

NEW^{NORMAL} NEW ASPIRATION



INTEGRATED REPORT 2020

New NORMAL ASPIRATION

2020 is a special year. It might have taken a movie to capture the unique scenes that the whole world has faced over the past year.

The COVID-19 pandemic has occurred, volatiled the world and altered the political and socio-economic structure. The pandemic has not yet ended, but virtually everyone agrees that life after the COVID-19 will be substantially different from the earlier, which is living in the “New normal.” The New normal is defined as a state to which an economy, society settles after a crisis, when this differs from the situation that prevailed prior to the start of the economic crisis or pandemic disease.

How to respond and grow in the New normal?

“New Normal – New Aspiration” was selected as the key theme of Baoviet’s 2020 Annual Report with a view to communicating a topical message overwhelming the socio – economy over the last year. Faced with the unpredictability of natural catastrophes and epidemics, particularly the impact of the Covid-19 Pandemic on the economic, political, behavioral, and consumer demands, hence businesses operating in the **“new normal”** should be ready to level up mindset and have **“new aspiration”** to adapt and respond to changes in the business environment.

👏👏 Instead of restricting in the traditional way, we have equipped ourselves with a proactive attitude and aspiration continuously learning, implementing, developing, and innovating the method of governing, and increasing digital transformation. Baoviet has pioneered and mastered technology, joined the flat world to adapt to changes in the new state in order to continuously grow and develop sustainably.

Highlights

INTEGRATED REPORT 2020



- #MULTI PLATFORM INTEGRATED
- #MODERN TECHNOLOGY
- #ENVIRONMENTALLY FRIENDLY
- #ESG INTEGRATION
- #INTERACTIVE REPORT

Access through website:
baoviet.com.vn/baocaotichhop2020

Download Integrated Report at:



Type and search keyword “Baoviet Integrated Report 2020”
or “Báo cáo tích hợp Bảo Việt 2020”

We look forward to hearing from you to improve
the quality of the report.

Please contact Investor Relations Department

✉ | investorbv@baoviet.com.vn

☎ | [+84] 24 3928 9999

SMART REPORT



2020

POWER BI



POWER BI APPLICATION

Business analytics solution that enables data visualization



**GUARANTEED BY
BAOVIET HOLDINGS' INTERNAL AUDIT**
on non-financial indicators



ESG **INTEGRATING ESG**
in Strategy, Management,
and Operation towards
Sustainable Development

INTEGRATED REPORTING
Integrated reporting in
accordance to the international
IIRC standard



**GLOBAL
REPORTING INITIATIVE**
Sustainability reporting
in accordance to GRI standard



**ALIGNING THE
17 WORLD'S
SUSTAINABILITY
GOALS** with Corporate'
activities



CSI **CSI**
Evaluation standard for
Vietnam sustainability
enterprise index



**APPLY GRI
DIGITAL PLATFORM**
for reporting



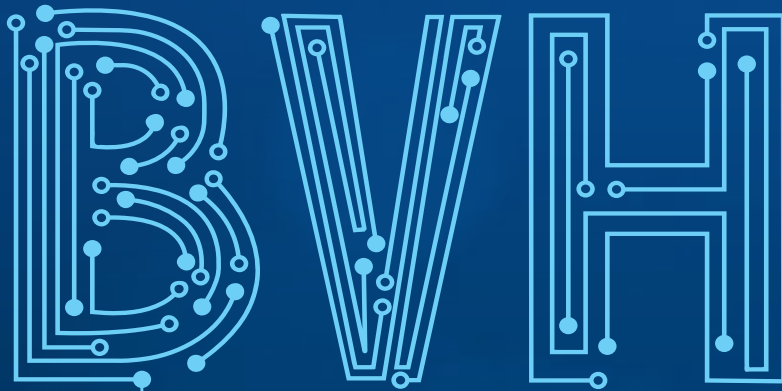
IFRS
Financial statements
reporting in accordance
with international accounting
standards (IFRS)

QR CODE

Better experiences for
readers by developing
multi-platform



WHAT ATTRACTS INVESTORS TO BVH STOCK?



- THE LEADING STOCKS IN INSURANCE INDUSTRY
- CLEAR VISION AND STRATEGY, CORPORATE GOVERNANCE
ALIGNING WITH INTERNATIONAL STANDARDS
- HIGH GROWTH POTENTIAL
- INFORMATION TRANSPARENCY
- MASTERING TECHNOLOGY



Pioneering in building an Insurance - Investment - Finance - Banking ecosystem on a digital platform

Baoviet Holdings has increased investment and consolidated its modern information technology platform to better meet the business needs of the entire system; focusing on market expansion, improving competitiveness, conducting research and launching a diversified integrated product chain with outstanding incentives for customers in order to maintain its role as a market leader. Along with pioneering the deployment of integrated and preminent products, becoming the pride of Vietnamese brands [most notably: Baoviet Tam An, An Phat Cat Tuong ...], Baoviet also continuously upgrade online form of insurance purchase flexibly and conveniently, demonstrating the pioneering spirit in digital transformation of a leading Finance - Insurance Group in Vietnam.

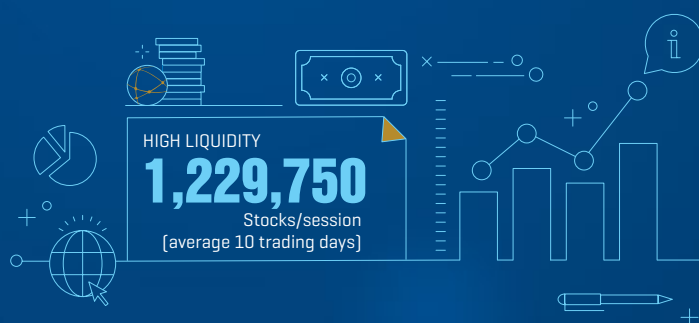


POTENTIAL STOCK OF THE INSURANCE INDUSTRY



Creating an insurance market, accompanying the stock market

As the leading enterprise in terms of total assets in the insurance market, Baoviet Holdings has increased its investment back into the economy with an investment orientation on the basis of compliance with the principles of safe and efficiency in order to increase profits, interests of shareholders, customers and stakeholders. Over the past 56 years, with the slogan “Your trust - Our commitment”, Baoviet has been making strong changes to become a leading finance and insurance group in Vietnam, providing products and services with core “pillars” such as insurance, investment, finance, and banking.



Total assets

147,283



VND BILLION

Total revenue

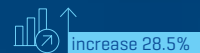
48,949



VND BILLION

Profit after tax

1,597



VND BILLION

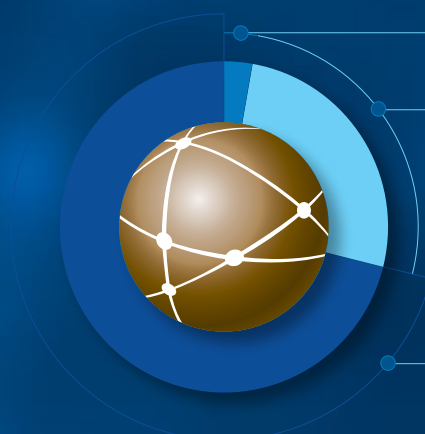
STABLE CASH DIVIDEND

A minimum of 50% of annual earnings to pay dividends.

CONTRIBUTION TO THE ECONOMY

Contributing VND 22.561 billion to the state budget since equitization.

HIGH GROWTH POTENTIAL



Financial and other financial services

3%

Non-life insurance business

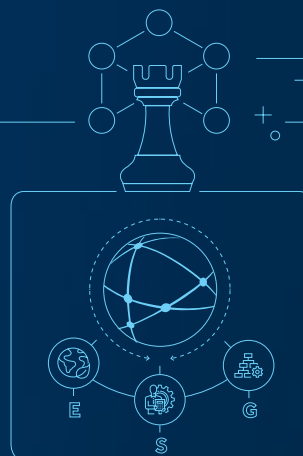
26%

Life insurance business

71%

With the current low penetration rate of premium revenue/GDP, the insurance business, especially the life insurance sector, is becoming a field with high growth potential, attracting a lot of attention from a large number of domestic and international investors.

CLEAR VISION AND STRATEGY, CORPORATE GOVERNANCE ALIGNING WITH INTERNATIONAL STANDARDS



PROVIDE COMPREHENSIVE PRODUCTS AND SERVICES PACKAGE



A diversified product portfolio

80

NON-LIFE INSURANCE PRODUCTS

Large-scale distribution system

200

BRANCHES

Number 1 in insurance market (VND billion)

28,046

LIFE INSURANCE PREMIUM

55

LIFE INSURANCE PRODUCTS

1,000

OFFICES ALL OVER 63 CITIES & PROVINCES

10,943

NON-LIFE INSURANCE GROSS WRITTEN PREMIUM

MASTERING TECHNOLOGY

Strength from embracing of industrial revolution 4.0 Trend. Enhancing the quality of products and services based on digital technology



<https://eshop.baoviet.com.vn/>



ASSURANCE ON THE SUSTAINABILITY REPORTING BY INTERNAL AUDIT



No.: 533/2021/TĐBV-KTKTNB
About: Assurance on selected Sustainability indicators

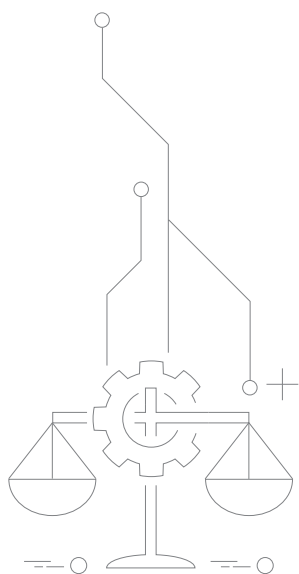
THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, 28 April 2021

To: **BAOVIE HOLDINGS**



In order to assure the reliability for selected indicators in Baoviet Group's Sustainability Report 2020, the Inspection - Internal Audit of Baoviet Holdings has performed assurance on Baoviet Group's selected Sustainability indicators 2020.



Management's Responsibility

The Management of Baoviet Holdings is responsible for the preparation and presentation of Baoviet Group's Sustainability Report 2020 in accordance with the Sustainability Reporting Standards 2016 and the Financial Services Sector Disclosures of the Global Reporting Initiative [GRI]. The Management is also responsible for the design and implementation of internal controls which are determined to be necessary to ensure the fairness of information, data presented in Baoviet Group's Sustainability Report 2020.

Inspection - Internal Audit's Responsibility

The Inspection - Internal Audit's responsibility is to provide independent and objective opinions on selected Sustainability indicators 2020 based on procedures stipulated in the Decree No. 05/2019/ND-CP dated 22 January 2019 on Internal audit, Regulations on Internal audit of Baoviet Holdings, the practice guidance for International Standards for the Professional Practice of Internal Auditing and international practices. These regulations require our internal auditors to conform with the Code of Ethics and adopt the risk-based methodology in planning and performing the engagement to express our conclusions.

The engagement was primarily based on interviewing and performing analytical procedures, reconciliations of data.

Assurance results have been discussed with the Management and the Head of related Divisions/ functional units.



Scope of review and assurance

Based on existing resources, the Inspection - Internal Audit has provided limited assurance service for selected Sustainability indicators in Baoviet Group's Sustainability Report 2020 according to the Sustainability Reporting Standards 2016 and the Financial Services Sector Disclosures of the GRI, including:



GRI 202-1

Ratios of standard entry level wage by gender compared to local minimum wage;

GRI 404-1

Average hours of training per year per employee;

GRI 413-1

Operations with local community engagement, impact assessments, and development programs;

GRI G4 - FS7

Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.

Conclusion

Based on the works described above, in our opinion, the selected Sustainability indicators in Baoviet Group's Sustainability Report 2020 have been fairly presented, in all material respects, in accordance with the Sustainability Reporting Standards 2016 and the Financial Services Sector Disclosures of the GRI.

Tran Thi Dieu Hang
Chief Audit Executive -
Internal Audit of Investment

In the light of strong commitment and belief in the fostering spirit of “Solidarity – Discipline – Creativeness – Effectiveness”, we shall surpass every challenges to move Baoviet forward for effective, sustainable development and actualization the visions to 2030 for Baoviet “to sustainably grow as the most reputable and biggest enterprise in the fields of Finance – Insurance.

BAOVIET  Holdings

DYNAMIC

SYNERGY

INNOVATION

TRANSPARENCY

SUSTAINABILITY

STANDARD

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DYNAMIC

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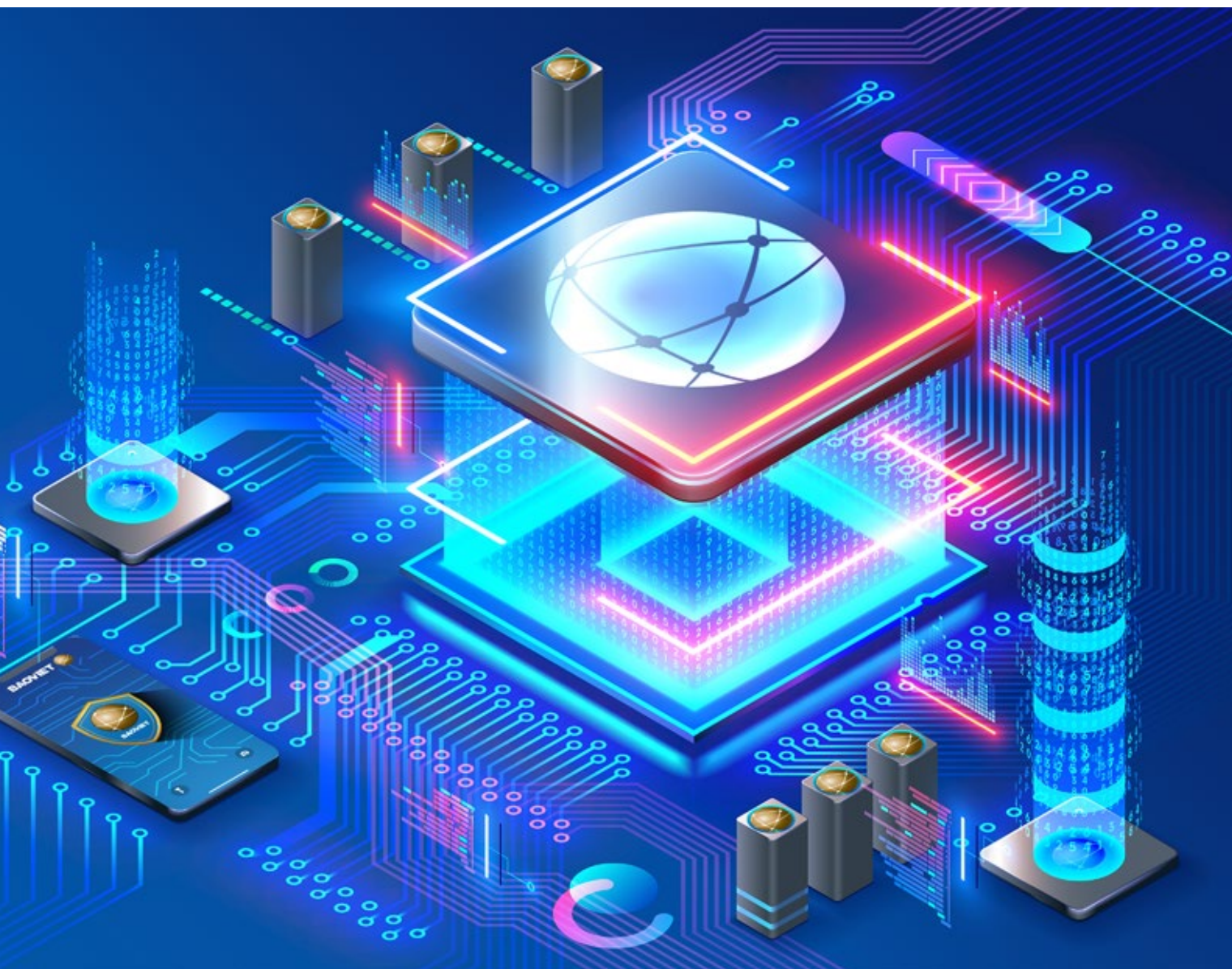
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CHAIRMAN'S MESSAGE

2020 is an essential milestone commencing the Communist Party's meetings proceeding to the the national 8th Communist Party's meeting , the final year of implementing the tasks on developing the socio-economy for the period of 2016 – 2020. Besides, the Sars-Covid2 pandemic has spreaded worldwide, having tremedously severe impacts on the socio-economy in general, and the economy of Vietnam in particular. 2020 is also the ending year to the Development Strategy for the period of 2016 – 2020 of Baoviet Holdings. Taking cautious steps towards the risks and difficulties, simultaneously grabbing the opportunities to yield Baoviet Holdings to provide the best and most inclusive Finance- Insurance services in the market, impriving the approach methods, service quality, launching new integrated products for customers, fostering the competitiveness with the objectives “Learning – Applying – Creating”.

Honoured shareholders, customers and colleagues,

In 2020, upon the tremendously severe impacts of the on-going and complicated natural disasters and the Sar-Covid2 pandemic, many business sectors have been hit significantly, including the Finance – Insurance sector. Despite all of those difficulties, 2020 closed with the united commitment and efforts throughout the Group of the Management Board and the staff of Baoviet Holdings, we proudly announce that Baoviet Holdings continued to meet the planned growth rate and sustainable development, generally completed the business targets set in 2020, completed the Business strategy for the period 2018 – 2020, as well as implementing effectively the key tasks and solutions throughout the system, emphasizing the reputation of Baoviet with the history of nearly 60 of development, pioneership in creading the values of Vietnamese enterprises in the region.

REVISED, IMPLEMENTED THE SUSTAINABLE DEVELOPMENT STRATEGY

The Subsidiaries in the core business lines are Baoviet General Insurance Corporate, Baoviet Life Insurance Corporation, continue to maintain strong growth rates and the no.1 positions in the life and non-life insurance markets. BVF maintains its leading role in the fund management marketing in Vietnam, BVSC stays in Top 10 companies with the largest brokerage market share. In 2020, with such stabilized foundation and tremendous commitment throughout the Group, Baoviet continues to achieve excellent outcomes, highly trusted by reputatble domestic and overseas enterprises. Such awards have contributed to improve the brand values of Baoviet.

Aside from the economic objectives, we understand the objectives to protect the environment and to maintain social responsibilities are the key foundation for long term success and sustainable growth of BVH. More than ever, upon the pandemic and severe climate change, the social welfare related activities vigorously bonded with the objectives for sustainable growth in business world have been the vital elements to enterprises, including BVH. Such achievements have been recognized via BVH receiving 8th consecutive times in the Top 50 best listed companies in Vietnam (ranked by the Nhip Cau Dau Tu). Baoviet as “the best working place in Vietnam” and “the most attractive employer in Vietnam” in 2020 ranked by Anphabe. Thanks to the committed contribution to the sustainable growth, transparency and standards of the stock market in Vietnam, BVH was recognized by Hochiminh Stock Exchange (HOSE) in the annual award meeting for the market members. The private placement scheme between BVH and Sumitomo Life was recognized by Hanoi city and the Prime Minister as 1 of 5 most outstanding projects in Hanoi. According to Vietnam Report, BVH won no.1 prize in both awards for “Top 10 most reputable life insurance companies in Vietnam” and “Top 10 most reputable non-life insurance companies in Vietnam”.



BAOVIET - NO.1 BRAND IN VIETNAM - YIELD TO INTERNATIONAL STANDARDS

The above success is due to the commitment, creativeness and effort of all the Board of Management, staff and agents of Baoviet as well as the attentive directions of the managerial agencies and the support and companionship of shareholders, customers and partners of Baoviet throughout the years.

Coming to 2021 - the turning year for the business strategy for the period of 2021 - 2025 of the Finance - Insurance Group of Baoviet, BVH continues to foster the traditions in solidarity, commitment to develop Baoviet to be the Finance - Insurance Group with vigorous financial capacity upon the steady foundation to create sustainable growth in business corporate governance, HR development, IT application, and non-stop yield to the international standards.

Proudly to be the pioneer in the market, with the integrated finance - insurance ecosystem and the proactive, dynamic mindsets to continuously study, apply, create, innovate throughout the corporate governance system. BVH has been fostering the pioneer strengths to own the 4.0 IT foundation,

ready to adapt to changes and fluctuations of the economy, society. Mother nature has brought the challenges that we have never experienced before, nonetheless, with the 55 years of experience in evolving for sustainable growth, Baoviet is ready to enter "the new normal" with "new mindsets", continue to develop and to grow further in the following period.

In continuation of the brand reputation, the history of development throughout this half of the century, as well as the fostering spirit of "Solidarity - Discipline - Creativeness - Effectiveness", I am confident that Baoviet shall continue to complete the business targets and show rigorous growth in 2021, creating solid foundation for the success of the Development Strategy for the period of 2021 - 2025, emphasizing the leading roles, and pioneership of Baoviet in the Vietnamese insurance market, yielding to International standards.

Yours, truthfully,

Dao Dinh Thi
Chairman of the Board of Directors

CHIEF EXECUTIVE OFFICER'S MESSAGE

“With Baoviet, we have prepared ourselves with a proactive and flexible aspiration, constantly learning, applying, creating, innovating the way of governance, enhancing digital transformation. Baoviet has lead the trend and mastered technology, joined the flat world to adapt to changes, constantly grow and develop sustainably in the new context.”

Dear honoured shareholders, customers and colleagues,

The year 2020 will probably become another important milestone in human history, marking a time when the world undergoes a big and unexpected event that changes everything in the lives of all people: communicating, studying, working and shopping - it is a “new normal” state after the Covid 19 pandemic. Moreover, 2020 is also a key end year of 2016 - 2020 development strategy of BVH. With the efforts and determination of the Board of Directors and the entire staff of BVH, we are extremely proud to announce BVH has continued to achieve stable growth and development, completing business plan targets for 2020 and continuing to maintain the No. 1 position in the life insurance market in terms of market share Insurance premium and non-life insurance premium revenue, estimated at VND 48,949 billion of total consolidated revenue. The total revenue of non-life insurance activities in 2020 reached about VND 11,526 billion, accounting for over 5,8% market share. Total revenue of life insurance in 2020 is VND 36,151 billion. In 2020, BVH has been continuing to hold the leading brand with many prestigious awards. The domestic and international awards contribute to enhance Baoviet's brand value “the leading enterprise in the insurance industry in the Top 50 best listed companies in Vietnam” ranking by Forbes Vietnam... and continuously marked in the voting for 2020 Annual and Sustainable Development Report 2020.

With the message **“Mastering Hi-tech, Accelerating Outperformance”**, Baoviet focused on developing modern and advanced information technology platform, applied intelligent technology applications into business

activities, improved operational efficiency, proactively caught up and developed rapidly in the era of industrial revolution 4.0. In parallel with the modernization of technology, Baoviet has constantly diversified its products, improved service quality, expanded distribution channels, brought trust and met the increasing demands of customers.

In 2020, BVH has responded flexibly to the general situation and actively implemented solutions to prevent business interruption, affected by Covid 19. Forms of business activities have been quickly transformed: applying digital technology to business from traditional paper documents to digitalization - electronic documents is gradually replacing paper documents; commercial applications, electronic, digital transformation to adapt to circumstances, save costs, time and improve efficiency in operating activities. In addition, BVH is also flexible in approaching customers, in which technology application is key, approaching customers from offline to online such as online meetings, online training and online consultation with customers, connecting the whole system. With initiative, timeliness and creativity, Baoviet has improved efficiency, reduced costs and ensured safety in the context of the world being heavily affected by the pandemic. The consensus, determination and flexibility of all of us - Baoviet have created one Baoviet 2020 - “new normal” with bright colors in the context of the gloomy picture of Covid 19, creating the premise for Baoviet to continue conquering new levels in the next 2021-2025 period.

