDCD on April 24, 2019. The 2019 dividend rate for submission to the General Meeting of Shareholders’ approval is 20%

Article 3: Approve remuneration (including taxes) of the Board of Directors, the Supervisory Board, and the Secretariat of the Board of Directors in 2019: VND 2,134,500,000 (approved in General Mandate No. 06/2013/NQ-DHDCD)

Article 4: Approve transactions with related parties in 2019

Article 5: Approve the Operation Report of the Board of Directors 2019 and the term 2015 - 2019

Article 6: Plan on realization of profits from Tien Phong Bank

- Agreeing to approve the plan of realizing the profit of investment capital of VINARE at Tien Phong Bank (TPB). Detailed contents related to the plan mentioned in VINARE's Minutes of Board of Directors Meeting (BOD) on March 24, 2020

- Assign VINARE's General Director to organize the implementation of the plan approved by the Board of Directors and authorize the General Director of VINARE to solve arising problems under the Board of Directors' authority in the process of implementation. Annual report to the Board of Directors on the results of implementation together with the submission to the Board of Directors for approval of the annual financial statements

Article 7: Agreeing to approve the business plan of 2020 and submitting to the General Meeting of Shareholders for approval

7.1 General business plan:

Unit: Million dongs

|  |  |  |  |
| --- | --- | --- | --- |
| Indicators | Plan 2020 | Realization 2019 | Growth |
| Fee revenue | 2,565,000 | 2,221,248 | 15.5% |
| Profit before tax | 355,600 | 332,127 | 7.0% |
| Exchange rate difference | unspecified | -249 |  |
| Profit excluding exchange rate | 355,600 | 332,376 |  |
| Total income – Total expenditure without salary | 410,000 | 383,830 | 6.8% |
| Minimum expected dividend rate | 12% | 20% |  |

2 Investment property allocation plan:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Investment portfolio | 2020 | 2019 | Increase/ decrease in the year | Rate (31 Dec 2020) |
| 1 | Bank deposit | 2,687,544 | 2 ,690,000 | - 2,456 | 65.7%  |
| 2 | Bond | 400,000 | 270,000 | 130,000 | 9.8% |
| 3 | Share capital contribution | 630,155 | 588,155 | 22,000 | 14.9% |
| 4 | Securities, fund certificates and commissions | 315,000 | 255,000 | 60,000 | 7.7% |
| 5 | Office for rent | 8,300  | 9,409 | - 1,109 | 0.2% |
| 6 | Real Estate | 6,000 | 13,304 | - 7,304 | 0.2% |
| 7 | Payment account money | 60,000 | 100,815 | - 40,815 | 1.5% |
|  | Total | 4,087,000 | 3,926,683 | 160,317 | 100.0% |

The General Director proactively organizes the investment activities according to the above asset distribution plan. In the course of implementation, if it is necessary to change the distribution of investment assets compared to the expected, the General Director takes the initiative in settling according to his/ her competence and reports to the competent authorities for decisions on the decentralization, on the basis of observing law provisions and the Corporation's regulations related to the field

7.3 The General Meeting of Shareholders assigned the Board of Directors to approve the adjustment of the business plan (if any) to suit the actual situation

Article 8: Approve the General Director's report and proposal on the portfolio of equity investments:

- VINARE's capital divestment plan in 2020: None

- General Director continues to review, evaluate and propose VINARE's policy of holding/ divesting investment capital, additional investment and new investments in other businesses on the basis of compliance with the provisions of law on investment and VINARE's regulations

Article 9: Approving the principles of orientation, development objectives and solutions for the period of 2020-2024 at the proposal of the General Director

Article 10: Approve and submit some development targets for the period 2020-2024 to the General Meeting of Shareholders for approval. Specifically:

10.1 Target of business:

- Average revenue growth of received fee: 9%/year

- Maximum average combined ratio: 98%

- Average pre-tax profit growth: minimum 7%/year

- Minimum dividend rate: 12%/year

- Minimum average ROE: 10%

10.2 Norms on charter capital: charter capital increased to VND 2,000 billion until 2024. Time and method of issuance under the scheme built by the Corporation and submitted to the General Meeting of Shareholders for approval

Article 11: Approve the personnel structure of the Board of Directors and the Supervisory Board for the term 2020 - 2024:

11.1 Board of Directors:

- Number of Board of Directors members: 09 people, including 01 independent member

- Standards: complying with the provisions of law and VINARE's Organization and Operation Regulations

- Structure for Board of Directors candidate nomination:

+ SCIC shareholders: 03 people, including 1 member for the position of Chairman of the Board of Directors

+ Swiss Re shareholder: 01 person

+ Shareholders of Bao Viet Group: 01 person, expected to be promoted to the position of Vice Chairman of the Board of Directors

 + Shareholders of Bao Viet Fund Management Company: 01 person

+ Bao Minh shareholder: 01 person

+ PJICO shareholder: 01 person

+ 01 independent member

+ Other candidates are nominated according to regulations (if any)

11.2 Supervisory Board:

- Number of Supervisory Board members: 5 people

- Standards: complying with the provisions of law and VINARE's Organization and Operation Regulations

- Expected nomination of personnel from the shareholders:

+ SCIC shareholders: 02 people, including 01 person proposed to be the Head of the Supervisory Board

+ Swiss Re shareholders: 01 person

+ Bao Viet Group: 01 person

+ BIC shareholder: 01 person

- Other candidates are nominated according to regulations (if any)

11.3 Authorize the Chairman of the Board to carry out the relevant procedures to notify the shareholders and collect the list of nominated persons, submit them to the Annual General Meeting of Shareholders in 2020 and the term 2020 - 2024 to approve and conduct the election according to the provisions of law and the Charter on Organization and Operation of the Corporation

Article 12: Agreeing and submitting to the General Meeting of Shareholders for approval of the amended Corporation Administration Regulations of Vietnam National Reinsurance Corporation

Article 13: Agree and submit to the General Meeting of Shareholders for approval of proposals of the Board of Supervisors:

13.1 Approve the list of independent auditing firms to choose to use auditors in 2020, including the following companies:

a. KPMG Vietnam Co., Ltd

b. Deloitte Vietnam Co., Ltd

c. Ernst & Young Vietnam Ltd

d. Pricewaterhouse Coopers

13.2 Authorized the Board of Directors to decide the selection of an independent auditing company in the approved list to audit the financial statements of 2020

Article 14: The Board of Directors authorized the Chairman of the Board of Directors to approve documents submitted to the Annual General Meeting of Shareholders 2020 and solve other arising issues related to the organization of the General Meeting of Shareholders of 2020

Article 15: This Resolution takes effect from the date of signing. Members of the Board of Directors, General Director of the Corporation and related individuals are responsible for implementing this Resolution