The “new normal” status will create both interwoven opportunities and challenges, requiring the whole society, the business community in general and BVH in particular to prepare a **“New Aspiration”** with new approach ways, new measures and new solutions to direct, operate and formulate policies, as well as to formulate and implement business development strategies and plans.

It is very important for Baoviet to prepare to enter a new phase [2021-2025] with the implementation of economic development strategies and plans towards rapid, strong and sustainable development.



THE TOTAL REVENUE
OF NON-LIFE INSURANCE
ACTIVITIES IN 2020

11,503

VND BILLION



TOTAL REVENUE OF
LIFE INSURANCE IN 2020

36,151

VND BILLION





2021:

NEW NORMAL ASPIRATION



In 2021, it is likely that the general picture and the general trend of world economic and trade growth will be basically the same as in 2020. The year 2021 will be a year of opportunities for the insurance industry to step up the adaptation to a new normal state with many breakthrough developments in the insurance market in terms of products, distribution channels, customer service, and digital technology application...

Be cautious about the difficulties and risks, and seize opportunities for BVH to aim for the best comprehensive financial service - insurance for the market, improving the approach and quality of service, launching integrated products for customers, improving market competitiveness with the goal of **"New Normal - New Aspiration"**. From the lessons learned through the "anti-epidemic like anti-enemy war" over the past year, helping each staff, each subsidiary and BVH to recognize the advantages, strengths and inertia, weaknesses in each mechanism, in each machinery, in each person. Since then, we always put ourselves in a ready, flexible, dynamic and creative position ... Baoviet has understood that static balance only stands still, if we want to develop, we must have dynamic balance, meaning sustainable development.

Determined to overcome all difficulties and challenges, seize development and breakthrough opportunities, in 2021, Baoviet will drastically implement all key solutions such as improving the efficiency of core business areas; strengthening the organizational structure of governance

and administration; accelerating digital transformation; modernizing the information technology system; actively researching and developing products that integrate insurance - investment - finance; improving the quality of human resources throughout the system in order to maintain its position as the leading financial - insurance group in Vietnam.

With the spirit of **"New normal - New Aspiration"**, I urge every Baoviet people to join hands in building a dynamic, developing and sustainable Baoviet. On the basis of equipped technology, promoting the intellectual strength of Baoviet's people, we will definitely continue growing stronger in 2021 - opening a new development strategy phase with strong beliefs about a strong and far-reaching Baoviet. The values that have been created by Baoviet are not only the pride of each Baoviet's people but also the "Prestige" which Baoviet has been keeping with customers, partners and the whole community.

On behalf of Baoviet Holdings' Board of Directors, I would like to express my sincere thanks to all honoured shareholders, customers, partners, Government Agencies and all employees, agencies and consultants in the entire system have always accompanied and supported Baoviet over the past years and I look forward to continue receiving your support in the future so that Baoviet will always firmly step on the way of development.

Wishing you all health, happiness and success!
Sincerely,

Do Truong Minh
CEO

SUMITOMO LIFE CEO'S MESSAGE



Mr. Masahiro Hashimoto
CEO of Sumitomo Life

“

It is our great privilege to have chance for additional investment in Baoviet in 2019. We believe that strengthening the financial condition through this capital increase is essential for Baoviet to implement the growth strategy and makes Baoviet much more competitive in such a tough market. We also believe it will make our partnership firmer and closer, and contribute to the growth of Baoviet.

Since 2012, Baoviet and Sumitomo Life have always been going along with building our valuable and long lasting partnership. Sumitomo Life has deepened the interaction with Baoviet by sending BOD members and technical experts to support further progress and happily accepting executives and staff from Baoviet to Japan to promote mutual understanding.

It is really encouraging that Baoviet has built a firm position as the number one brand in the rapidly growing insurance market in Vietnam and still keep progressing, regardless of the current adverse market condition that has been more competitive and facing the unprecedented crisis of COVID-19.

It is our sincere desire to contribute to Baoviet and the People in Vietnam through the responsive support for Baoviet to be a long-lasting Investment - Finance - Insurance Group in the future. For many years to come, becoming the more fascinating company together with Baoviet is the future we are aiming for.



TOTAL ASSETS
[Non-consolidated basis]

302.7
USD BILLION





ESTABLISHED **May 1907**

HEAD OFFICE **Tokyo/Osaka, Japan**

OPERATION NETWORK

In Japan **87** Branch offices
1,449 District offices

In the world Life insurance companies in USA,
 Vietnam, Indonesia, Singapore and
 China

Representative offices in New York, London, Beijing and Hanoi

CREDIT RATING **Moody's A1** **S&P A+**



NUMBER OF INSURANCE POLICY
 [Individual life and annuities]

11.5
 MILLION



TOTAL NET ASSETS
 [Non-consolidated basis]

15
 USD BILLION



TOTAL PREMIUM REVENUE
 [Non-consolidated basis]

20.4
 USD BILLION



NUMBER OF EMPLOYEE

10,962
 EMPLOYEES



NUMBER OF AGENTS

32,206
 AGENTS

As at 31/3/2020
 USD 1 = JPY 108.83(as of March 31, 2020)

DYNAMIC



DYNAMIC



OVERVIEW

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BAOVIET'S OVERVIEW

VISION

Maintain the position as the leading financial-insurance Group in Vietnam, enhance the international competitiveness, reinforce financial capacity, deliver resilient sustainable growth.



MISSION

To ensure the peace of mind, prosperity, and long-term benefits for our customers, investors, employees and community.

TEAM SPIRIT

Make yourself approachable and serve your customer professionally, and as you would like to be served yourself.



APPROACHABLE

Keep the team spirit alive and treat your colleagues with respect.



RESPONSIBILITY

Behave responsibly to customers, community, and each other, and act with integrity.



CORE VALUES



DYNAMIC

Stay dynamic and open to new ideas and opportunities.

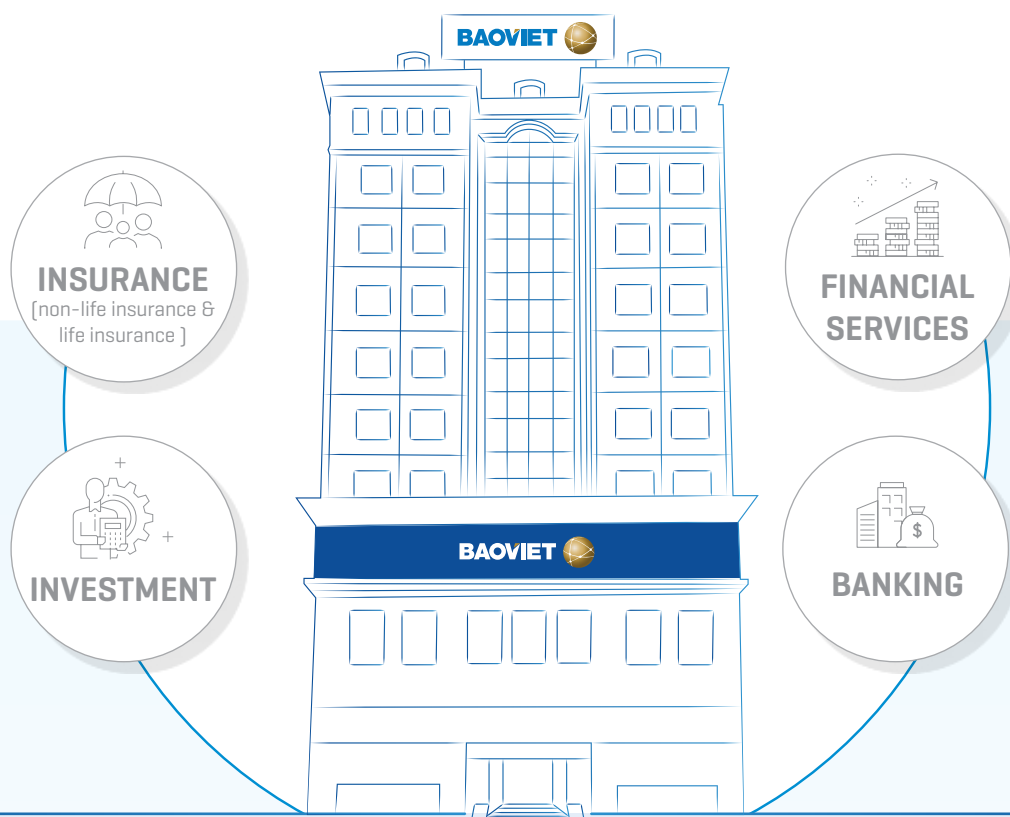


QUALITY

Improve the quality of everything you do and reach for a higher standard.



THE LEADING INSURANCE AND FINANCE GROUP WITH
56 YEARS OF PIONEERING HISTORY OF OPENING AND ACCOMPANYING
THE DEVELOPMENT OF VIETNAM'S INSURANCE MARKET.



Commercial name: **BAOVIET HOLDINGS**

Address: No. 72 Tran Hung Dao,
Tran Hung Dao Ward, Hoan Kiem District, Hanoi

Charter capital: VND 7,423,227,640

Baoviet Holdings' business registration
certificate was registered with the 13th
amendment on January 9th, 2020

15/01/1965
ESTABLISHED

>6,500
EMPLOYEES ACROSS BAOVIET GROUP

17,000,000
CUSTOMERS

250,000
AGENTS AND CONSULTANTS

179
BRANCHES

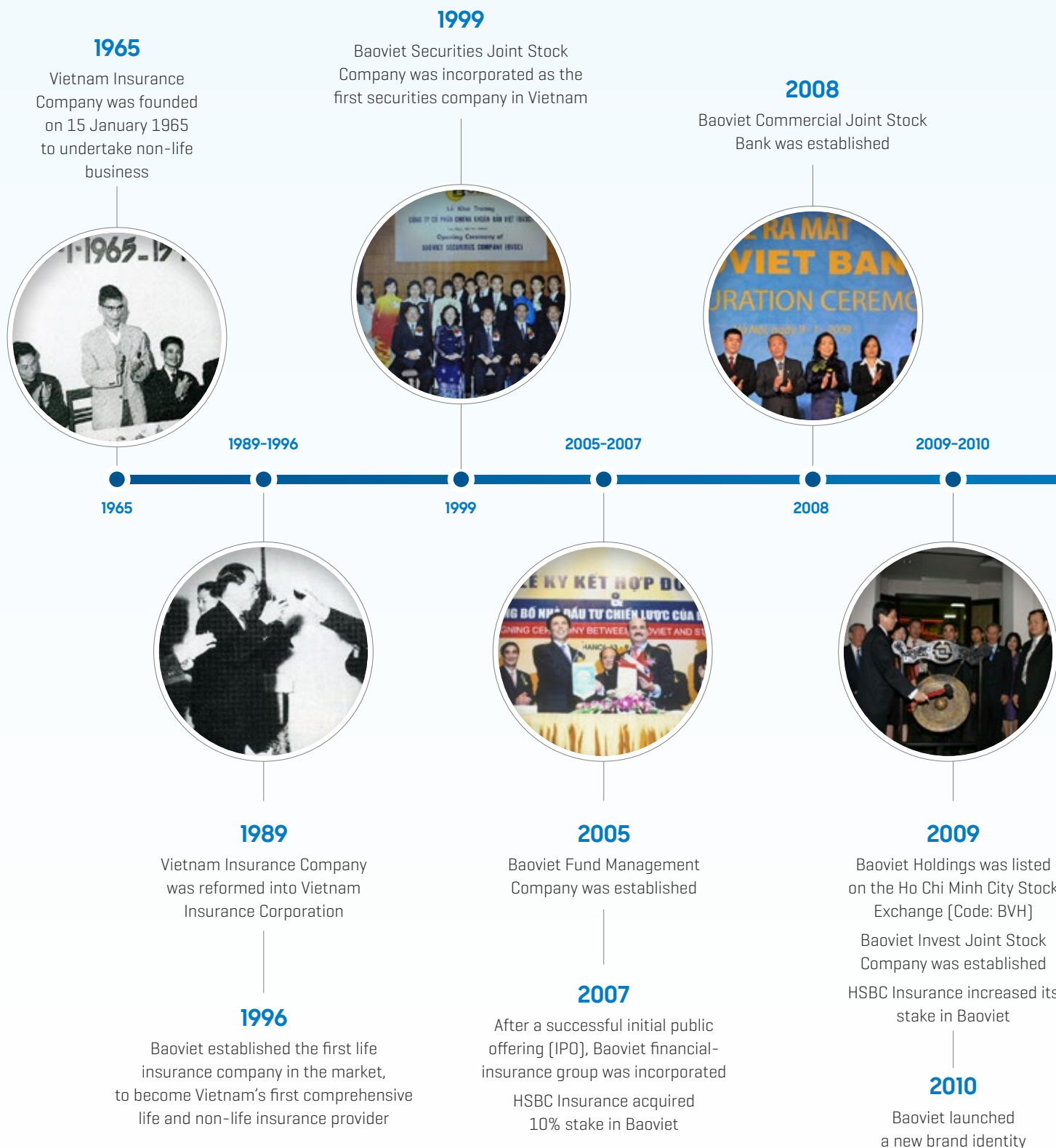
1,000
TRANSACTION OFFICES

80
NON-LIFE INSURANCE
PRODUCTS

>40
LIFE INSURANCE
PRODUCTS

ALSO PROVIDE OTHER SERVICES: SECURITIES, FUND MANAGEMENT, BANKING

A HALF-CENTURY JOURNEY OF SUSTAINABLE VALUE CREATION



2011

Baoviet Holdings increased chartered capital to VND6,805 billion by issuing additional shares to existing shareholders

2012

Sumitomo Life became strategic investor of Baoviet

Baoviet Bank increasing chartered capital to VND3,000 billion



2016

The first financial – insurance group of Vietnam reached \$01 billion in total revenue

2017

Opening the first Financial supermarket – Baoviet One stop shop



2020

Exceeding the business plan in the context of the Covid pandemic affecting the global economy



2013-2015

2018-2019

2011-2012

2016-2017

2020



2013

Baoviet Insurance and Baoviet Life completed increasing charter capital to VND 2,000 billion in 2015

2018

Pioneering in the 4.0 industrial revolution

2015

Completing the restructuring project of Baoviet Finance and Insurance Group for the period 2011-2015

2019

Successfully implemented the private placement of share issuance project with strategic shareholding partner Sumitomo Life, raising the total charter capital of Baoviet to VND 7,423 billion, helping Baoviet Holdings complete its 2016-2020 capital raising strategy

INVESTMENT HIGHLIGHTS



OUTSTANDING MARKET POSITION

Being the Vietnamese leading Finance-Insurance Group, BaoViet excelled 50 years of development history, the top reputational brand on the market, a team of more than 350.000 employees, agents, consultants with the most extensive experience in the financial - insurance market.

Large-scale distribution network that includes 179 branches, over 1000 insurance transaction offices in all cities and provinces of Vietnam, which is difficult to find elsewhere in Vietnam.

A financial - insurance group taking lead in different businesses including non-life insurance, life insurance, fund management, securities and other financial services with total revenue of non-life insurance in 2019 reached nearly VND 11,700 billion, accounting for more than 20% of the market share, continuing to hold the number 1 in Vietnam's non-life insurance market; total life insurance revenue in 2019 reached VND 32,153 billion, continuing to hold the No. 1 position in the life insurance market in terms of total premiums.



HIGH POTENTIAL BUSINESS GROWTH

Baoviet has created a solid foundation making the momentum for a sustainable growth in the future and get ready to exploiting tremendous opportunities in Vietnam insurance-financial market.

Business results grow sustainably and efficiently.

BaoViet has consistently and steadily grown our revenue and profit over the years, in all businesses including insurance - investment - financial services.

In 2020, Parent Company has successfully implemented the project of Private Placement Share issuance with partner SML. BaoViet has issued 41,436,330 shares to foreign investors, raising BaoViet's total charter capital to VND 7,423 billion, helping BaoViet Holdings complete its 2016-2020 capital raising strategy, strengthen financial capacity for the Parent Company, continuing to create momentum for sustainable development for the 55-year-old brand - BaoViet.



BVH - ATTRACTIVE STOCK TO INVESTORS

Baoviet is the public listed company with large market capitalization. BVH stock, with high liquidity is the most influential among the stocks of financial and insurance companies, and is always included in the investment portfolio of international exchange traded funds (ETFs) in Vietnam.

Being the first state-owned enterprise to succeed in seeking foreign strategic shareholders.

Belong to the leading group of financial institutions has the highest dividend yield in many years.



THE ROLE OF SHAPING AND DEVELOPING THE MARKET

Baoviet proactively takes part in shaping the insurance market and capital market of the financial sector of Vietnam.

Baoviet plays a key part and is a typical success story in the State – owned enterprise equitization process, achieving a lot of comprehensive innovations. We are making efforts to continue to accelerate next steps of equitization process by reducing the proportion of the State – owned shares, looking for a new foreign strategic partner to increase business performance effectiveness.

Baoviet remains a pioneer in socially responsible insurance plans, such as agriculture insurance, natural disaster risk insurance, export credit insurance, aquaculture insurance...

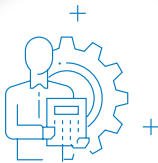
BUSINESS LINES AND NETWORK

Baoviet Holdings operates under the Business Registration Certificate No. 0100111761, registered for the first time on October 15, 2007, registered for the 13th amendment on January 9, 2020, operating in the field of Insurance - Investment - Finance - Banking.



INSURANCE

- » General insurance: Aviation insurance; Vehicle insurance; Marine insurance; Fire and property insurance; Cargo insurance; Engineering insurance; Personal insurance; Medical health insurance; Agricultural insurance...;
- » Life Insurance: Whole life insurance, Endowment insurance; Term insurance; Universal life insurance; unit linked Insurance, Pension insurance...;
- » Reinsurance services.



INVESTMENT

- » Investment in subsidiaries and associate companies;
- » Management of investment funds, portfolio trust management;
- » Management of securities investment funds, investment in real estate.



FINANCIAL SERVICES

- » Stock Brokerage; Proprietary trading; Financial and securities investment consulting; Securities underwriting; Securities depository;
- » Trading financial services and other fields as regulated by law;
- » Securities investment consultancy.



BANKING

- » Capital mobilization: receiving deposits, issuance of certificates of deposits, bonds and other valuable papers;
- » Credit activities: credit in the form of loans, discount, guarantee, financial leasing...;
- » Payment and treasury services.



63

Provinces



135

Insurance products



600

Non-life customer service offices



362

Life customer service offices

NETWORK

Extensive distribution network across Vietnam with nearly 200 branches and subsidiaries providing insurance, banking, securities and fund management services in 63 cities and provinces, more than 400 non-life insurance transaction offices and more than 300 life insurance transaction offices throughout the country.

PRODUCTS & SERVICES

Baoviet provides a diversified product portfolio with more than 80 non-life insurance products, 55 life insurance products, and other banking, securities, fund management products.

KEY BUSINESS AREAS

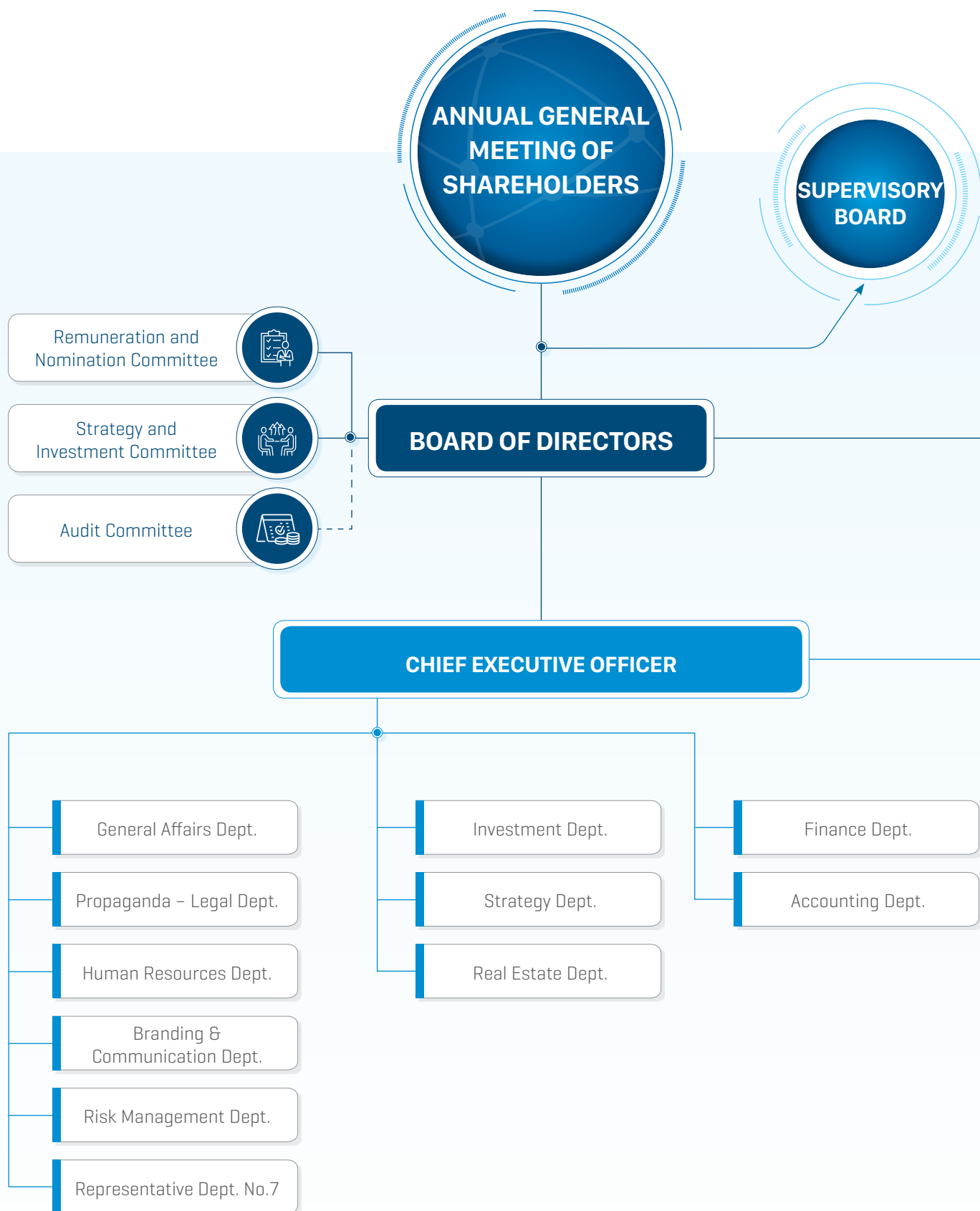
Branches located at key economic areas of the country such as Ho Chi Minh city, Hanoi, Da Nang, Nghe An, Hai Phong, Binh Duong remain high performing units, contributing significantly to Baoviet's total revenue.

CUSTOMERS

Baoviet provides services to all types of individual and group customers across the country.

“Baoviet is the first company to provide non-life insurance and life insurance services in Vietnam. Currently, Baoviet provides comprehensive financial services including insurance, banking, securities, fund management and investment with distribution network across the country, serving millions of customers.”

BAOVIET HOLDINGS ORGANIZATIONAL CHART



[From 19/3/2020]



Inspection – Internal Audit



Internal Audit Division
on General Insurance



Internal Audit Division
on Life Insurance



Internal Audit Division on
Investment Activities



Support unit of Head of
Inspection – Internal Audit



IT Center Branch

IT Service Management
Division

Software Applications
Division

System Operation and
Administration Division

IT Service Support Division

IT Security and Compliance
Division

Finance – General Affairs
Division



Baoviet Training Center

Training Division

Training Management
Division

Accounting – General
Affairs Division

HIGHLIGHTS OF 2020



Successfully organizing Party congresses at all levels

2



Promote the application of modern information technology, improve the efficiency of business, management and administration operation

4



Baoviet continues to affirm its No. 1 position in Vietnam's insurance market in both life and non-life insurance sectors.



Enhancing governance capacity with organization consolidating project of the block-level management of Baoviet Holdings



Baoviet and its subsidiaries responded flexibly and proactively deployed solutions to ensure business efficiency against the impact of the Covid-19 Pandemic.





Subsidiaries launched new, superior products, enhancing customer benefits



Baoviet - Sumitomo Life deal was voted as the "2019-2020 Vietnam's best investment and M&A deal"



Cross-selling synergy reached the finish line



Baoviet continues to affirm its leading brand position with many prestigious titles and awards



Social welfare' initiatives towards environmental and social, sustainable development goals



10

AWARDS HIGHLIGHTS OF 2020



After nearly 60 years of development and continuously affirming its position as the number 1 national enterprise in the insurance market in Vietnam, Baoviet has so far reached further and farther, worthy of the world international standard when it was honored to receive many prestigious awards of continental stature and titles that many businesses expect to be recognized.



1.

Baoviet continues leading for 10 consecutive years at the Listing Enterprises Poll 2020



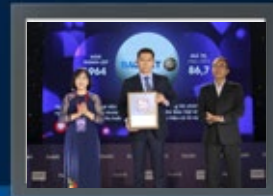
2.

Top 10 Best Sustainability Enterprises in Vietnam for 5 consecutive years



_____ 3. _____

**Top 50
best listed companies in Vietnam
for the 8th consecutive year**



_____ 4. _____

**Baoviet leads
the insurance industry
in 2020**



_____ 5. _____

**Platinum Award for Best Integrated
Report and Sustainability Report
in the Finance and Insurance
Industry [LACP]**



_____ 6. _____

**TOP 50
Most Valuable Brands
in Vietnam**



_____ 7. _____

**The best insurance brand
in Vietnam voted
by Global Brands Magazine
[United Kingdom]**



_____ 8. _____

**Baoviet Securities
was honored as
“Vietnam’s best M&A consulting
firm in 2019 - 2020”**



_____ 9. _____

**Top 10
“2020 Best Brands
of Asia - Pacific” and Best Corporate
Social Responsibility in Vietnam**



_____ 10. _____

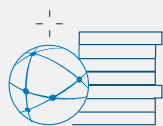
**Best Fund
Management Company
in Vietnam 2020**

KEY PERFORMANCE INDICATORS (KPI)

BAOVIET INSURANCE

BAOVIET LIFE

UNIT: VND BILLION



TOTAL ASSET

12,978
VND BILLION

120,173
VND BILLION



OWNERS' EQUITY

3,151
VND BILLION

6,244
VND BILLION



TOTAL REVENUES

11,526
VND BILLION

36,169
VND BILLION

**BAOVIET
FUND**

176
VND BILLION

161
VND BILLION

114
VND BILLION

**BAOVIET
INVEST**

306
VND BILLION

222
VND BILLION

311
VND BILLION

**BAOVIET
SECURITIES**

3,413
VND BILLION

1,875
VND BILLION

594
VND BILLION

2

DEVELOPMENT STRATEGY

- 40 Business environment, opportunities and challenges
- 44 Business model and key growth drivers
- 50 Engagement with Stakeholders
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- 58 Technology trends impact the insurance industry
- 70 Sustainable development strategy of Baoviet
- 78 Results of strategic implementation during 2016-2020

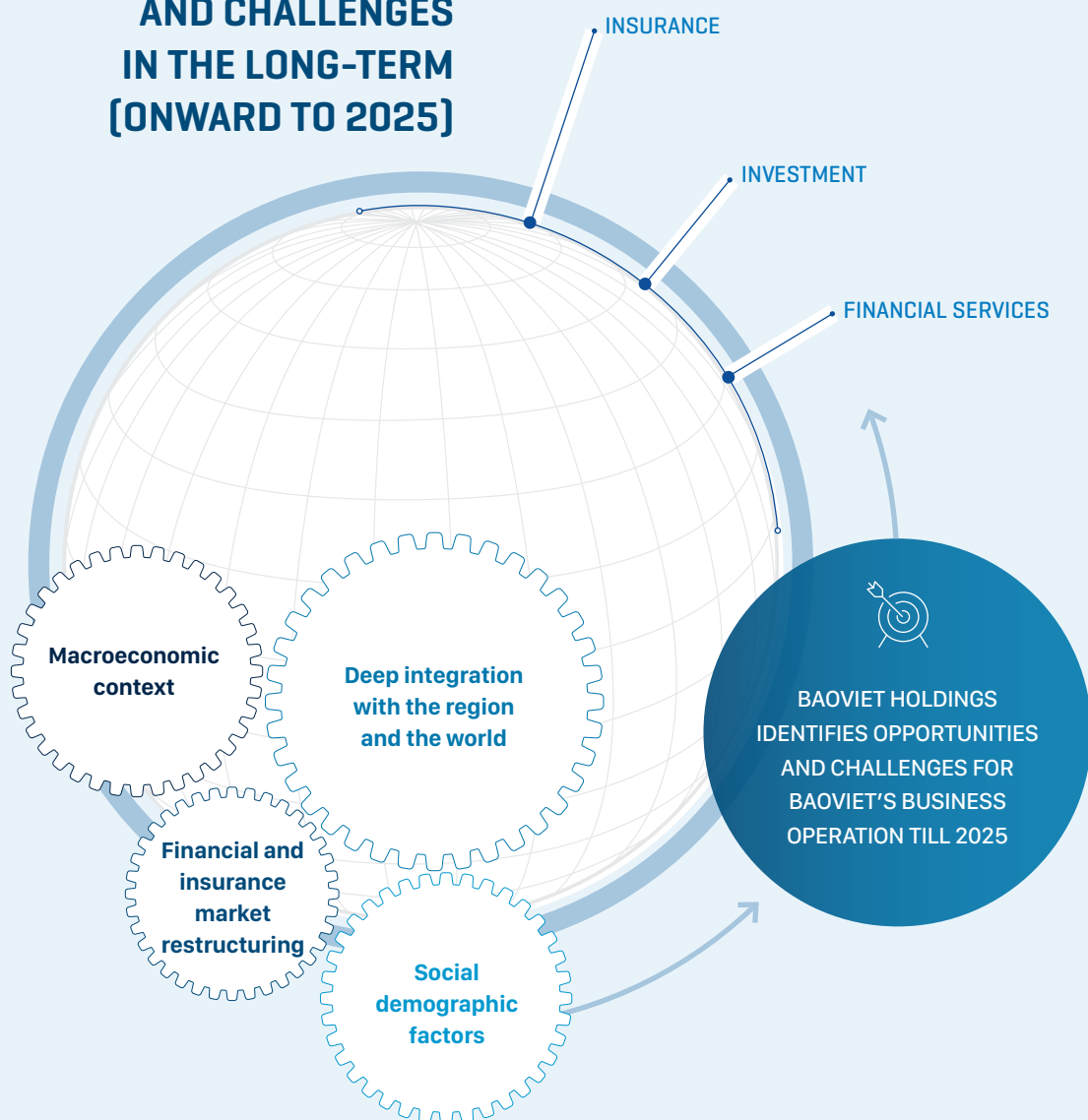


SYNERGY
СИНЕРГИЯ

BUSINESS ENVIRONMENT, OPPORTUNITIES AND CHALLENGES

“ In the context of unpredictable volatile fluctuations in the global economy and financial markets, the business environment in Vietnam has become increasingly complicated with many potential risks, Baoviet has proactively implemented forecasting and analytical work on such changes of business environment with the identification of opportunities and challenges for Baoviet in the short, medium and long term. ”

OPPORTUNITIES AND CHALLENGES IN THE LONG-TERM [ONWARD TO 2025]



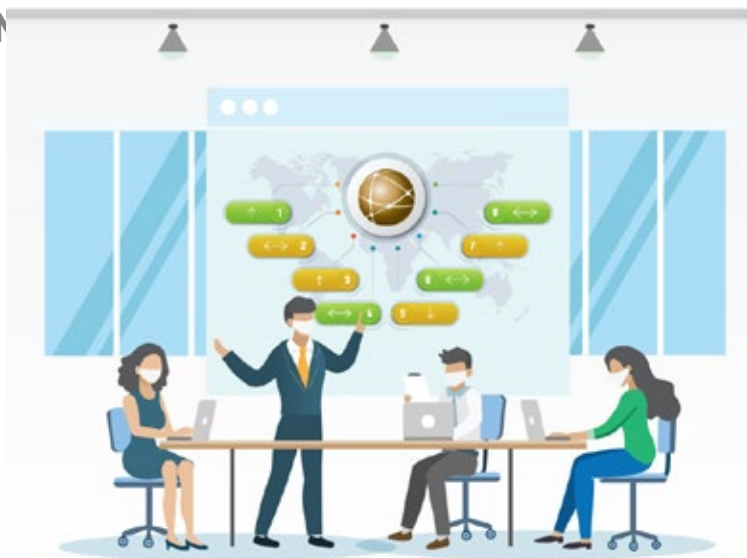
The global economic outlook is forecasted to remain challenging and entail unpredictable potential risks. In this context, Baoviet identifies opportunities and challenges for business operations of Baoviet to 2025 as follow:

Main factors	Factors	Insurance	Investment	Financial Services
 Macroeconomic context	Government promotes public investment but reduces investment in new projects			
	Businesses recover after a difficult period			
	Control inflation			
	Low interest rates			
	Increase savings and reduce spending			
	Profiteering and premium debt			
	Exchange rate fluctuations			
	Credit and currency tightening			
	Bad debt increased			
 Financial and insurance market restructuring	Pressure to increase capital, stricter requirements in regulators' supervisory regulations			
	Strengthening the market towards more transparency and professionalism			
	Restructuring the financial industry			
 Deep integration with the region and the world	Increasing competition with foreign enterprises			
	Promote commercial activities			
	Increasing foreign investment flows			
 Social demographic factors	Low insurance penetration/GDP			
	Golden population structure, rapidly growing middle class			
	People's awareness and understanding of insurance is increasing			
	Pressure to research the market carefully			

BUSINESS ENVIRONMENT, OPPORTUNITIES AND CHALLENGES

MAJOR RISK

The 4.0 technology revolution creates a great change in socio-economic life and affects the development of each business, creating a lot of new opportunities and challenges, including risks related to information security, data security; new requirements for workers' skills... BaovietHoldings and subsidiaries always proactively assess risks systematically,, ensuring all risks are controlled timely and effectively.









Notes:

Level

● High risk ● Medium risk ● Low risk

Trends: (forecast)

↑ Increasing ↔ Stable ↓ Reduce

Type of risk	Identification	Level & Trend	Monitoring and management of risk
 <p>1. Insurance risk</p>	<ul style="list-style-type: none"> » Insurance compensation costs have a strong fluctuation; » The obligations to pay for insurance events are exceed the assumptions used in designing product. 		<ul style="list-style-type: none"> » Assessing risks in designing new insurance products, underwriting, inspecting and payment/ compensating insurance; assess accumulated risks according to each profession, product group, locality ... » Regularly review important assumptions (death rate table, technical interest rates; loss parameters), review the risks of insurance coverage and insured subjects; risk transfer through reinsurance operations.
 <p>2. Credit risk</p>	<ul style="list-style-type: none"> » Risk of arising bad debts or overdue bond investments, overdue deposits occurred » Risks from insurance business, margin trading. 		<ul style="list-style-type: none"> » Supervisor, monitor the compliance with investment limits and risk limits. » Managed by internal credit rating model, which have been approved by RMC. » Periodically evaluate the collateral assets of corporate bonds .
 <p>3. Market risk</p>	<ul style="list-style-type: none"> » Fluctuations in deposit interest rates, government bonds interest rates » Volatility of stock prices and/ or prices of other commodities. 		<ul style="list-style-type: none"> » Managed, measured in terms of Value at risk, interest rate sensitivity assessment - PV01 » Monitored by using monthly risk reports, and quarterly risk reports.



Type of risk	Identification	Level & Trend	Monitoring and management of risk
 <p>4. Liquidity risk</p>	<ul style="list-style-type: none"> » The risks cause of term imbalance of cash flow to fulfill payment obligations or directly affect the liquidity status of the whole Group. 		<ul style="list-style-type: none"> » Monitor asset and liability cash flow projection for all tenor, the percentage of high liquid asset. Review the asset and liability for each period, the liquidation rate of assets. » Managed by using limit, liquidity Gap, and scenario analysis.
 <p>5. Operational risk</p>	<ul style="list-style-type: none"> » The risk of IT systems affecting the continuity of business loss of information assets. » Risks from compliance with legal regulations; loss and damage that an enterprise may incur in the event of a dispute. 		<ul style="list-style-type: none"> » Evaluation in terms of the impacts to continuity of business, to financial impacts and to the reputation. » Monitored by using KPIs, monthly and quarterly reports. » Managed by Operational Risk Management Framework, Information Security Regulations, and processes, procedures and internal control system.
 <p>6. Reputation risk</p>	<ul style="list-style-type: none"> » Risks arise when the mass media publish adverse information or products and services that do not meet the expectations of customers and investors. » Business activities, behaviors, attitudes of employees or third parties negatively affect the image of the business. 		<ul style="list-style-type: none"> » Monitored, tracked by articles by press agencies, indicators from customer service center. » Managed by the processes, procedures, manuals, regulations handling crisis communication » Training and communication for employees and leaders of the Group on Communication Crisis Management and topical risk management training courses.
 <p>7. Strategic risk</p>	<ul style="list-style-type: none"> » The annual business plan may not yet align with the strategic objectives plan. » Not predicting all subjective, objective or changes in business environment. » The impact of information technology in the period of industrial revolution 4.0 		<ul style="list-style-type: none"> » Monitored by monthly and quarterly analysis of macroeconomic factors, business results, results of strategic plan. » Managed by analysing scenarios of volatility of macroeconomic factors, internal factors, to consider the feasibility of the annual strategy. » Investment infrastructure and information technology applications according to international standards, ensuring synchronization, modernity, safety and efficiency.
 <p>8. Sustainability risk</p>	<ul style="list-style-type: none"> » Risks affected to sustainable development in the Baoviet system; » Social and environmental risks affected to Baoviet; » The risks from Baoviet's business activities affected to environment and society. 		<ul style="list-style-type: none"> » Periodically monitor the financial and non-financial indicators. » Managed by procedures and regulations, auditing sustainable reports by internal and external audit.

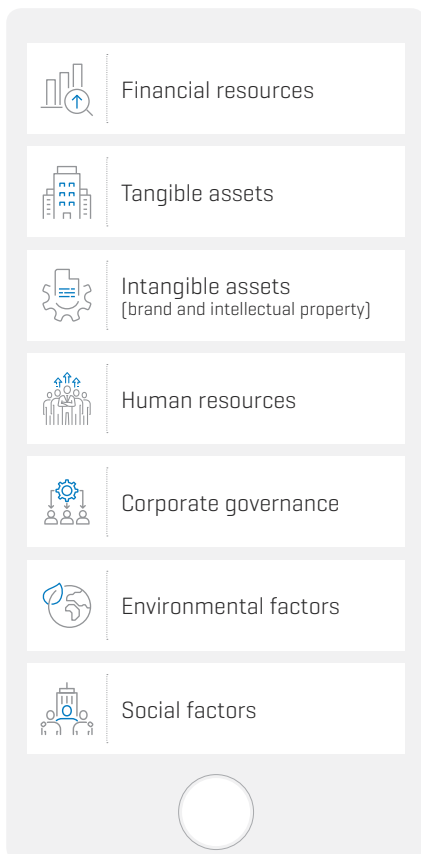
BUSINESS MODEL AND KEY GROWTH DRIVERS

BUSINESS MODEL

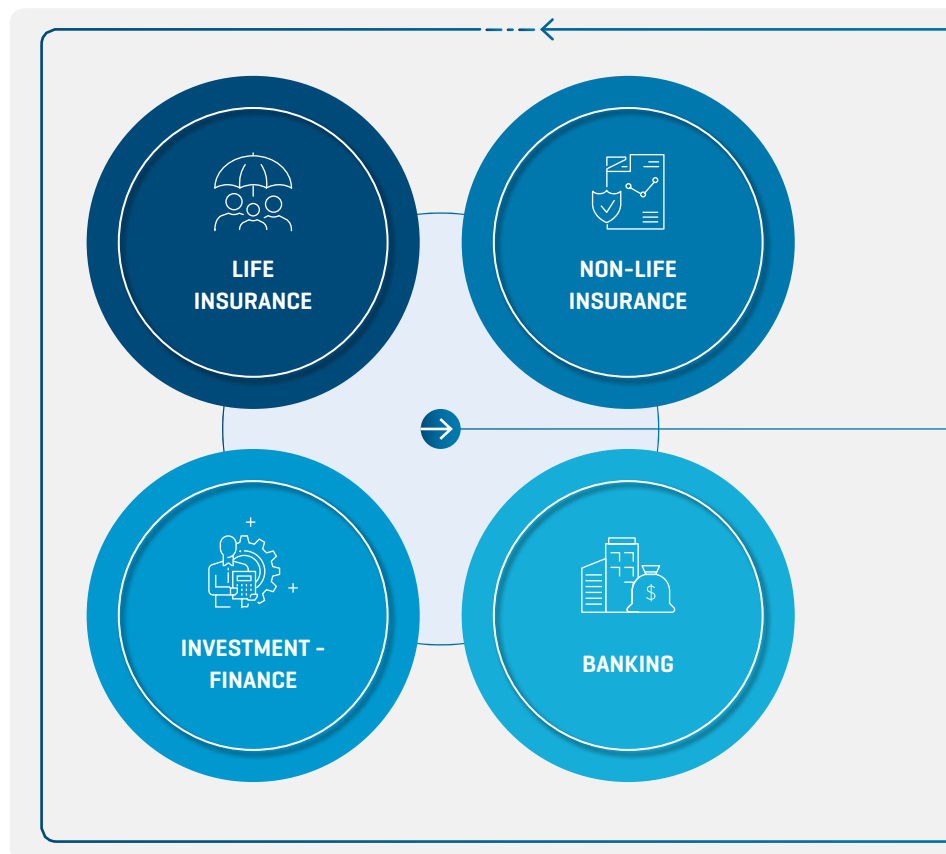
As an enterprise providing products and services to millions of Vietnamese people, Baoviet determines that a business can only implement a sustainable development strategy when combining growth goals, economic profits with social development and environmental protection. For Baoviet, we identify the factors affecting business operations including **internal factors** [human resources, capital, intellectual property, brand reputation ...] Baoviet built and strengthened over the past half century, along with grasping and utilizing **external factors** such as sustainable development trends, demographics, and social responsibility which will drive strong growth and sustainability of Baoviet in the future.

These contents are generalized according to the following model:

→ INPUTS RESOURCES



→ PRODUCTS, SERVICES & SUPPLY CHAIN



KEY GROWTH DRIVERS

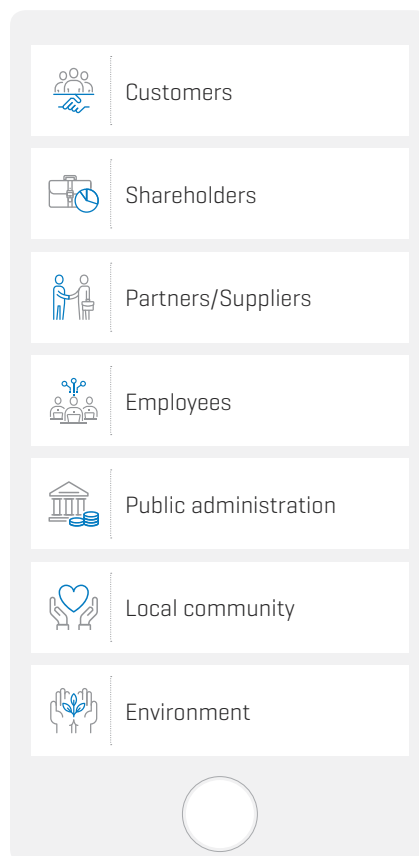


1. — **Financial resources**
Strong financial strength; Exploiting market opportunities.
2. — **Production resources and tangible assets**
Modern information technology platform; Large-scale distribution system.
3. — **Intangible assets and intellectual properties**
Product development capacity; Technical assistance from strategic shareholders.
4. — **Corporate governance**
Corporate governance competency in accordance with International governance standards.



1. — **Social forces**
Opportunity derived from sustainability development trend and demographic factors.
2. — **Environmental forces**
Climate change and “going green” business activities.

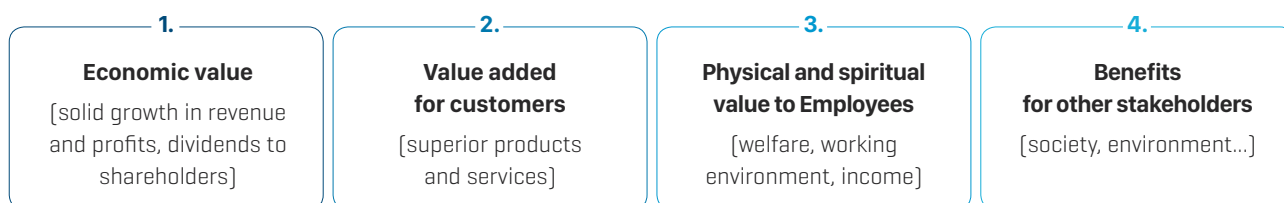
➔ VALUES FOR STAKEHOLDERS



BUSINESS MODEL AND KEY GROWTH DRIVERS

OPTIMIZING FACTORS THAT DRIVE GROWTH OF BAOVIET

During the course of business operations, the effective use of inputs is a decisive factor for creating value and these values including:



INPUTS

UTILIZE INPUTS TO CREATE VALUES



FINANCIAL RESOURCES

Owners' equity (Shareholders);
Capital from technical provision (the insured)

- » Efficiency in using financial resources through investment in lowrisk assets [government bonds and deposits represent over 90% of total investment portfolio].
- » Seeking new investment channels, improve returns of investments.



HUMAN RESOURCES

Employees;
Corporate culture

- » Investment in training [in accordance with learning map], human resource development;
- » Improvement of competences of consultants/insurance agents;
- » Recruitment and attraction of skilled employees;
- » Fosing talents and strengthening bond between employees;
- » Attractive welfare scheme and opportunities of promotion.



PRODUCTION RESOURCES AND TANGIBLE ASSETS

Modern IT platform;
Large scale of outbound logistics;
24/7 call-center;
The largest direct billing network in Vietnam.

- » Investment in IT infrastructure development in accordance with international standards [LIPA...], switch to cloud technology solutions integration;
- » Diversified distribution system: online, bancassurance, digital...;
- » Stable 24/7 call-center system operation;
- » Efficient operation of direct billing network, insurance fraud controlling.

66

“The identification of key drivers for growth play an important role in enabling the enterprise to deliver suitable decisions in allocating the resources or concentrating resources on certain factors with a view to accelerate the growth rate of an enterprise.”



OUTPUTS (PRODUCTS, SERVICES, BUSINESS RESULTS)	VALUES DELIVERED TO STAKEHOLDERS
<ul style="list-style-type: none"> » Achieving stable growth in revenues, profitability, and reached revenue of nearly US\$2 billion in 2020. » 2019 dividend payout of 10%/par value. » Delivering strong financial capacity, promote reinvestment in the economy; make substantial contribution of VND20,000 billion into State budget since equitization. 	<ul style="list-style-type: none"> » Shareholders/Investors; » The insured; » Customers using financial services; » State bodies; » Employees.
<ul style="list-style-type: none"> » Fostering a culture of open communication within the corporate; » Strong bond amongs employees in operations; » New welfare programs provided [K-care, retirement plan] to bring more benefits for employees, including insurance, savings, accumulation, and value added from financial investments. 	<ul style="list-style-type: none"> » Employees; » Insurance agents and consultants.
<ul style="list-style-type: none"> » Improved corporate core competencies based on modern IT platform; » Customer approach through multichannel distribution system; » Superior customer service quality through call center supporting responds to customers' demand promptly and accurately; » Enhanced risk management, and insurance claim control system; » Brand repositioning to create customers' trust and closeness as well as friendly professionalism corporate image. 	<ul style="list-style-type: none"> » Customers; » Partners.

BUSINESS MODEL AND KEY GROWTH DRIVERS

OPTIMIZING FACTORS THAT DRIVE GROWTH OF BAOVIET

INPUTS



INTANGIBLE ASSETS AND INTELLECTUAL PROPERTY

Market leader in product development competency;
Brand value of US\$116 million valued by UK brand finance;
Technical support and capacity transfer from foreign strategic shareholder.



CORPORATE GOVERNANCE

Corporate Governance in accordance with international customs;
Standardized risk management system, and internal control



SOCIAL FACTORS

Social relationships;
Demographic factors;
Sustainable development trend;
Social responsibilities.



ENVIRONMENTAL FACTORS

Climate change;
Waste and greenhouse effect reduction.

UTILIZE INPUTS TO CREATE VALUES

- » Investment in diversified product development, meeting demands of different customer segments;
- » 05 new insurance products and many integrated financial products launched;
- » Enhancement of brand value through prestigious awards;
- » Exploitation of strength of strategic shareholder to create synergy in management, governance and core businesses.

- » Improved corporate governance competencies in accordance with international customs (ASEAN governance scorecard, governance principles by OECD);
- » Strengthening the role of Internal Control, Compliance Risk Management, promoting synergy and improving the efficiency of governance and administration.

- » Demographic factors (golden population structure, rapid pace of population aging) open up opportunities for new product development;
- » Seizing opportunities from sustainable development trend: responsible investment, green financial product research and development;
- » Corporate social responsibility (CSR): Investments in education and young generation, local community development; war martyrs appreciation, hunger eradication and poverty reduction.

- » Reduce greenhouse gas emissions through greenery programme such as tree-planting projects;
- » Reducing greenhouse gas emissions from office buildings, air conditioners and refrigerators;
- » Minimize office waste, implement 5S workplace methodology practices (Screening - Sort - Clean - Take care - Ready).



**OUTPUTS
(PRODUCTS, SERVICES, BUSINESS RESULTS)**

- » Providing a wide range of products with 80 non-life insurance products and 55 life insurance products, launching specialized products: K-Care, Easy Car, Easy Life, cardiovascular products.
- » Baoviet brand is valued at USD276 million, doubled in value yoy.
- » Risk management system, internal control, compliance system implementation, improved competencies through the support of strategic shareholder, Sumitomo Life.

- » Enhanced role of the Parent company in strengthening synergy among subsidiaries. The Parent company plays the role of coordination and being responsible for direct management of activities within the whole Group, thus improve business performance.

- » Providing voluntary retirement and cancer products combining benefits of protection, accumulation, ensuring peace of mind for workers when they retired;
- » Developing medical and health care products to serve the growing needs of society: K-Care, a cancer specialty insurance, One Storm - Tropical storm insurance, personal and household insurance;
- » Invest in construction of health clinics, schools, hunger eradication, poverty reduction, sustainable community development.

- » Making quarterly observation at workplace;
- » "Go green" for business operation: economical and efficient use of resources, reducing plastic waste in the office;
- » "Go green" for lifestyle and promoting sustainable consumption;
- » Reduce waste water and save energy.

VALUES DELIVERED TO STAKEHOLDERS

- » **Customers;**
- » **Partners;**
- » **Shareholders.**

- » **Shareholders;**
- » **Employees.**

- » **Related parties (authorities);**
- » **Community;**
- » **Environment.**

- » **Business environment;**
- » **Living environment.**

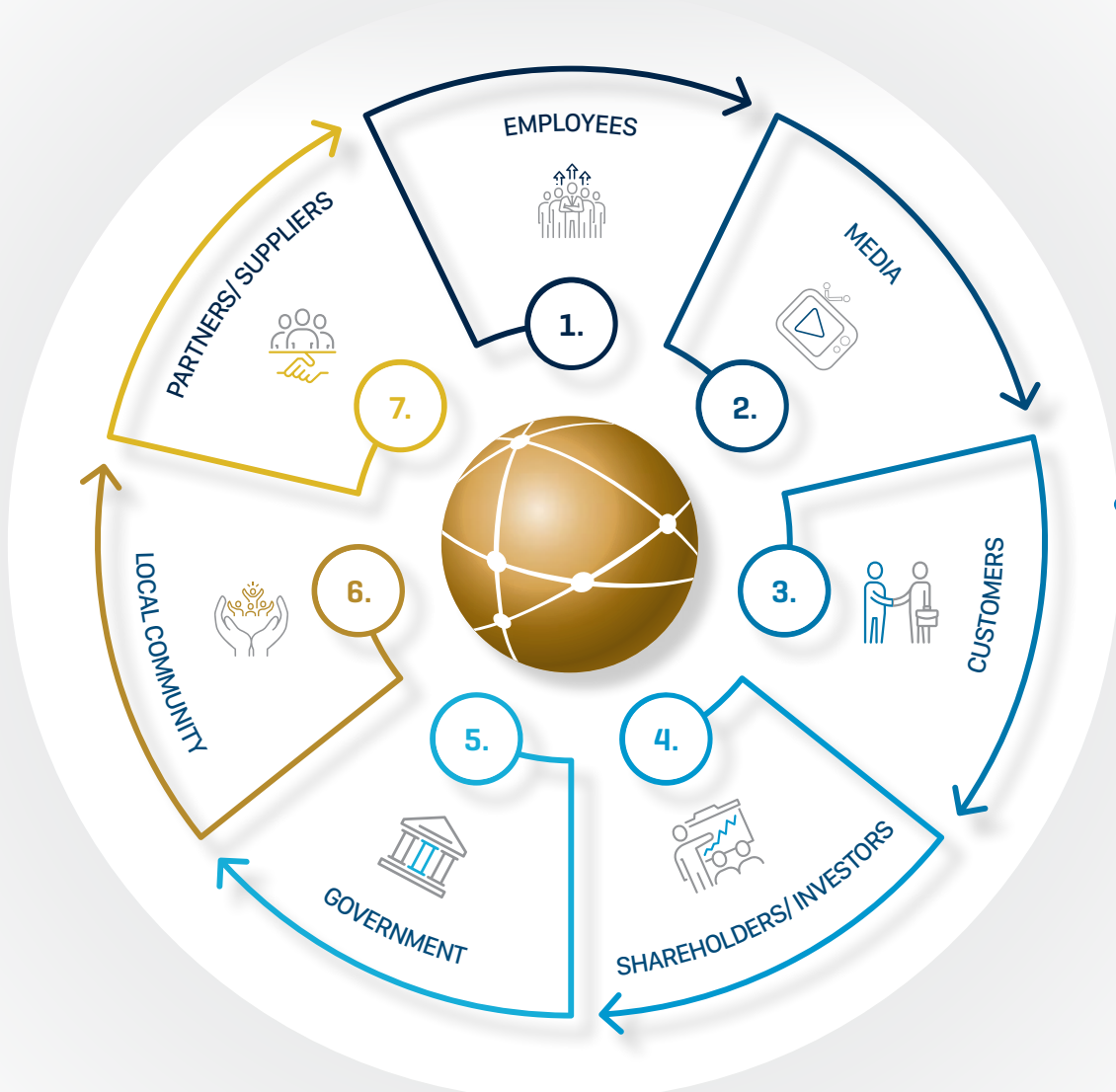
ENGAGEMENT WITH STAKEHOLDERS

Stakeholders are our significant partners whose feedbacks are valuable source of information for us to develop and reinforce our operation. For each target group, Baoviet uses different approaches to information. Feedback from the parties is carefully reviewed, researched and endeavored to include these feedbacks into our Company's policies and practices.

BAOVIET'S KEY STAKEHOLDERS

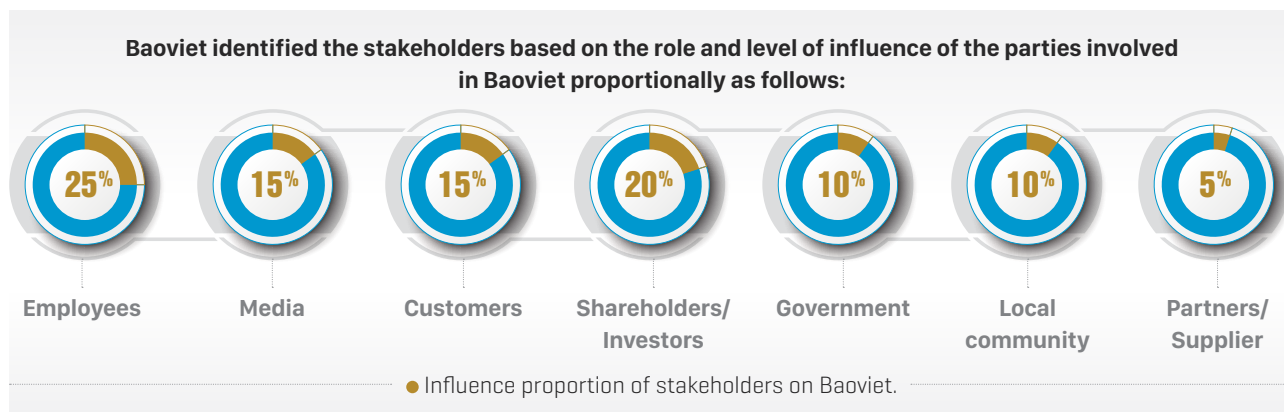
We identify stakeholders based on the possible effects of Baoviet's activities on them or those who are interested in influencing Baoviet's current operations. We build and develop relationships based on meeting long-term interests between parties; this relationship is based on trust, transparency, and respect for the corporate ethical standards.

The 7 key stakeholders for Baoviet include:



THE BASIC PRINCIPLE IN ENGAGING STAKEHOLDERS

We reach out to relevant stakeholders through a variety of channels of information in a way that is conducive to listening to each other's ideas and interests in relation to Baoviet's operations, especially governance issues, company, human resource development, economic growth, contribution to society and environment. The process of exchanging with the stakeholders also helps Baoviet to proactively identify current trends and issues as well as helping Baoviet to better understand their interest and expectation, objectively view policies, reports and disclosure of information to stakeholders.



BAOVIET'S ENGAGEMENT WITH STAKEHOLDERS

In 2020, Baoviet continued to engage stakeholders via multidimensional channels, in which our sustainable development strategy is profoundly mentioned to understand opinions of our stakeholders towards Baoviet's activities relating to Economic - Social - Environmental initiatives.

We also took a survey on social network and website to get feedback about our sustainable development activities in 2020. The survey was made available under the Sustainable development/ Survey of stakeholders website section.

Throughout discussions and meetings with parties we figured out concerns of stakeholders and their major impacts on Baoviet's activities. This is the foundation for 2019 Sustainability Report.

By assessing the importance of issues, we make investments, allocate resources that best meet stakeholders' expectations and ensure corporate sustainable development.



ENGAGEMENT WITH STAKEHOLDERS



EMPLOYEES



CRITICAL ISSUES

- » Dynamic professional working environment;
- » Increase employee welfares and benefits;
- » Benefit and promotion.

BAOVIET'S INITIATIVES

- » To build human resources with high professional qualifications, working ability, and access to modern management methods and skills.
- » Organizing fitness exercise initiative movement.

SHARED VALUES

- » Implementing retirement insurance, cancer insurance for employee;
- » **6,500** officers are trained in professional skills;
- » Building gyms, yoga classes, dancing, ping pong for the staffs to practice overtime.



MEDIA



CRITICAL ISSUES

- » Providing and sharing open, active and regular information so the media can reflect truthfully and objectively on the operation of the corporation to the public.

BAOVIET'S INITIATIVES

- » Closely connecting and networking with the press, ensuring that the news of Baoviet's activities are updated in a timely and honest manner;
- » Increasing the amount of information sent to the media through press releases, news, in-depth analytical articles sent to the press.

SHARED VALUES

- » Collaborate with VTV, VOV in producing news articles, interviews and stories, short documentary film to provide information about Baoviet to the public;
- » More than **250** articles on Baoviet's sustainable development have been published in newspapers in Vietnam and internationally.



CUSTOMERS



CRITICAL ISSUES

- » Business prestige, quality product, service;
- » Products diversified, meet the needs of customers.

BAOVIET'S INITIATIVES

- » Create products and services to meet the diverse needs of customers; protecting customers against risks, giving customers the opportunity to realize their dream, ensuring the peace of mind and prosperity for customers.
- » Application of AI (Artificial Intelligence) and machine learning to build AdviserBot to serve customers;
- » Conducting customer feedback surveys online and at the customer service counter.

SHARED VALUES

- » Launched **05** new life, non-life insurance products, fund certificates and other integrated financial insurance products; Launch of B-Wise trading platform.
- » Deploying preferential premiums for customers when participating in insurance packages, supporting customers during The Covid-19 disease outbreaks; Implement Customer Loyalty program ;
- » **>600** customers respond positive feedback via online channel, fanpage and directly at service counters.





SHAREHOLDERS/INVESTORS



CRITICAL ISSUES

- » Business growth is effective, sustainable;
- » Equal treatment and shareholder rights;
- » Transparent information.

BAOVIET'S INITIATIVES

- » Implement equality policies between major shareholders and small shareholders to provide information and create conditions for all shareholders to exercise their voting rights;
- » Pay full dividend, transparent disclosure of information.

SHARED VALUES

- » Received and met **120** investors;
- » Participate in **05** domestic and international investment promotion conferences (Korea, UK, Singapore ...);
- » Over **100** calls from individual investors are resolved;
- » Dividend payment at the rate of **8%** / par value.



PUBLIC ADMINISTRATION



CRITICAL ISSUES

- » Implement the Government's development orientations and strategies;
- » Together with management agencies implement policies to support the development of the economy, the market and community population.

BAOVIET'S INITIATIVES

- » Set up a division dedicated to sustainable development; Assignment of responsibility at executive level down to the subsidiaries;
- » Joined the board of VBCSD to improve performance;
- » Supplementation of environmental and social reviews for Baoviet Holdings' Project Investment Process and Equity Investment Procedure.

SHARED VALUES

- » Strengthen the recruitment of local workers, increase jobs and incomes for people in the areas where Baoviet is operating or in difficult areas.



LOCAL COMMUNITY



CRITICAL ISSUES

- » Assist and support people to improve basic living conditions;
- » Support local economic development.

BAOVIET'S INITIATIVES

- » Supporting the community through contribution by donating basic living conditions, enabling people to concentrate on production, securing their family economy, thereby promoting the local economy, creating business development opportunities for Baoviet;
- » Environmental impact assessment; reduce energy consumption and greenhouse gas emissions.

SHARED VALUES

- » Organized many medical examination and treatment programs, giving gifts to highland mountainous people; giving books and clothes, scholarships for students;
- » Invested more than **VND400** billion for social welfare initiatives;
- » Carried out quarterly environmental monitoring report at Baoviet's Head Office.



PARTNERS/SUPPLIERS



CRITICAL ISSUES

- » Equal treatment of suppliers;
- » Clear criteria for evaluating options.

BAOVIET'S INITIATIVES

- » Supplementation of 02 criteria for environmental and social evaluation and review for Baoviet Holdings' Project Investment Process and Equity Investment Procedure.

SHARED VALUES

- » Applying the supplier evaluation criteria in **5** aspects, including environmental factors;
- » Suppliers meet management requirements, comply with legal requirements and operate in a non-damaging way towards environment and society.

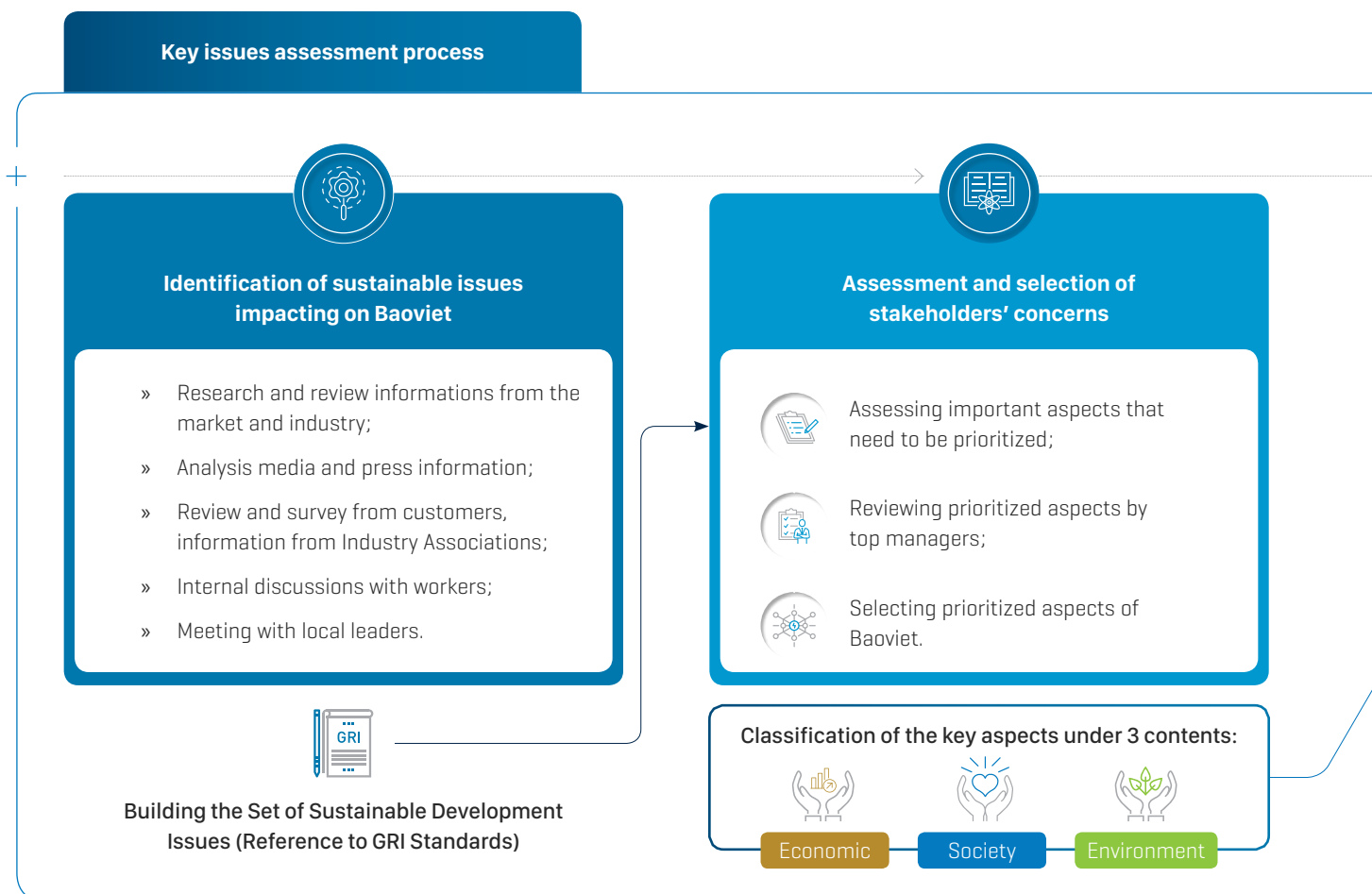
IDENTIFY MATERIAL MATTERS

Based on the evaluation of the importance of issues considered in the correlation between the level of interest of the parties and the level of influence In terms of business activities, Baoviet has developed a “Core Matrix” in order to determine priorities and allocate resources to best meet the expectations of stakeholders.

PROCESS OF DETERMINING KEY ISSUES

The assessment of a key area is a principle that requires reporting but at the same time is the process of determining the focus of content in line with the developed Sustainable Development Strategy. The process of conducting material assessment at Baoviet was conducted in accordance with the steps of the process and methodology for evaluating material areas according to GRI Standards.

On the basis of analyzing the impact on the economic, social and environmental aspects of Baoviet Holdings’ activities, we identify areas of significance in reference to GRI Standards. We aggregate the level of interest according to the identified areas for each stakeholder primarily based on the results of stakeholder consultation. We then summarize the assessment of the material key area of the matrix based on the results of the assessment of importance to stakeholders and businesses.



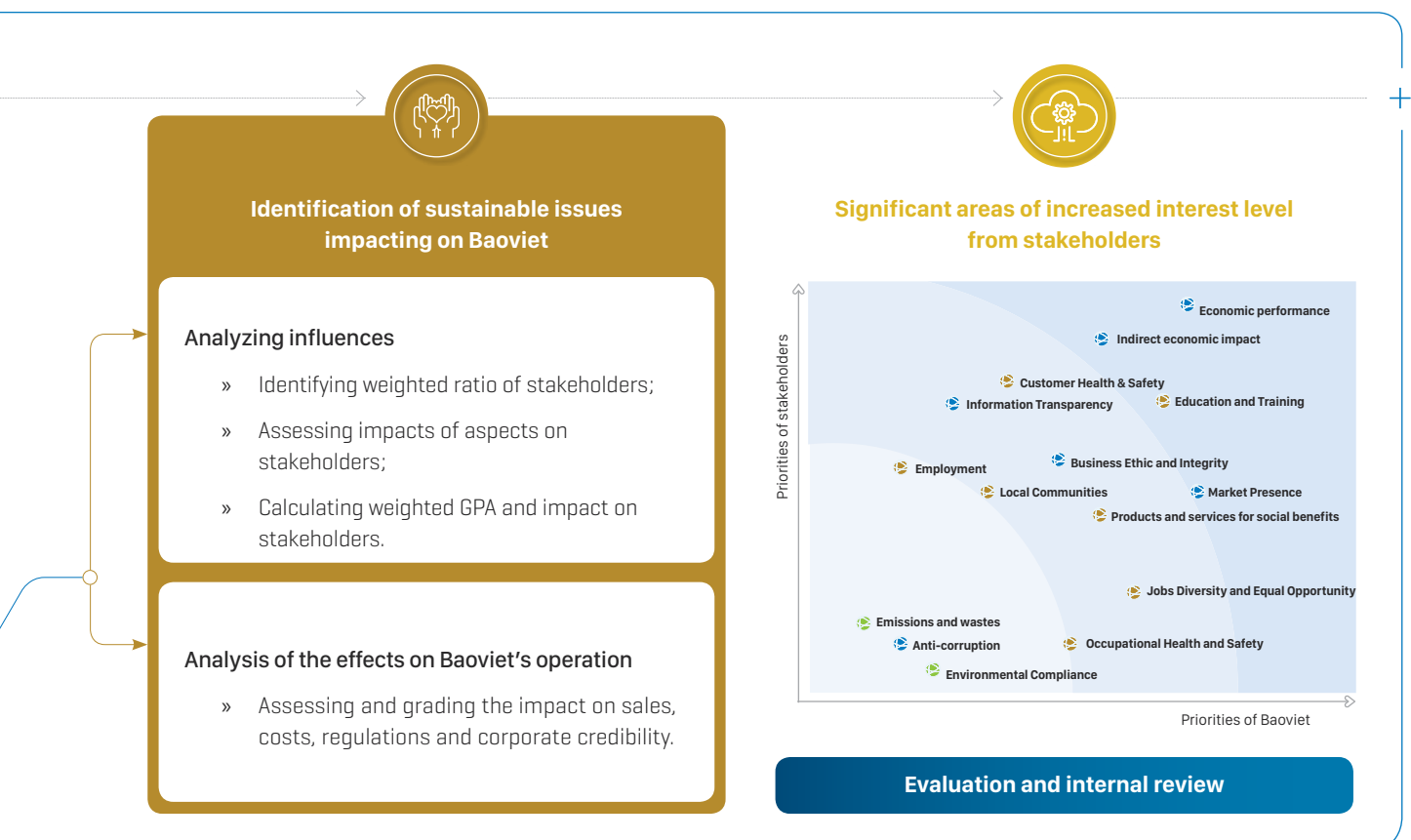
IDENTIFY KEY ISSUES

Baoviet conducts consultations with experts in the field of sustainable development for areas deemed critical that Baoviet needs to consider at the present time. At the same time, we also consider employees' opinions through a review of proposals and comments made through internal interactive channels.

The assessment of key areas of business is based on the analysis of the business strategy of the enterprise, the analysis of press information and the business environment of the industry. From there we select the key areas and issues that are of interest to the parties. The importance and scope of the issues continues to be screened, analyzed and clarified during discussion meetings with the relevant Departments / Committees and submitted to the senior leaders to identify prioritised issues for implementation in 2020



In 2020, the Internal Audit Division of Baoviet Holdings conducted an audit to assess Baoviet's key management process for sustainable development according to the assessment method based on the capacity-maturity model with 04 maturity levels in line with international practices. Since then, the Internal Audit Division has proposed solutions to the Board of Directors of Baoviet Holdings to improve the process of managing key issues according to international standards.

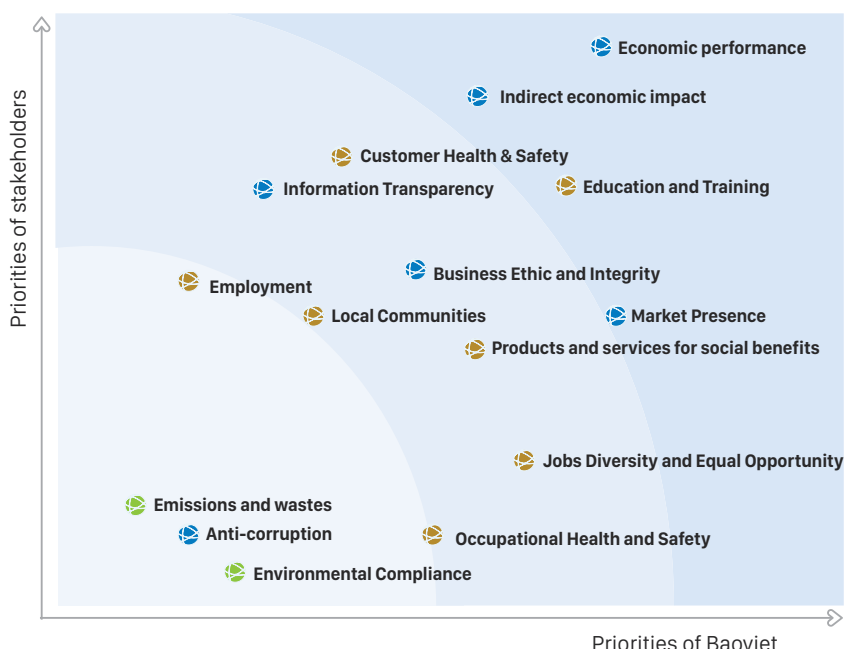


IDENTIFY MATERIAL MATTERS

MATERIALITY MATRIX OF KEY ISSUES IN 2020



By assessing the importance of the fields considered in the correlation between the level of stakeholders' interest and the level of affect on business operations, Baoviet develops a "Materiality Matrix of key issues" to determine the priority and appropriate allocation of resources to best meet the expectations of stakeholders as well as to ensure the sustainable development of enterprise.



After the process of understanding and assessing the level of stakeholders' interest with key issues, combined with the information recommended by internal audit after the assurance process with some indicators, during the year 2020, Baoviet has reviewed, analyzed and compared in accordance with the GRI Standards criteria. In addition to consulting with stakeholders, there are a number of issues that gained increase interest of stakeholders, Baoviet has focused on these as the main analysis framework in the 2020 report as follows:



1.

WITH REGARD TO ECONOMIC ISSUES

After the consultation, we noticed that stakeholders have increased interest in the business performance and position of Baoviet in the market. Stakeholders expressed interest in Baoviet's need to accelerate its operational efficiency and market dominance after focusing on innovating its business model.



2.

WITH REGARD TO GOVERNANCE, INFORMATION TRANSPARENCY ISSUES

As a listed company with large market capitalization, Baoviet attracts the attention of many stakeholders including domestic and foreign investors, media agencies, management agencies ... Therefore, the transparent disclosure of information and diversification of information channels to the public are subjects of interest to stakeholders. In 2020, Baoviet focused on improving the transparency and reliability of information disclosure (expanding the scope of auditing non-financial indicators, continuing to review quarterly financial reports) [according to regulation, the revision of the financial statements only required for interim reports]. Increased attendance and information sharing at international forums [Singapore, Korea, Japan], proactive response to information needs of stakeholders.





3.

THE HEALTH AND SAFETY OF CUSTOMERS

As an enterprise operating in the field of insurance and financial services, the safety and health issues of customers are integrated right from the product research and design process to provide customers with comprehensive protection solutions.

In the context of the Covid-19 epidemic Baoviet have developed integrated and specialized products, and maintaining micro insurance products for low-income workers, Baoviet can realize its commitment to provide comprehensive financial and protection solutions for customers and community. The continuous introduction of voluntary pension products, specialized insurance products, micro insurance products including low-cost products for a large number of people is a way for Baoviet to support and improve the lives of the poor and near impoverish households in rural and urban areas.

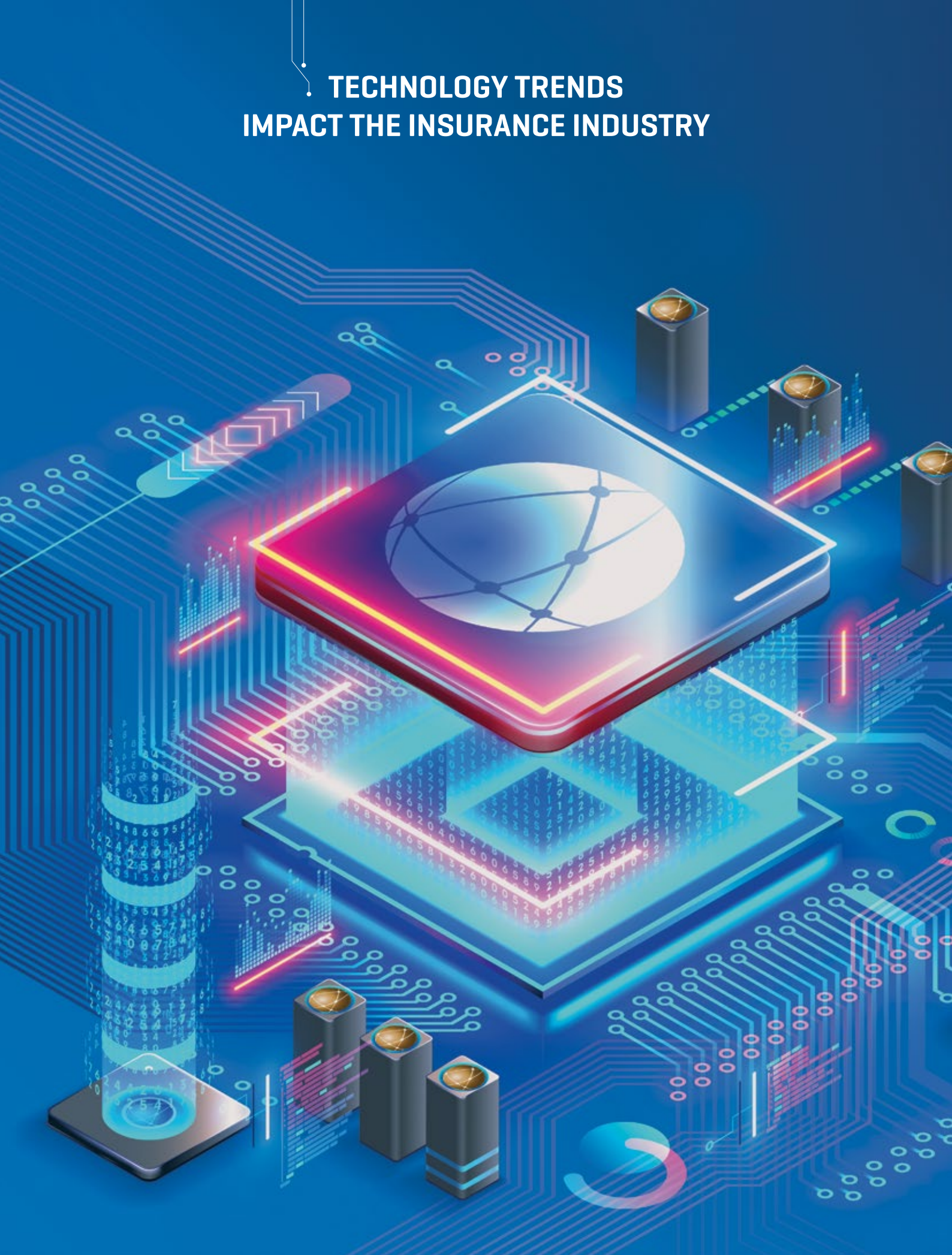
ASSESSING THE APPROPRIATENESS OF MANAGEMENT APPROACH FOR MATERIALITY



The key issues have been identified and assessed in the direction of integrating the stakeholders' interests and Baoviet's concerns specifically into 5 areas: Economic, Social, Environment, Governance, Customers' Health and Safety, from which Baoviet can allocate resources appropriately, best meet the expectations of stakeholders as well as ensure the sustainable development of the business. The issues mentioned above are presented in the following sections of this report.

Content related to key issues is also analyzed and presented in detail in Baoviet Holdings 2020 Sustainability Report prepared according to GRI Standards.

TECHNOLOGY TRENDS IMPACT THE INSURANCE INDUSTRY



“ According to the world’s leading consulting firms, Gartner and EY, both the life and non-life insurance industry will continue to invest on digital in upcoming years. Insurance companies will prioritize business model changes, application of data and analytics tools, improving customer experience, and modernizing insurance core system.”

OPPORTUNITIES, CHALLENGES AND RISKS BY TECHNOLOGY TRENDS TO INSURANCE BUSINESS IN GENERALLY AND BAOVIET IN PARTICULARLY

The strong development of technology brings new opportunities to Insurance Business in generally and Baoviet in particularly, which are increasing opportunities of Customer Approach, Customer Interactions, enhancing Distribution Model, diversifying Sale Channels, as well as completely changing Customer Journey in Finance and Insurance Business.

Besides, there are challenges and risks for Insurance Business. The break-through technological advances, for example: AI, Big Data, Cloud, IoT, Block-Chain, Robotic... are forecasted to force Insurance Business to adapt to new changes or to be surpassed by alternative business models. These factors change Insurance Business as well as cause fierce competition between traditional competitors and new-born ones and become the biggest factor of growth and transformation.

TECHNOLOGY TRENDS IMPACT THE INSURANCE INDUSTRY

BAOVIET HAS TAKEN ACTIONS TO CAPTURE THE TREND IN 2020

Before those InsureTech, BaoViet has focused on building IT System including: core systems which serve demand of Member Companies/ Subsidiaries, satellite systems, and connecting data through sale process, customer service, compensation, finance..., then creating a completed ecosystem for BaoViet Group.



PARTICULAR ACTIONS INCLUDING:



Continue to complete and upgrade Core Systems, such as: InsureJ of Baoviet Insurance, Contract management system of Baoviet Life, Fund system of Bao Viet Fund.



Improve Customer and Agency Experience through implementing Loyalty Program, and providing more tools for Agency in Sales (MyAP, BaoViet Digital Platform)...



Focus on system connection to complete digital ecosystem of Baoviet.



Implement a digital transformation strategy by digitalizing compensation process, approving process and other official documents.



Accelerate the deployment of new products in E-commerce, such as: Life Care, Flight Care, Electronic Device Insurance, Motorcycle/ Car Insurance... as well as promote cooperation with fintech companies and payment intermediaries in developing ecosystem for Finance and Insurance Business.



Apply Big Data on building "Pricing Engine".

In 2020, Baoviet Holdings basically completed the set goal: Promoting digital transformation through the development of applications on digital platforms such as Baoviet eClaim, Baoviet Office, Baoviet Direct, MyBVLife; Improving the experience of customers, agents and consultants with Customer Loyalty program, Baoviet Digital Platform online sales, MyAP consultant portal; Focusing on building core systems for Baoviet Life, upgrading Baoviet Insurance's core InsureJ system, Baoviet Fund Management Company's Core Fund system, connecting core applications with new developed applications as well as comprehensive databases from sales, customer service, claim, accounting... to construct a complete digital ecosystem for BaoViet Holdings.

TECHNOLOGY TRENDS IMPACT THE INSURANCE INDUSTRY

PLAN 2021 AND ORIENTATION TO 2025 FOR BAOVIET ITC'S ACTIVITIES

“ Continuing the digital transformation journey of the Holdings and member companies, 2021 is the first year of the 5-year strategic period 2021-2025, BaoViet Holdings will continue to strengthen and complete the software to support the digitization process in all operation areas of the Group. Particularly, BaoViet Holdings will transform and digitize processes and products towards a paperless BaoViet; deploying AI application to OCR [Optical Character Recognition] for increasing labor productivity; implementing eKYC [electronic customer format]; applying Bigdata technology for analysis and decision making; continuing to upgrade the system to improve customer experience; completing online sales platform; adding on agency tools; etc. ”



BaoViet ITC's orientation to 2025 is to instantly deploy advanced and modern IT systems to comprehensively promote digital transformation in all activities of BaoViet Holdings.



BaoViet will continue to strongly invest to fulfill the IT system, capture and punctually apply new technology trends which are prevalent in the world, so that the holdings can create a foundation for connectivity, integration and sharing information. Hence, Information Technologies will become one strength of BaoViet, creating a competitive advantage in the new era of the industrial revolution 4.0.

SOFTWARE

- » Continue to improve, maintenance and upgrade existing software.
- » Focus on perfecting systems to improve customer experience such as BaoViet Direct, MyBvlife, online insurance - eCommerce, eClaim, BaoViet Pay.
- » Promote the application of advanced technology platforms and architectures follow as world trends for BaoViet's software systems to enhance application performance, rapid development and ensure safety and security.
- » Promote the application of new technologies such as: Artificial intelligence, machine learning, deep learning, big data processing into production and business activities of the Group and its member units, automating processes process of risk assessment, assessment, compensation to improve labor productivity.

IT INFRASTRUCTURE

- » Continue to transform infrastructure to a cloud computing technology platform to optimize investment costs.
- » Promote the application of advanced technology platforms in BaoViet's IT application operation, thereby improving labor productivity, shortening the time to put software applications to support production activities business output of the subsidiaries.

CYBERSECURITY ENFORCEMENT

- » Continue to strengthen and improvement the information technology system according to international standards and best practices: ISO 27001, OWASP, SANS, NIST, CIS, Zero Trust etc. To protect IT systems by multi-layered defense.
- » Actively monitor, collect and analyze security vulnerabilities to promptly react and respond to information security incidents in the increasingly complex situation of high-tech security crimes.
- » Building BaoViet Information Security Index tables and assessing information security ratings at the BaoViet Holdings and member companies.

In order to implement the above strategic orientations, BaoViet Holdings will focus on building a high-quality, proactive and creative team to dominate technology in a flat world, affirming its leading position: a world-class Vietnamese brand.

TECHNOLOGY TRENDS IMPACT THE INSURANCE INDUSTRY



IMPACT OF SUSTAINABLE DEVELOPMENT TRENDS ON BAOVIET

“ The world is entering a new growth cycle, global movement poses many challenges due to global economic recovery is not sustainable while unpredictable risks remain; the rise of global trade war, public debt; Governance at the global and national level is slow to adapt to rapid changes in economics and science as well as technology; Environmental pollution, climate change, gap between rich and poor,... are increasingly serious. With such sustainability trend, Baoviet recognizes a number of risks and challenges that may affect the operation of Baoviet. These challenges and risks are assessed according to the extent of impact on Baoviet’s business and the interests of its stakeholders.”

CHALLENGES OF PANDEMIC INCREASED AND ADAPTABILITY IN THE STATE OF “NEW NORMAL”

DISEASES INCREASE, AFFECT ON GLOBAL AND VIETNAM GROWTH

Over the past year, the Covid-19 pandemic appeared and developed in a complicated way, seriously affecting all countries in the world. Vietnam’s economy has a large openness, and international integration is deepening, so it has suffered many negative impacts of the epidemic in the socio-economic fields. Production, supply and trade, aviation, tourism, labor and employment activities have been delayed or interrupted due to the impact of the epidemic. Enterprises are severely affected, many businesses have to suspend operations or go bankrupt, dissolve or reduce the scale of production and business.

The disruption of many economic activities based on traditional foundations forces Vietnamese agencies and businesses to be bolder in researching and applying digital platforms in management, production and business activities. business.

The world is witnessing the rapid changes of the Industrial Revolution 4.0. Industry 4.0 comes from breakthroughs in many fields, including the digital wave of the manufacturing sector. Recognizing that

importance, many countries have paid attention to and concretized priorities for digital economy development. In particular, the context of the COVID-19 pandemic has made the Vietnamese government and business community more interested in the digital economy.

Despite being hit hard by the pandemic, Vietnamese businesses can still see opportunities to grow and improve their capabilities. The elimination of the epidemic helps our country become a reliable address for foreign investors, a potential and safe destination for the reallocation of investment flows in the world, especially the trend of shifting manufactory out of China of corporations in the world. With a large labor force and cheap labor costs, good infrastructure, and a geographical location near China, Vietnam will be paid more and more attention by



corporations wishing to move. The period affected by the Covid-19 epidemic is also an opportunity for businesses to test their endurance and ability to adapt to the new situation; self-assessment on the current production and business situation, strengths, weaknesses and competitive advantages, on that basis, improve the production and business model towards efficiency and sustainability.

In the state of “the new normal”, Baoviet has prepared for itself a proactive and flexible attitude, constantly learning, applying, creating, innovating the way of governance, enhancing digital transformation. Instead of being confined to traditional paths, Baoviet has embraced and mastered technology, joining the flat world to adapt to changes in the new state for constant growth and sustainable development.

ENVIRONMENTAL CLIMATE CHANGE CHALLENGES

VIETNAM HAS BEEN MUCH IMPACTED FROM ENVIRONMENTAL CLIMATE CHANGE

Climate change presents a huge challenge which significantly impacts on manufacture, daily life and environment. The increase of temperature, the raise of sea level cause flood and the salinity of water, which have negative influences on agricultural production, industrial manufacture and socio-economic activities

Obviously, human activities have been widely impacting on our own planet, leading to the degeneration of natural ecosystems, the depletion of natural resources and biodiversity, the pollution of air, water, soil..., and especially causing the global climate change. Abnormal storms, floods, droughts are increasing both in frequency and intensity, which causes much damage in many aspects to all areas over the world, including Vietnam.

Vietnam is considered as one of the countries that will be severely affected by climate change [climate change, in which natural disasters, pipe floods,



flash floods and landslides cause the greatest and increasing serious damage, especially in the northern mountainous provinces. Report have suggest that in recent years, natural disasters have been increasing in number, frequency, unpredictability and devastation due to climate change.

When hot drought combined with saline intrusion leads to lack of fresh water for planting rice crops, affecting productivity. The prolonged saline intrusion also affects the seasonal calendar of the next crops planting schedule due to the inability to control fresh water.

If in one more century, the sea temperature in Vietnam increased by 3oC. Sea level rise in the Mekong Delta from 55 - 75cm, will make 40% of the total area of the Mekong Delta flooded. Sea level rise and saline intrusion will make 45% of the Mekong Delta area saline by 2030.

TECHNOLOGY TRENDS IMPACT THE INSURANCE INDUSTRY

BAOVIET JOINS HANDS TO ADDRESS THE GLOBAL CHALLENGES OF RISING DISEASE PANDEMIC

IN REGARD TO INCREASING PANDEMIC CHALLENGES

Facing the complicated and unpredictable situation of Covid-19, Baoviet had special policies for customers participating in insurance products such as: Payment of medical expenses for customers participating in health insurance affected by Covid-19, 20% discount on insurance for Baoviet An Gia and Baoviet Intercare products. Benefits to be paid include testing costs, treatment costs, inpatient hospitalization allowances, and settlement of insurance benefits in the event the Insured's death due to Covid-19.

Baoviet Life applies a special policy for customers who are infected with Covid-19, pledging to pay insurance benefits for all current products to customers, including hospital expenses, serious medical benefits and death benefits under the product terms coverage.

In order to support customers on time in case of unfortunate risks incurred due to Covid-19 infection, Baoviet Life also applies a special policy: for customers who are hospitalized in quarantine isolation due to Covid-19 infection

according to coronary diagnosis regulations of the competent health agencies. Even though people infected with Covid-19 have received free treatment and care according to the State's policy, once they have participated in life insurance, customers still receive special hospital allowance (receive 200% of the insured amount of any regular hospital medical expenses benefit under the terms and scope of the policy).



“ In the state of “the new normal”, Baoviet strengthens its digital transformation through the digitization of Baoviet’s processes such as the compensation process, the process of managing reports and official documents, etc., aiming towards a “Paperless” Baoviet. ”



Concurrently, Baoviet focuses on improving customer experience and agents by implementing loyalty programs [Loyalty], as well as providing more sales tools for agents, increase interactivity on new platforms [MyAP, BaoViet Digital Platform]; Promote the deployment of new products on the e-commerce platform such as Life Care, Flight Delay, Electronic Equipment Insurance, Insurance for motorbikes, cars... as well as promoting cooperation with financial technology companies [Fintech] and payment intermediaries in building an insurance financial service ecosystem.

ADDRESSING GLOBAL CHALLENGES FROM CLIMATE CHANGE

Climate change impacts indirectly on human health through pathogens, increases the likelihood of disease outbreaks and spreads, poses risks for Baoviet's medical insurance and health insurance packages. Risks expose to people and assets also affect Baoviet with increasing compensation costs.

The damage from climate change to the nation's economy poses a risk to Baoviet's business in terms of declining people's incomes and insurance priorities can be changed by substituting for more urgent risks for customers to serve short-term goals.



Climate change adaptation and response is a global issue but this can also be an opportunity if exploited and utilized. Baoviet recognizes its responsibility to join hands in solving challenges through the development of specialized products such as One-storm - tropical storm insurance, agricultural insurance, rice crops insurance ... mitigating damages and consequences of climate change.

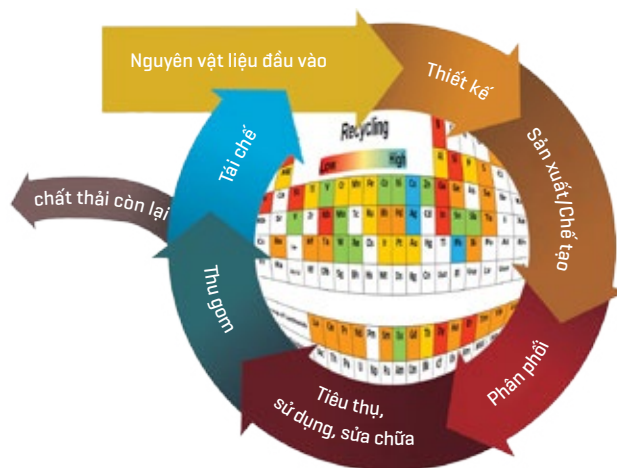


TECHNOLOGY TRENDS IMPACT THE INSURANCE INDUSTRY

CIRCULAR ECONOMY A GREAT OPPORTUNITY FOR SUSTAINABLE DEVELOPMENT



As one of the leading Financial-Insurance Groups in Vietnam, Baoviet is well aware of its role not only as an economic leader but also as a pioneer in announcing and realizing Sustainable Development Strategy by taking specific concrete actions in business decisions making, ensuring efficient economic growth, protecting the environment, and contributing to ensuring the peace and prosperity of the community on the basis of grasping international sustainable development trend and anticipating market opportunities. ”



The transition to a circular economy is a great opportunity for sustainable development, not only meeting economic, social and environmental goals but also coping with climate change. Recent studies indicate that adopting periodic economic-oriented business models could open up huge market opportunities worth US \$ 4.5 trillion by 2030, creating hundreds of millions of jobs, bringing unprecedented competitive advantages to businesses through reducing risks from scarcity of resources and fluctuations in raw material prices, helping businesses to pre-empt new business policies of future regulators.

In a circulating economy, manufacturers focus on extending the shelf life and making the most of the value of resources, then managing and recreating these products and resources at the end of their useful life. As such, the application of a circulating economic model will help reduce emissions, promote the efficient use of resources, contribute to solving scarcity and resource conservation issues, while support advanced competitiveness for the world and Vietnam economy.

Completing the Global Goals opens up market opportunities worth at least \$ 12 trillion in value as surveyed by the Business and Sustainable Development Commission, which accounts for about 60% of the value of the real economy and plays a very important role in achieving the Global Goals. To seize all opportunities, businesses need to pursue social and environmental sustainable development in a strong and clear way as they pursue market share and shareholder value. The more businesses involved in this process from now on, we will become a powerful force together and soon achieve sustainable development goals. Baoviet recognizes that the process of building a circular economy requires technology and the ability to innovate, reuse resources effectively, not only for the environment but also improving the competitiveness of businesses. Therefore, businesses play an important role in joining hands with the Government and relevant agencies to raise public awareness in exploit and reuse resources appropriately.

Baoviet understands that building a good future requires collective efforts from all of us as of today in which businesses play a positive role in realizing this future. And to do that, we also need to build a specific roadmap to compensate for the shortage of resources that people have over exploited in the past and at present.

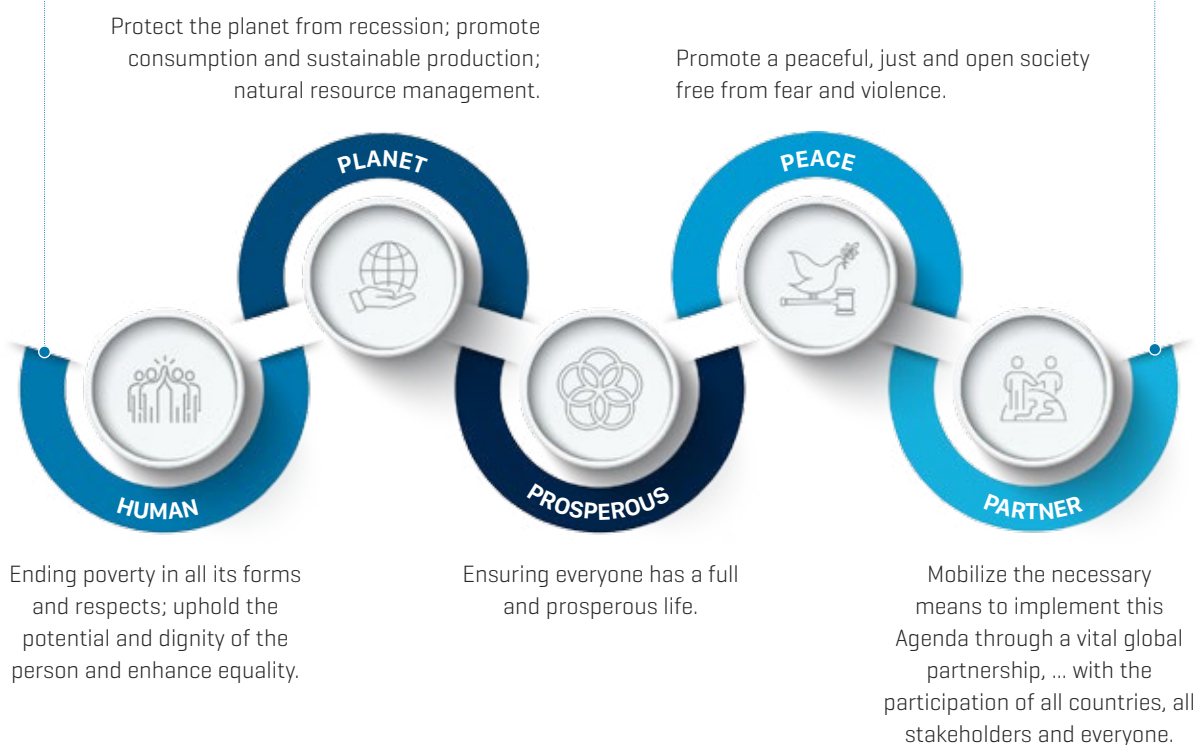


ALIGNING GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT (SDGS) IN OPERATION OF ENTERPRISES

☞ The United Nations Summit on Sustainable Development adopts the 2030 Agenda with a focus on Sustainability Goals for the period 2015 - 2030, which emphasizes the role of businesses in realizing of sustainable development goals. The summit meeting adopted the 2030 Agenda for sustainable development during the period 2015-2030, in which significant role of corporates is acknowledged to help meet the SDGs. Companies can make contribution into global sustainable development through their core activities and United Nations calls all enterprises to report on their impacts on sustainable development, set ambitious goals with concerted efforts and disclose information transparently. ☞☞



The 2030 Agenda focuses on combining and balancing the three major issues of sustainability, which are issues related to economic, social and environmental issues. These three issues are addressed in a framework of commitments related to actions established under the 5 "P" elements, including:



SUSTAINABLE DEVELOPMENT STRATEGY OF BAOVIET

DIRECTIVES ON BAOVIET'S SUSTAINABLE DEVELOPMENT STRATEGY IN MID-TERM AND LONG-TERM

Identifying impacts and opportunities of sustainable development in mid-term and long-term, Baoviet engaged global sustainable development goals in development strategy by 2020, vision to 2025 based on examining implemented activities and analyzing impacts on Baoviet.



DIRECTIVES



Achievements of economic target are associated with social and environmental objective to maintain the interest harmony among related parties at present and in the future with aim at ensuring long-term sustainable development strategy at Baoviet.

Baoviet always engages economic growth with environmental protection and social responsibility - three pillars on which a long-term success of Baoviet is built. Among them, economic growth is the most important target since achievement of this goal is critical to fulfill social and environmental objectives.

COMMITMENTS FROM BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

Business development strategy goes with commitment and decision of business leaders. At Baoviet, directives and commitments of achievement of sustainable development as well as engagement of sustainable development objectives with business activities receive strong consensus from Board of directors, Board of management, middlelevel managers to employees.

Baoviet also sent a representative to join the Executive Board of the Vietnam Business Council for Sustainable Development [VBCSD] for the term of 2020- 2022, so that Baoviet will have the opportunity to update new trends. Sustainable development to integrate in more effective business strategies and activities, and at the same time pledged to join hands with the VBCSD Executive Board in annual activities

of sustainable development to promote business towards sustainable development; Promote scaling up the application of sustainability indicators within the Vietnamese business community

In addition, Baoviet also established a Standing Committee on sustainable development consists of 45 members, in which the Steering Committee consisted of the Board of Directors' Chairman, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Head of Internal Audit Block with decentralized responsibilities for each set of objectives based on 17 UN sustainable development goals and areas in which Baoviet can have the greatest impact when implementing those goals.

USING **SDG COMPASS** & **GRI STANDARDS**

IN THE IMPLEMENTATION OF STRATEGIC TARGETS

By comparing and connecting GRI Standards with Global Sustainable Development Goals (SDGs), businesses can identify key topics and manage the level of engagement between enterprise' activities with SDGs goals, and measure the results of implementing Sustainable Development Strategy at the enterprise. Accordingly, Baoviet has applied a 5-step process as guided by the SDG Compass to identify and manage key issues; Report and monitor the realization of goals, commitment to sustainable development according to SDGs and GRI Standards more effectively.



The
05-step
process
as guided at
SDG Compass
is specifically
applied by Baoviet
as follows:



Step 01 UNDERSTANDING THE SDGs

Baoviet conducts research, analysis and understanding of the SDGs to engage in business operations.



Step 02 DEFINING PRIORITIES

Identify priorities: Define the priorities of the business based on an assessment of its positive, negative and current impacts on SDGs in the value chain.

Step 01
**Understanding
the SDGs**



Step 02
**Defining
priorities**



Step 03
**Setting
goals**



Step 05
**Reporting &
communicating**



Step 04
Integrating



Step 03
SETTING GOALS

Defining goals: By aligning business goals and aligning with SDGs, management can demonstrate its commitment to sustainable development.



Step 04
**INTEGRATING
SUSTAINABILITY**

Integrating sustainability into core business operations, governance, strategy: Integrating sustainability into business operations and core governance, bringing sustainability goals into all functions of the company, is the key to achieving the set goals.
By integrating sustainability into the strategy and operations of the business, Baoviet can pursue common goals or address systemic challenges.



Step 05
**REPORTING
AND COMMUNICATING**

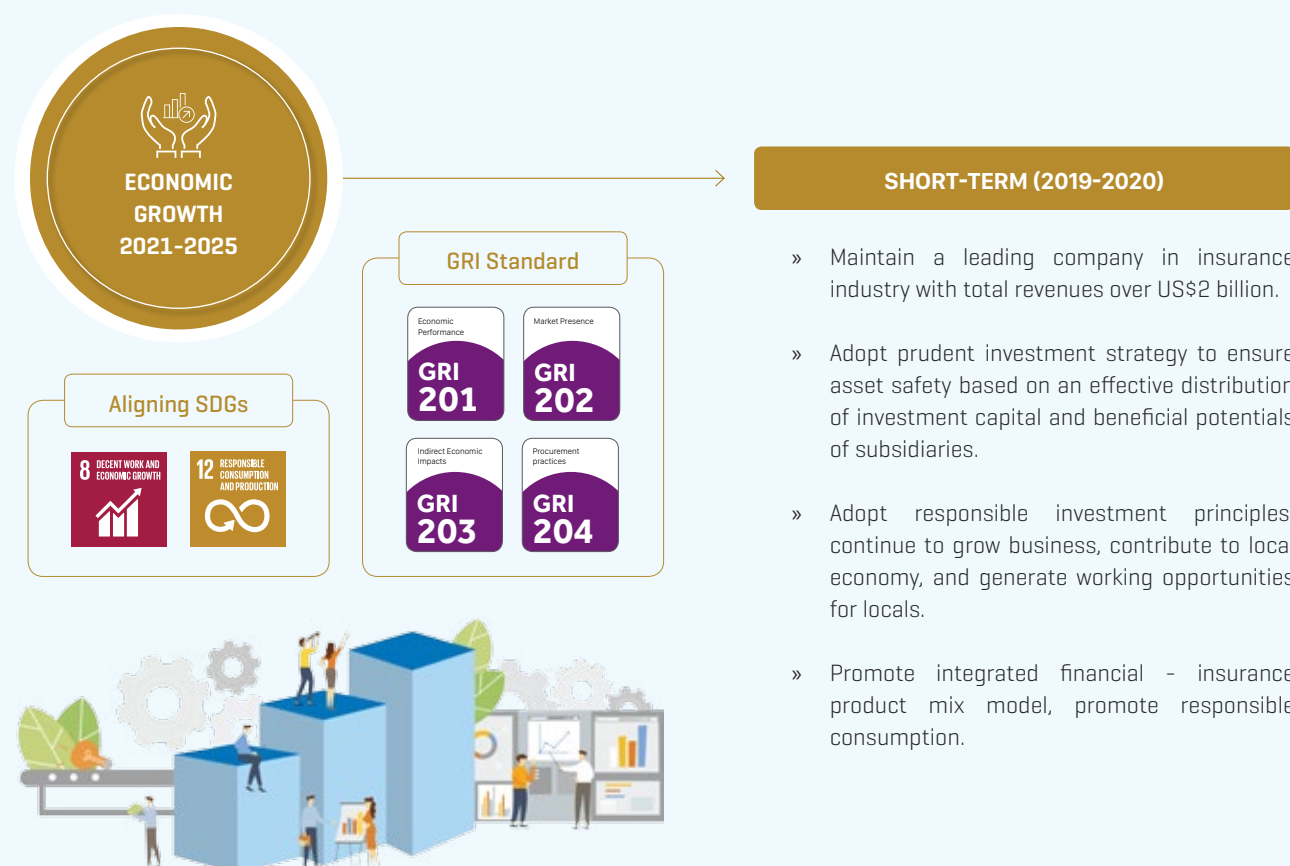
Reporting and communicating with stakeholders: With the application of SDG Compass guidelines, Baoviet can use a number of KPIs and consult the common priority groups of the international community in measuring and reporting on the effectiveness of sustainable development implementation, at the same time make reports and communicate to stakeholders.

SUSTAINABLE DEVELOPMENT STRATEGY OF BAOVIET

SUSTAINABLE DEVELOPMENT - MEDIUM AND LONG TERM



In shaping market opportunities brought about by the Global Goals for Sustainability on the basis of shared value, circular economy, and business philosophy, smart service, big data and responsible investment, Baoviet understands that successful implementation of the Global Goals is the key to opening the door to long-term business development.



In order to adjust business activities in line with the global Sustainable Development Goals, Baoviet not only integrates these goals into the process of strategic planning, business development innovation but also in every aspect of business activities, from investment, operations to marketing, brand communication, management and human resource development ... The application of this comprehensive integrated approach will broaden the strategic vision of enterprises, promoting decisions and investment activities with the expectation of

bringing benefits in the long term when the trend of sustainable development becomes the inevitable trend and entering the acceleration cycle.

Based on the specific content of the 17 sustainable development goals of the United Nations, Baoviet analyzed, selected and incorporated these objectives in directives on sustainable development strategy by 2025 including:



MID AND LONG-TERM (2020-2025)

- » Develop new financial service - insurance product package to maintain interests of investors, customers and society.
- » Maintain revenue and profit growth, return on chartered capital at over 8% and shareholders' interests.
- » Effectively control risk and cost to improve business efficiency gains.
- » Contribute to State budget through paying taxes and dividends, indirectly contribute to the implementation of the Government's social goals.
- » Maintain a leading position in reinvesting back into the economy from premium sources.

INITIATIVES

- » Enhance IT infrastructure, improve customer service to gain business efficiency.
- » Diversify financial services and products to meet customers' needs.
- » Promote sales to maintain revenue growth.
- » Focus on core businesses: insurance - investment - finance - banking.
- » Promote synergy among subsidiaries, cross-sale, and improve competitive capability.
- » Develop voluntary pension product, customized insurance package for critical illness, and promote micro insurance for low-income people.

SUSTAINABLE DEVELOPMENT STRATEGY OF BAOVIET

SHORT - MEDIUM - LONG TERM GOALS



**SUSTAINABLE
COMMUNITY
CONTRIBUTION**

Aligning SDGs



GRI
Standard

Employment GRI 401	Local communities GRI 413
Training and Education GRI 404	Customer health and safety GRI 416
Diversity and Equal Opportunity GRI 405	Products and services with a social benefit FS7

SHORT-TERM (2019-2020)

- » Mitigate income gap between urban and rural areas by investing in disadvantaged areas, especially mountainous provinces.
- » Support basic living conditions for people in disadvantaged areas to help them focus on their production to better feed themselves and their family.
- » Invest in launching insurance packages which meets diversified needs of customers.
- » Develop highly professional human resources having capability to access to modern and advanced management skills.
- » Invest in education and young generation for a bright future of the country.



**SUSTAINABLE
ENVIRONMENTAL
PROTECTION**

Aligning SDGs



GRI
Standard

Energy GRI 302
Emissions GRI 305
Environmental compliance GRI 307

SHORT-TERM (2019-2020)

- » Use energy efficiently in office buildings through rational and conscious use of energy and natural resources.
- » Increase the use of recycled products and use of devices labeled as "green". Make a shift from environmental protection awareness to accompany Baoviet in environmental activities for customers, partners and all employees.
- » Conduct supplier assessments and selection based on their social and environmental commitment.
- » Apply responsible investment principles in investment projects to ensure the implementation of Baoviet's sustainable value chain.
- » Minimize activities that generate waste and pollute the environment, contributing to improving the environment and human health.

MID AND LONG-TERM (2020-2025)

- » Narrow the income gap between urban and rural areas.
- » Invest in poor alleviation activities to improve living conditions for people in disadvantaged areas.
- » Ensure benefits and proper working environment for employees; improve income and living conditions for long-term commitment agents.
- » Invest in improving the quality of education, develop the young generation and provide financial support for poor students.

INITIATIVES

- » Implement poverty alleviation activities in accordance with Government Resolution 30A; invest in the construction of semi-boarded houses, health clinics, schools in disadvantaged local areas;
- » Organize programs that carry the message “He for She” - Men for Women at work to raise awareness about gender equality and women’s rights
- » Invest 1% of profit after tax for community activities such as support after natural disaster and war martyrs tribute;
- » Invest in human resources training;
- » Perfecting the mechanism of evaluation and payment of wages according to productivity efficiency;
- » Engage employees with community activities such as fundraising through walking events, giving winter jackets to poor children...

MID AND LONG-TERM (2020-2025)

- » Reduce usage of energy and natural resources thereby reduce greenhouse effect;
- » Reduce by 10% consumption of petrol and electricity;
- » ‘Go green’ lifestyle and promote sustainable consumption; apply 100% indicators measuring energy and water consumed in the whole Group;
- » Save paper, stationery and reduce waste in offices.
- » Minimize the amount of plastic waste in office activities.

INITIATIVES

- » Reduce greenhouse effect by reducing energy usage in buildings of Baoviet;
- » Turn off air-conditioner system after 18h30;
- » Control waste processing system in buildings of Baoviet to ensure environmental standards;
- » Review petrol and electricity consumption monthly;
- » Replace electric water heater with D.O Oil Central Heating;
- » Increase review of agreements on environment and society with suppliers and investment plans.

RESULTS OF STRATEGIC IMPLEMENTATION DURING 2016-2020



5.9%/year

Compound annual
growth rate in
2016-2020

The stock market capitalization by 2020
is forecast to be equivalent to

100% GDP

2.91%

Growth rate

Vietnam's insurance market maintains
a high and stable growth rate
in the 2016-2020 period,
with an increase in average total revenue

20% by 2020

Insurance penetration rate
by 2020 is about
Penetration rate by 2020 reached

3.5% GDP

**In 2020, in the breakout of Covid-19,
Vietnam is among the countries recorded rapid
growth rate compared to the region and the world.**



In the 2016-2020 period, the world and regional economies' movements are more complicated than forecast. The public debt crisis, the slow recovery of the world economy, the increase in risks in the financial and currency markets, and the increase in trade protectionism in many countries. In 2020, the Covid-19 pandemic broke out and spread across the globe, severely affecting economic growth. Science and technology develop rapidly, the fourth industrial revolution and the digital economy become one of the major development trends.

Vietnam's GDP growth rate in the 2016-2019 period reached 6.8%/year. In 2020, in the context of complicated developments of the Covid-19 epidemic, the growth rate will reach 2.91%; the average period of 2016 - 2020 is about 5.9%/year, Vietnam belongs to the group of high-

growth countries in the region and in the world, but lower than the input assumptions to develop the 2015 strategy. stable macroeconomic foundation, positive economic growth with inflation factors, exchange rate is managed flexibly and strictly controlled, stock market has positive growth. The stock market capitalization by 2020 is forecast to be equivalent to 100% of GDP. Government bond mobilizing interest rates [Government bonds] in the period 2016 - 2019 have decreased significantly, the average deposit interest rates have decreased by 3-5%/year across all tenors, greatly affecting investment efficiency. of insurance companies. Vietnam's insurance market maintains a high and stable growth rate in the 2016-2020 period, the total revenue will increase by an average of 20% by 2020, the insurance penetration rate by 2020 will be about 3.5% of GDP.

66 In that context, Baoviet Holdings has made great efforts to overcome difficulties and challenges to successfully implement the goals set out in the Development Strategy for the period 2016-2020, maintaining its position as the leading financial group in Vietnam. Main - Leading insurance in Vietnam, actively participating and playing an important role in being a tool for the Government to regulate and stabilize the macro-economy and financial and insurance markets. 99

FINANCIAL GOALS AND RESULTS

In 2020, Baoviet's business activities faced difficulties due to the impact of the Covid-19 pandemic, causing deposit interest rates, government bond interest rates, as well as the stock market to plummet. The cost of making provision for insurance operations and provision for securities investment at the Group increased, the investment efficiency was affected, affecting the Group's profit after tax in 2020. However, with the Through the efforts of the whole system, Baoviet Finance - Insurance Group, in the period 2016-2020, basically completed and exceeded the set targets, specifically as follows:

The results of the Group's consolidated revenue and profit targets (according to pre-reviewed data) exceeded the set strategic goals, specifically:



147,283 BILLION DONG - IN 2020

Total consolidated assets for the period 2016-2020 the average growth rate of 20.3%/year, higher than the average growth rate for the 2010-2015 term [5.5%].



1,597 BILLION DONG - IN 2020

Consolidated profit after tax for the period 2016-2020 average growth of 6.3%/year.



48,949 BILLION DONG - IN 2020

Total consolidated revenue of the whole Group in the period 2016-2020 average growth rate of 18.7%/year, higher than the average growth rate for the 2010-2015 term [10%] and exceeding the strategic target.



9% /YEAR

Average growth rate of total consolidated equity in the period 2016 - 2020

RESULTS OF STRATEGIC IMPLEMENTATION DURING 2016-2020

Results of the achievement of revenue and profit targets of the Parent Company - Baoviet Holdings in 2020

Revenue in 2020 of
Parent Company - Baoviet
Holdings



Profit in 2020
of Parent Company -
Baoviet Holdings



Ratio of profit after tax
on charter capital



Annual dividend payout
ratio fulfills strategic goals



About capital strategy



RAISING CAPITAL IN 2020
[VND BILLION]

5,000

THE GROUP ADDS CHARTER CAPITAL TO
BAOVIE INSURANCE
[VND BILLION]

900

THE GROUP ADDS CHARTER CAPITAL TO
BAOVIE LIFE
[VND BILLION]

3,000

THE GROUP ADDS INFORMATION
TECHNOLOGY INVESTMENT ACTIVITIES
[VND BILLION]

700



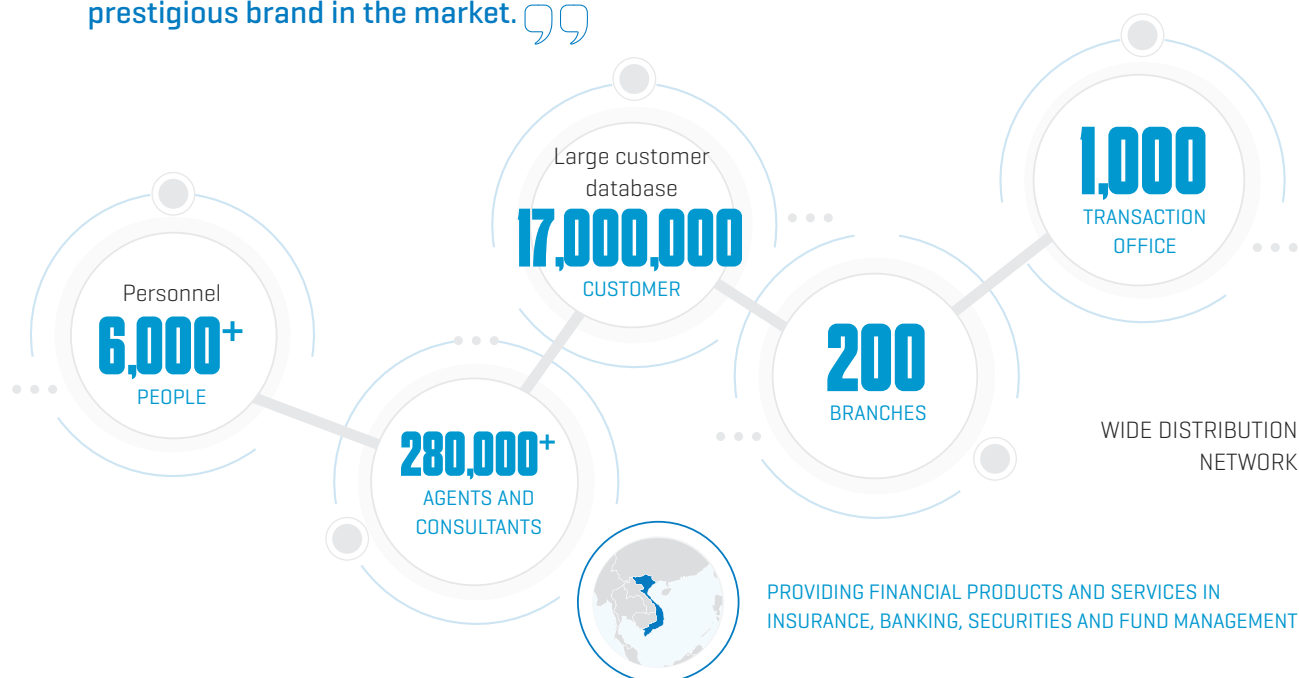
Capital mobilization: By the end of 2020, Baoviet Holdings has mobilized more than VND 5,000 billion, basically meeting the Group's business capital needs for the period 2016 - 2020. In addition, the profit is also Annually, it also contributes to the Group's business capital.

Using capital: The Group focuses on strengthening the financial capacity of units in the fields of insurance and information technology investment. Specifically, in the period of 2016 - 2020, the Group added 900 billion VND of charter capital to Baoviet Insurance Corporation, increasing Baoviet Insurance's total capital to 2,900 billion VND by the end of 2020; additional VND 3,000 billion in charter capital for Baoviet Life Corporation, increasing Baoviet Life's total capital to VND 5,000 billion by the end of 2020, ensuring solvency margin, business expansion, product development new, as a basis to promote sales activities and improve customer service. Nearly 700 billion VND has been added in the period 2016 - 2020 for information technology investment activities to help the Group and its units improve management quality, develop business, and modernize operations according to trends. technology 4.0.



STRATEGIC GOALS AND RESULTS

“ Baoviet Holdings has succeeded in comprehensive innovation in all fields, affirming and maintaining competitive advantages in the Vietnamese market in terms of the leading prestigious brand in the market. ”



In the insurance business

Baoviet maintains the No. 1 position in the market in terms of revenue and market share in both life and non-life insurance sectors (out of a total of 18 life insurance companies and 32 non-life insurance companies in the market). Vietnamese school]. In the period 2016 - 2020, BHBV and BVNT will continue to operate a centralized management model based on technology. Baoviet continuously researches and deploys modern technology applications, develops tools to support management, administration and sales on the web/Mobile platform to bring the best utilities and experience. Best for staff and customers such as: New Core software system for Baoviet Life, Quick Report, Baoviet Direct, Baoviet Pay, Eclaim, My BVLife, MyAP, BaoViet Digital Platform...



BHBV and BVNT have launched many new and breakthrough insurance products, which are available for the first time in Vietnam market (An Binh Thinh Vuong, An Hung Phat Loc, Comprehensive Accident Insurance and Medical Care, Insurance). tropical storm, Baoviet Inter Care, Cancer and Cardiovascular Diseases...). Research and develop product strategies for new channels such as Banca, Digital sales, Telesales....

RESULTS OF STRATEGIC IMPLEMENTATION DURING 2016-2020

In the investment business

Baoviet maintains the leading position in the fund management market in terms of total assets under management, AUM in 2020 will reach VND 78,457 billion. The profit rate of the trust portfolios all exceeded the expected rate of return of customers or benchmark for the period 2016 - 2020. Baoviet Fund Management Company (BVF) was awarded by Global Banking & Finance Review - The Magazine The UK's leading financial and banking reputation voted "Best Fund Management Company in Vietnam in 2018". In investment activities in the parent company and its subsidiaries, Baoviet strengthens risk management, improves investment efficiency, and develops a team of qualified and qualified staff to ensure the safety of customers. safe and effective in times of market volatility.

In the securities business

Baoviet Securities Joint Stock Company (BVSC) has been a typical and best consulting company in the M&A advisory category in the market for many years. BVSC has strengthened centralized management of high-risk operations, managed investment portfolios with priority on safety criteria, and proactively adjusted business strategies in line with the market.

Implement key projects and programs

Regarding the implementation of the Group-wide Synergy Project: Since 2015, Baoviet has focused on implementing the Baoviet Group-wide Synergy Project to unleash resources and awaken Baoviet's available potentials in terms of people, network, and ability to develop integrated products that converge with Baoviet's unique characteristics, helping Baoviet promote its overall strength on a sustainable foundation.

The Group has directed to promote the implementation of cross-selling products internally, especially between Baoviet Life and Baoviet Insurance and Baoviet Bank; enhance service quality, improve competitiveness, promote development of distribution channels, promote new product design and develop cross-sell products, use each other's services, many cross-sell products has been developed as Easy Car, Easy Life, BV Happy Life, BV Easy Car, BV Happy house; Bao An Vietnamese Family, Baoviet Tam An...



Investment and upgrading of information technology system:

In the 2016-2020 period, Baoviet has focused on building IT systems from core software systems serving member companies to satellite systems, implementing interoperability, connecting all data throughout from sales, customer service, compensation, accounting... forming a complete digital ecosystem for Baoviet Corporations and Groups. Some of the typical systems include the following:

- » **Core software system (lõi):** InsureJ software system for Baoviet Insurance, life insurance contract management system for Baoviet Life, core Fund system for Baoviet fund management company;
- » **Sales service system:** Baoviet Digital Platform of Baoviet Insurance, Sale Platform of Baoviet Life, AP - Agent portal of Baoviet Life, Online insurance sales system of Baoviet Insurance, etc.;
- » **Compensation assessment service system:** eClaim, BVcare...;
- » **System for managing distribution channels:** Agency Management System - AMS for both Baoviet Insurance and Baoviet Life;
- » **Customer portal system:** Baoviet Direct, MyBVlife.



implementing training according to the general learning map, professional learning map, online training for international professional certificates [LOMA, Anzip]; standardize the capacity map, the common learning map in the whole system; stipulate salary levels and pay ranges corresponding to each job grade and work efficiency; conduct training, improve qualifications for officials and employees according to the standards of titles, job levels and promotion roadmap.

Risk management

Continuing to carry out corporate restructuring in order to renew the governance model in general and the risk management model in particular according to international standards and practices, Baoviet Holdings has gradually improved the system. risk management from the Group to its member units, specifically: perfecting the organization and apparatus for performing risk management tasks; promulgate strategies, policies and internal regulations on risk management such as: declaration of risk appetite, Regulations, regulations on risk management...; increasing awareness of officers and employees at the Group about the role of risk management in business activities; maintaining effective risk management in order to maximize benefits, contribute to ensuring the implementation of the Group's business goals, towards sustainable development.

Communication and Marketing

Baoviet - the leading brand in the finance - insurance industry, in recent years has been evaluated in the Top 50 most valuable brands in Vietnam. According to Brand Finance - the world's leading brand valuation consulting firm, in 2015, Baoviet brand reached 79 million USD; By 2019, Baoviet brand value reached 267 million USD, up 338%.

As an enterprise listed on the stock exchange for more than 10 years, Baoviet has always been proactive and transparent in information disclosure and external communication, in order to create favorable conditions for customers, partners, and investors. investors, shareholders can access information about Baoviet's activities quickly and timely with a variety of communication channels. Since 2018, Baoviet has pioneered the development of the Workplace channel across the Group, along with the creation of a working channel, has contributed to the development of a transparent internal communication channel for officials, agents and consultants. system-wide consultant.

Innovating, improving management capacity

The Group continues to focus on perfecting the corporate governance model, supplementing and perfecting the system of regulations on the governance mechanism throughout the Group with more than 100 new regulations and procedures that have been revised/issued in the past year. period 2016 - 2020; implement solutions to strengthen the role of the Parent Company, strengthen the coordination and linkage among member units, improve the organizational structure and minimize the overlap in the administration and management apparatus in the whole system. system; consolidating a team of senior, experienced, young, enthusiastic and highly qualified leaders, bringing a new mentality to Baoviet's sustainable development.

Training and developing human resources

In order to improve the operational efficiency of the business, Baoviet continues to implement a centralized management organization from the parent company of the group to its member units; implement staff rotation, improve efficiency and productivity of staff, etc. The senior and mid-level leadership team has been consolidated, with a planning and development roadmap.

Every year, the Group organizes training programs to improve management capacity, focusing on leadership skills training in the digital era associated with fintech/insurtech application orientation at the Group; building and

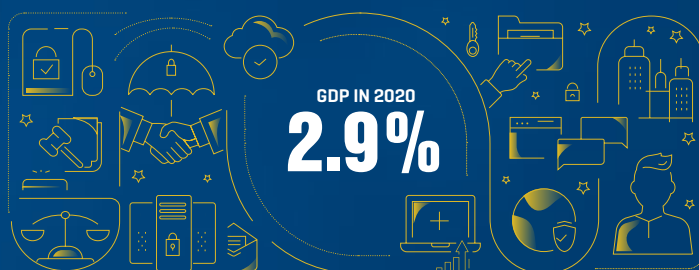
BUSINESS PERFORMANCE

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REPORT AND REVIEW OF MANAGEMENT BOARD

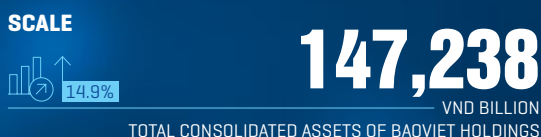
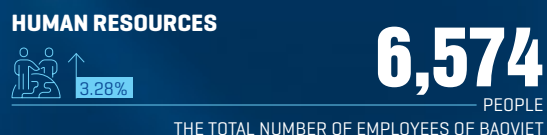
In 2020, Vietnam's economic growth slowed this year to its weakest in at least 20 years, buffeted by the COVID-19 pandemic, natural disasters and a sluggish global economy. However, the recovery of the agricultural sector, production activities and especially domestic consumption in the second half of 2020 is a bright spot and helps Vietnam become one of the few countries in the world that still maintains a positive growth rate. The above achievement comes from the Government's anti-epidemic efforts, along with appropriate monetary and fiscal expansion policies, helping to support economic growth while keeping inflation well under control and maintaining a stable exchange rate.



MACROECONOMIC CONTEXT, FINANCIAL – INSURANCE MARKETS 2020



BUSINESS PERFORMANCE IN 2020



Empowering your future



SUMITOMO LIFE

Strategic Shareholder
SUMITOMO LIFE credit rating:

A1

Moody's

A+

S&P



ECONOMIC OUTLOOK 2021



6.5-7%

The Government sets an average growth target



8-10%

GROWTH TARGET

Non-life insurance business

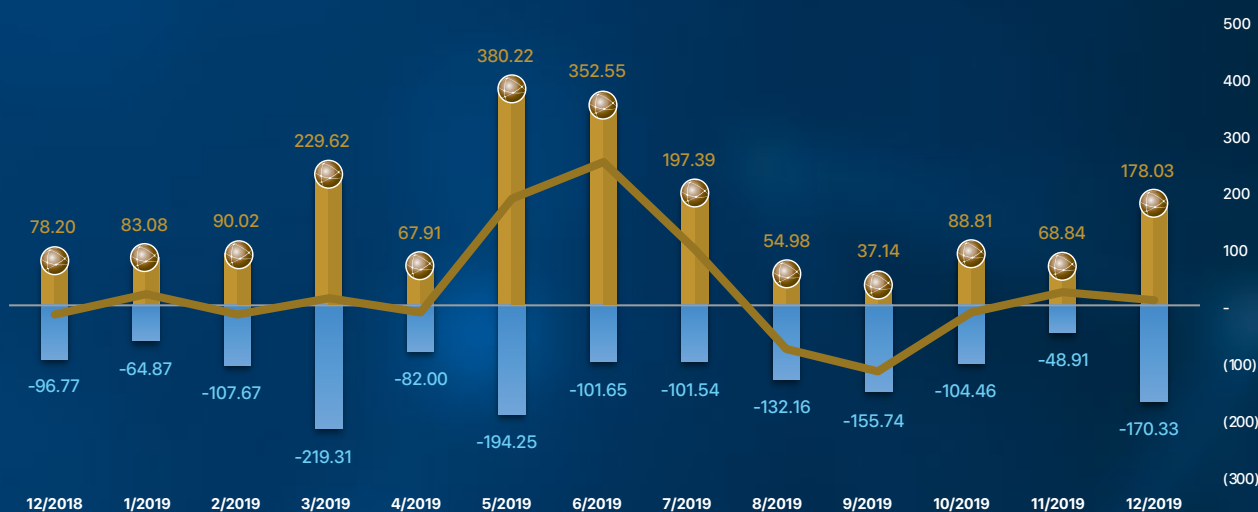


15-18%

GROWTH TARGET

Life insurance business

PERFORMANCE OF BVH STOCKS COMPARISON TO THE MARKET



BVH stock fluctuation assessment

Buy value

Sell value

Deviation

BUSINESS RESULTS OF SUBSIDIARIES

BAOVIET INSURANCE CORPORATION

TOTAL REVENUES
[VND BILLION]

11,681

BAOVIET LIFE CORPORATION

TOTAL REVENUES
[VND BILLION]

32,150

BAOVIET FUND MANAGEMENT COMPANY

TOTAL REVENUES
[VND BILLION]

118.7

BAOVIET SECURITIES JSC

TOTAL REVENUES
[VND BILLION]

564

BAOVIET INVESTMENT CO., LTD

TOTAL REVENUES
[VND BILLION]

263

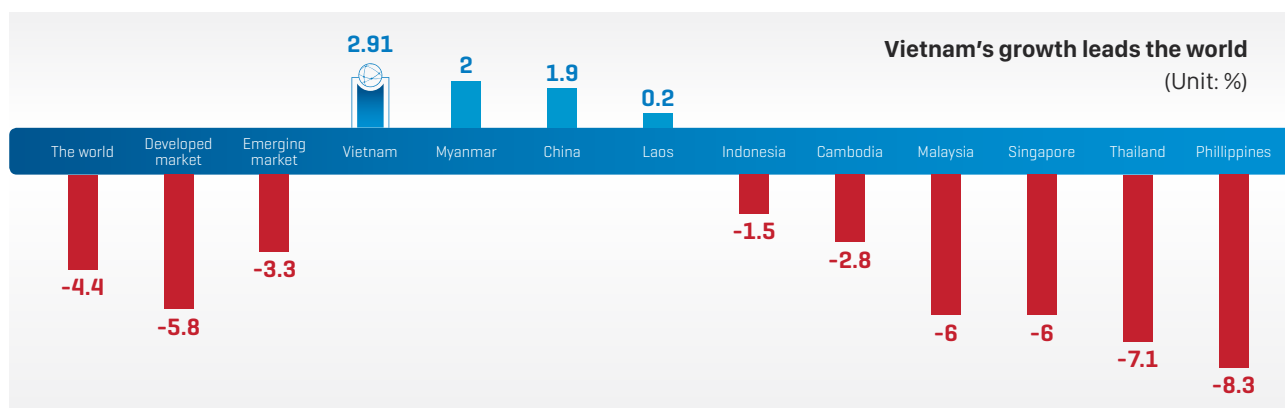
MACROECONOMIC CONTEXT, FINANCIAL – INSURANCE MARKETS 2020



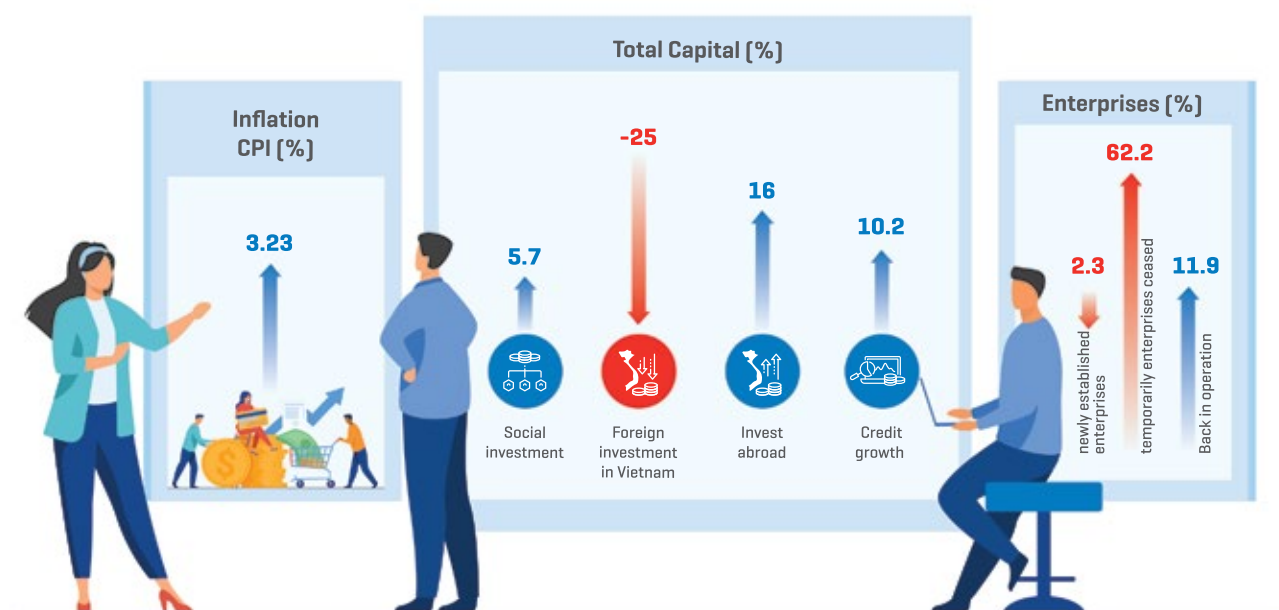
VIETNAM'S ECONOMY HAS RECOVERED BETTER THAN EXPECTED IN THE SECOND HALF OF THE YEAR AND IS ONE OF THE RARE COUNTRIES IN THE WORLD TO RECORD POSITIVE GDP GROWTH

The macro-economy is more stable, inflation is controlled at a low level, and major balances of the economy have been significantly improved. Improved growth quality; Investment efficiency and labor productivity are significantly improved. Economic growth gradually depends on resource exploitation, credit expansion; Step by step based on the application of science, technology and innovation. The currency and foreign exchange markets are basically stable; Ensure credit capital for the economy, focusing on the manufacturing sector, especially priority sectors.

Good control of the disease while taking advantage of internal factors [domestic consumption and public investment] and advantages in the value chain [exports] are factors that help Vietnam become a bright spot in the region and the world. According to data from the General Statistics Office [GSO], GDP in 2020 is estimated to increase by 2.9% YoY, the lowest growth rate in the past 20 years. However, on a quarterly basis, GDP growth in Q4 reached 4.5%, which was more positive than expected and increased sharply compared to the growth of 0.4% and 2.7% in Q2 and Q3, respectively. Regarding the structure of the economy, continue to move positively towards the trend of reducing the proportion of agriculture, forestry and fisheries; Increase the proportion of industry, construction and service sectors. In 2020, the proportion of the industrial sector increased and the proportion of the agricultural sector shrank mainly due to positive economic restructuring factors.



Source: GSO



The share of high-tech products' export value in total merchandise exports increased from 19% in 2010 to about 50% in 2020. Contribution of total factor productivity [TFP] to overall growth 10 years 2011 - 2020 reached 39.0%. The average labor productivity growth rate in the 2016-2020 period is 5.8%/year.

Regarding the quality of economy growth rate, labor productivity of the whole economy at current prices in 2020 was estimated at 117.9 million VND/employee [equivalent to 5,081 USD/employee, an increase of 290 USD compared to 2019; at constant prices, labor productivity increased by 5.4% due to an increase in qualifications of workers [the rate of trained workers with diplomas and certificates in 2020 is 24.1%, higher than that of 22.8% in 2019]. Incremental output ratio [ICOR coefficient] decreased from 6.42 in 2016 to 6.11 in 2017; 5.98 in 2018 and 6.08 in 2019. In the period 2016-2019, the ICOR coefficient reached 6.13, lower than the coefficient of 6.25 of the period 2011-2015. Particularly in 2020, due to the negative impact of the Covid-19 pandemic, production and business activities of the economy were stalled, the projects completed and put into use could not be fully utilized, so ICOR in 2020 is 14.28; on average, in the period 2016-2020, ICOR is 7.04.

THE BRIGHT SPOT FOR INVESTMENT IN 2020 BELONGS TO THE STATE SECTOR.

The growth rate of realized capital from the State budget has always maintained a positive growth rate in 2020, especially in the last 6 months of the year, reflecting the result of the determination to promote disbursement of public investment capital of the State budget. Government to support growth. According to data from the Ministry of Finance, disbursement progress has changed positively, in 11 months, public investment disbursement reached 79.3% of the plan, up 34.0% over the same period and the highest increase in 2011- 2020 period.

INFLATION IS BELOW THE TARGET SET BY THE NATIONAL ASSEMBLY

In recent years, the inflation rate has tended to decrease significantly, the average CPI in 2020 increased by 3.23%, much lower than the target of 4% set by the National Assembly. The whole period 2016-2020 the inflation rate increased by about 3.2%, decreased sharply compared to the 2011-2015 period [7.65%]. The reason that inflation continued to be stable is because the State Bank has actively managed monetary policy in a prudent and stable direction.

FISCAL POLICY

Financial discipline and the state budget has been strengthened. The structure of state budget revenue and expenditure changed positively in the direction of increasing the proportion of domestic revenue, increasing the proportion of spending on development investment and reducing the proportion of recurrent expenditure. State budget deficit decreased from an average of 5.4% of GDP in the period 2011 - 2015 to 3.5% of GDP in the period 2016 - 2019; In 2020 alone, the overspending rate is 4.99% of GDP. The ratio of public debt to GDP increased from 51.7% at the end of 2010 to 63.7% in 2016, due to mobilizing more resources to implement strategic breakthroughs in infrastructure. The public debt ratio will decrease to 55% of GDP in 2019 and increase to 56.8% in 2020, but still maintain macroeconomic stability and improve the national credit rating.

In addition to the positive developments of economic indicators such as budget deficit, public debt decreased, trade balance turned to trade surplus, and inflation rate remained low, the economy has improved significantly in investment efficiency and competitiveness.

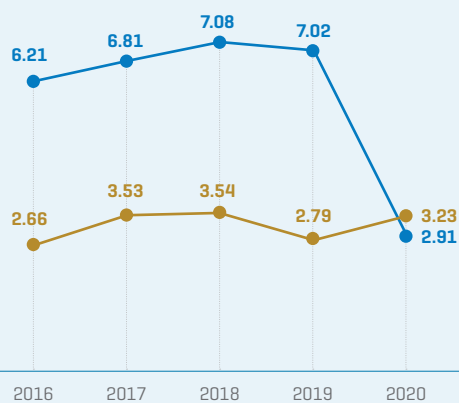
These factors will continue to grow in the coming time and maintain an important role for macro stability.

REPORT AND REVIEW OF MANAGEMENT BOARD

INDICATORS OF THE ECONOMY

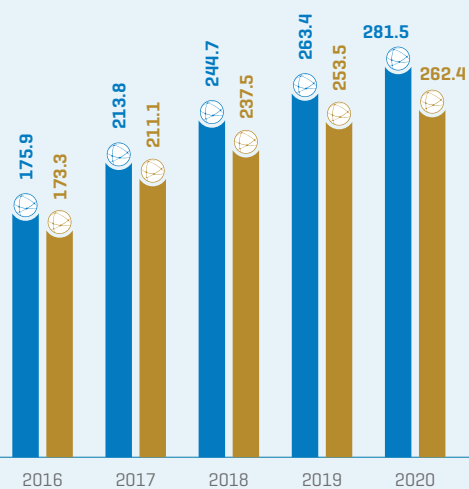
GDP growth

Unit: %
● GDP ● CPI



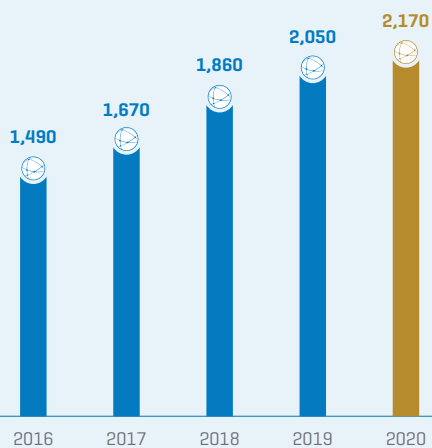
Import-export

Unit: USD billion
● Export ● Import

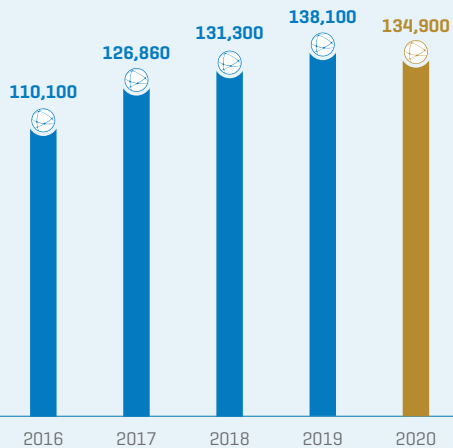


Total government revenues

ĐVT: Nghìn tỷ đồng



Newly registered business



INSURANCE MARKET



In the context of the Covid-19 pandemic, the insurance market in 2020 still maintains its growth rate due to the support of the government and the efforts of insurers.



THE INSURANCE MARKET PREMIUM
IN 2020
[VND billion]

184,662

INCREASE OF **15%** COMPARED
TO 2019



TOTAL AMOUNT OF REINVESTMENT
INTO THE ECONOMY OF INSURERS
IN 2020
[VND billion]

460,457

INCREASE OF **22,3%** COMPARED
TO 2019

In November 2020, the Ministry of Finance issued Circular No. 89/2020/TT-BTC amending and supplementing 4 circulars in the insurance business, including the revised content on setting up professional reserves help insurers reduce the pressure on capital in the short term and have the right time to implement overall financial plans, stabilize business in the context of a sharp decrease in investment interest rates and government bond interest rates and the Covid-19 pandemic is still unpredictable. The Ministry of Finance has also implemented solutions to support the insurance market such as reducing the deduction for the Protection of the Insured Fund in 2020 from 0.15% to 0.05% of the total insurance premium; extending and postponing the inspection plan for insurers to 2021...

In 2020, insurers have actively adapted to the new situation: reviewing and cutting costs to improve operational efficiency, supplementing charter capital to strengthen financial capacity and expand distribution channels. .. Insurers also increased investment in information technology and digital transformation to improve service quality and customer experience.

According to data from the Department of the Insurance Supervisory Authority - Ministry of Finance, the insurance market premium in 2020 is estimated at VND 184,662 billion, an increase of 15% compared to 2019. The average growth in the period 2016-2020 is 20.5%/year.

The insurance market currently has 70 insurance businesses, including 32 non-life insurers, 18 life insurers, 02 reinsurers, 18 insurance brokers and 01 branches of foreign non-life insurer. In the period 2016-2020, the financial capacity, management ability and risk management of insurers are constantly being improved.

Total assets of insurers in 2020 are estimated at VND 552,403 billion, up 21.5% compared to 2019, of which, total assets of non-life insurers are estimated at VND 95,949 billion, accounting for 17.4%, total assets of life insurers are estimated at VND 456,454 billion, accounting for 82.6%.

The total amount of reinvestment into the economy of insurers in 2020 is estimated at VND 460,457 billion, up 22.3% compared to 2019.

Total insurance reserve was estimated at VND 355,240 billion, up 24.2% over the previous year; Total equity of insurers is estimated at VND 113,523 billion, up 27% compared to 2019.

Insurance payouts of insurers in 2020 is estimated at VND 48,233 billion, of which non-life insurers pay an estimated VND 23,108 billion, and life insurers pay an estimated VND 25,115 billion.

THE NON-LIFE INSURANCE MARKET CONTINUED TO GROW POSITIVELY

Baoviet General Insurance ranked No.1 in the market in terms of gross written premium, continuing to affirm its role as a leading insurers in the market



The main growth drivers of Vietnam's non-life insurance market during this period came from retail operations such as health insurance and motor vehicle insurance. The average growth rate for the period 2016-2019 of health insurance and motor vehicles insurance is 21.4% and 10.5%, respectively. The market share of health insurance and motor vehicle insurance accounts for more than 63% of the market share of direct premium.

Commercial insurance operations still face many difficulties in the period of 2019-2020 such as P&C insurance, insurance of goods transported, hull and P&I insurance, so the market share tends to decrease.

In 2020, most of the insurance companies in the Top 5 have increased their foreign room to 100%, including PVI, Bao Minh, PJICO and PTI. In the past year, PVI has increased its charter capital to VND 3,100 billion, the largest in the non-life market.

In terms of market share of direct premium, BVGI maintained its No. 1 position in the market. According to estimates of the Insurance Association of Vietnam (IAV), the market share of BVGI in 2020 will account for about 17%, continuing to keep the gap with PVI (market share accounts for 13.8%).

The outstanding advantage of BVGI over competitors is the network of 79 member companies spread across the country with human resources who have market knowledge, experience and seniority in the insurance industry.

BVGI has focused on consolidating and transforming to a centralized management model, streamlining the apparatus, successfully investing in technology and developing applications. BVGI is one of the leading insurers in research and application of digital technology along the value chain (Baoviet Direct, Baoviet Digital Platform, eClaim system, Baoviet Agency, ...) to promote growth, increase differentiation, and increase access to diverse needs of customers in the digital age, supporting business activities.

According to data from the Department of the Insurance Supervisory Authority - Ministry of Finance, non-life insurance market's direct premium in 2020 is estimated at VND 57,102 billion, up 8% compared to 2019. The average growth in the period 2016-2020 is 11.5%/year.



NON-LIFE INSURANCE MARKET'S DIRECT PREMIUM
IN 2020
[VND billion]

57,102

UP 8% COMPARED TO 2019

THE MAIN GROWTH DRIVERS OF
VIETNAM'S NON-LIFE INSURANCE MARKET DURING
THIS PERIOD CAME FROM RETAIL OPERATIONS:

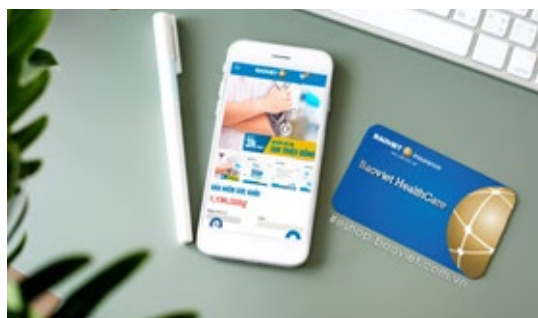




Non-life insurers promote investment in the application of digital technology in business and administration activities to optimize management and administration capacity, reduce risks, improve customer service quality, and quickly access customers. BVGI and PTI are two leading non-life insurers in investment, development and application of IT.

BVGI researches and deploys many new technology applications such as Baoviet Direct, Baoviet Pay, Baoviet Eclaim.... help search and access information quickly and efficiently, saving time for customers while increasing security and system management. Cooperate with technology partners and foreign partners to provide health insurance on digital platforms [Baoviet Mydoc], develop many new products applying 4.0 technology [Travel Easy, Flight Easy, Gadget Easy and E-cargo Policy]... For E-cargo Policy, customers will be fully active in purchasing, registering, managing and tracking their insured orders through online software.

PTI established PTI Digital on two platforms: telesales and cybermarketing; Cooperation with INSO – Insurtech owns an application to buy insurance, claim online; Cooperate with FASTGO ride-hailing application that integrates insurance for customers and drivers. In addition, PTI cooperates to deploy bancassurance with LienVietPostBank to distribute home and motor vehicle insurance with a completely online process. Deployment of MyPTI application: applying location technology to coordinate surveyors to the scene to support customers through an automated system, minimizing customer waiting time, thereby minimizing settlement time claim file [15 minutes].



REPORT AND REVIEW OF MANAGEMENT BOARD

LIFE INSURANCE MARKET MAINTAINS HIGH GROWTH IN THE CONTEXT OF THE COVID-19 PANDEMIC

BVL continues to lead in terms of total premium.



Life insurance market's total premium in 2020 is estimated at [VND billion]

127,560

up **19.6%** compared to 2019



New business premium is estimated at [VND billion]

40,179

up **19.5%** compared to 2019



IN THE 2016-2020 PERIOD

Total premium has grown at an average rate of

26.1% /YEAR

New business premium has grown at an average of

23% /YEAR



Life insurers continue to promote investment insurance products, especially universal life products. The unit-linked product is also initially exploited by insurers. The market share of investment products that accounted for 41.8% in 2016 increased to 61% in the first 9 months of 2020.

The downward interest rate trend in the period 2016-2020 has had a great impact on the operations of life insurers

They have shifted their product structure to product lines that are less sensitive to interest rate fluctuations, at the same time, reduce the committed interest rate for both existing and new contracts, and adjust product characteristics to minimize possible risks.

Insurers also focus on promoting the renewal/development of rider products related to health, hospitalization support and critical illness support to increase the competitiveness and attractiveness of the main product.

BVL continues to maintain the number 1 position in the market in terms of total premium. According to estimates of the IAV, the market share in 2020 of BVL is about 21.2%, that of Prudential is 19.8% and Manulife is 15.4%. In the period 2016-2020, BVL grew at an average rate of over 19%/year, followed by Prudential with the 2nd position in terms of market share with an average growth rate of over 17%/year.

In terms of new business premium, Manulife excels in the period 2016-2020 with an average growth of 35%/year, followed by Dai-ichi and AIA with an average growth of over 23%/year.





In order to both achieve premium growth, expand market share, meet new regulations and respond in a low interest rate environment, life insurers have been implementing many key solutions such as:



1. Charter capital increase
2. Product restructuring
3. Cost management
4. Investment strategy change
5. Review and adjustment of reinsurance program,... to enhance solvency margin
6. Use of owner's fund to the profit sharing fund to ensure sufficient payment capacity...

2020 is the year witnessing many large charter capital increases and bancassurance cooperation of life insurers (FWD, Manulife and Sunlife).



FWD increased its charter capital from VND 3,675 billion to VND 13,937 billion in March 2020, acquired VCLI and signed an exclusive 15-year bancassurance partnership with Vietcombank. At the end of December 2020, FWD continued to increase its charter capital to VND 15,174 billion, the largest in the market.

In April 2020, Manulife increased its charter capital to VND 13,095 billion from VND 9,695 billion, signed a 16-year exclusive bancassurance partnership with Vietinbank in December 2020.

Sunlife increased its charter capital from VND 2,570 billion to VND 5,070 billion in early 2020, signing an exclusive 15-year bancassurance partnership with ACB in November 2020. In January 2021, Sunlife continued to increase its charter capital to VND 14,380 billion. With this charter capital increase, Sunlife becomes one of the largest charter capital life insurers operating in Vietnam.

Charter capital of life insurers in Vietnam (VND billion)t

No.	Insurer	31/12/2017	January 2021
1.	FWD	2,015	15,174
2.	Sun Life	1,520	14,380
3.	Manulife	5,720	13,095
4.	Dai-ichi Life	5,400	7,700
5.	Generali	3,523	6,852
6.	Cathay life	3,343	6,121
7.	Baoviet Life	2,500	5,000
8.	Prudential	1,136	4,949
9.	Hanwha Life	1,891	4,891
10.	AIA	3,224	3,224
11.	Aviva	2,557	2,856
12.	Mirae Asset Prevoir	1,079	2,158
13.	Phu Hung life	888	1,523
14.	MB Ageas Life	1,100	1,500
15.	Fubon Vietnam	1,400	1,400
16.	Chubb Life VN	1,245	1,384
17.	BIDV Metlife	1,000	1,094
	Total	39,541	93,301

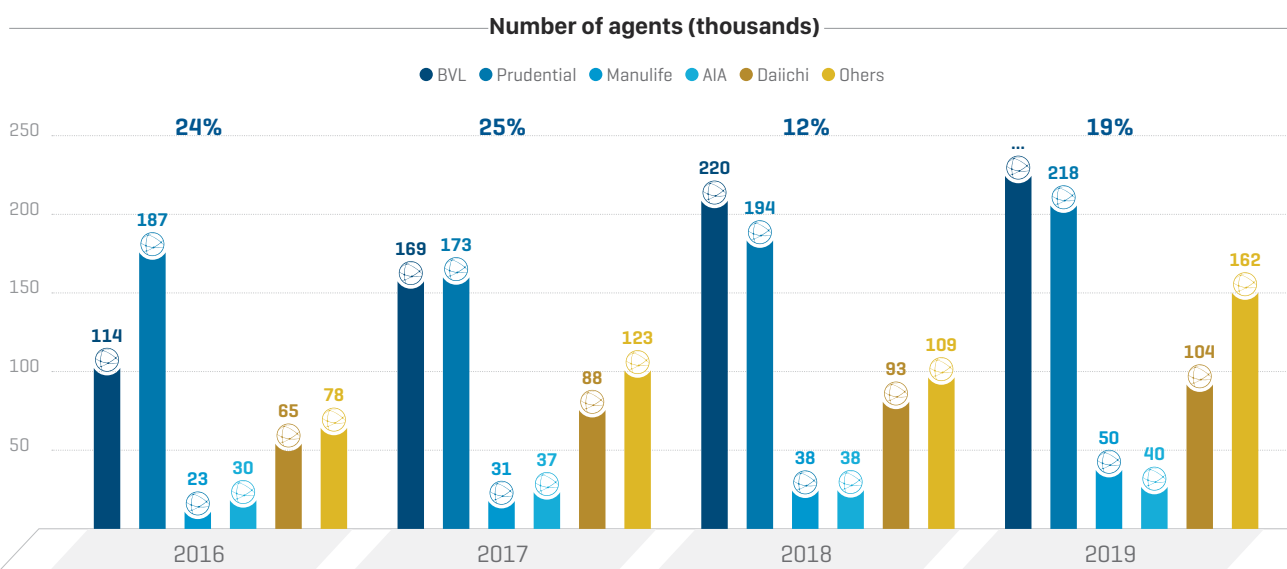
Source: Compiled by Strategy Department - BVH

REPORT AND REVIEW OF MANAGEMENT BOARD

The period 2016-2020 witnessed the increasingly strong development of distribution channels, especially the traditional agency channels, bancassurance channels and digital channels, creating a huge development motivation for the growth of life insurance premium.

The number of life agents is estimated to grow at an average rate of 13.8% per year in the period 2016-2020. Bancassurance channel is increasingly becoming an important distribution channel in the life insurance market.

In the first 9 months of 2020, market share of new business premium through banca channel accounted for 30%. The insurers with a high number of new business policies through banca channel are the Top insurers such as Prudential, Manulife, AIA and insurers are subsidiaries of the bank [BIDV Metlife, MB Ageas]. New business premium from bancassurance channel is forecasted to increase in proportion.



Market share of bancassurance new business premium in 2019

Insurer	Banca new business policy	Banca new business premium [VND million]	Market share of banca new business premium
BVL	3,348	34,344	0.6%
Prudential	151,305	2,008,622	36.9%
AIA	92,912	1,576,788	40.3%
Manulife	62,373	1,694,795	27.7%
Dai ichi	181,337	1,630,135	34.8%
Mirae Asset Prevoir	172,265	228,458	99.2%
BIDV Metlife	19,082	360,859	99.7%
MB Ageas	446,739	1,480,382	91.5%
Life market	1,231,478	10,144,364	29.4%

Source: IAV





Insurers now have almost completed the closed process on the technology platform from selling products, appraising contracts, issuing applications, tracking claims process, etc., thereby providing a comprehensive experience for customers. Some customer care services are technologized with investment through websites, social networks or chatboxes...

BVL has digitized the process of claiming insurance and issuing contracts, minimizing contract issuance time, and shortening the process of settling insurance benefits with a time of 15 minutes - the shortest currently, launching the program Loyalty is based on blockchain technology, increasing customer experience.

Prudential completes the digital ecosystem with the health care application Pulse by Prudential; Manulife with eClaims automates the identification and evaluation of customer information; Sunlife with SunSmart and SunFast tools to support consultants to sign contactless insurance contracts; Chubb Life with SmartAgency virtual assistant supporting consultants; FWD issues electronic insurance policies and stops issuing paper contracts; Going to the goal of 100% paperless is also the strategy of Manulife, Chubb Life and Prudential in 2021.

BANKING - FINANCE – MONEYTARY MARKET

“ The State Bank of Vietnam [SBV] has actively and flexibly operated the monetary, the SBV cuts operating interest rates to support the macro economy. ”



POLICY RATES [VND (12/2020)]

REFINANCING INTEREST RATE

4%

REDISCOUNT RATE

2.5%

DEPOSIT INTEREST CEILING RATE

0.2%

DEPOSIT INTEREST CEILING RATE

4.25%



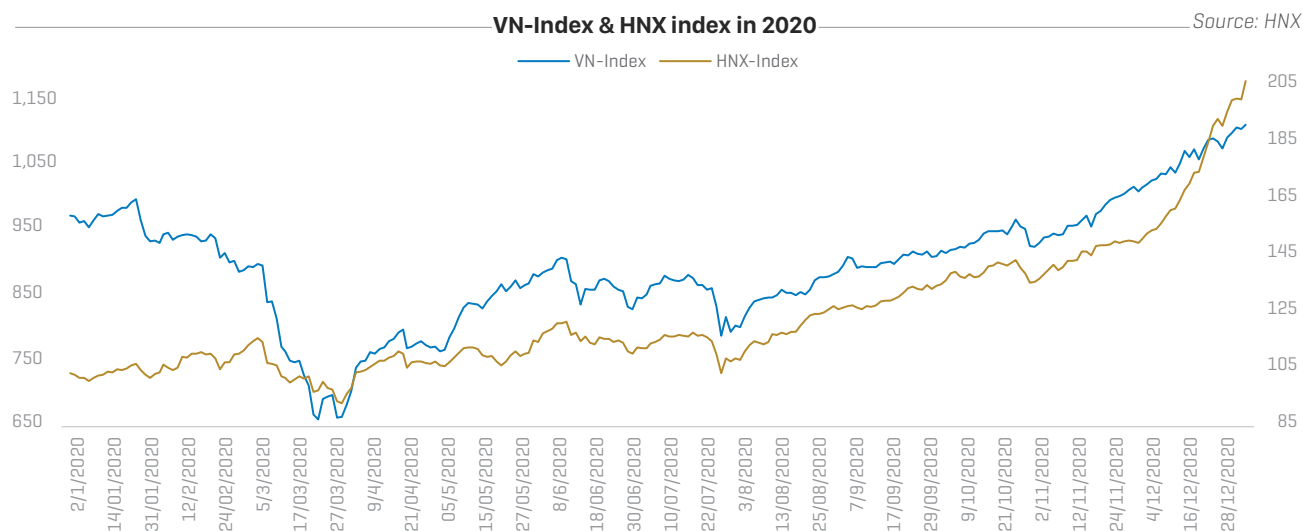
Monetary policy in 2020 has shifted towards more easing

To cope with the Covid-19 epidemic and stimulate credit demand, the SBV decided to lower the operating interest rate 3 times in March, May and October with a total reduction of 150 bps for the refinancing rate, as well as the refinancing rate such as lowering the ceiling deposit interest rate under 6 months from 80-100bps. In addition, the State Bank has postponed the tightening of the ratio of short-term capital for medium and long-term loans for one more year so that banks are not under pressure to restructure capital in the context that commercial banks have to support businesses facing financial difficulties of liquidity, through the reduction of lending interest rates, debt rescheduling and debt restructuring. Overall, the SBV's monetary policies to deal with the Covid-19 epidemic are still milder than those of other countries in the region and mainly use resources from commercial banks. We consider these policies to be relatively suitable to the economic conditions of the SBV, with controlled loosening in order to avoid future consequences such as bad debt and asset price bubbles like in 2009 – 2011.

Liquidity of banking system in 2020 remained abundant, especially in the last 6 months with the difference between M2 and credit always remained at a high level. This development is mainly due to: 1) the epidemic caused credit demand to weaken significantly because businesses were facing many difficulties and had to narrow their production and business activities. Credit growth as of December 21, 2020 reached 10.1%, lower than the rate of 12.4% in the same period in 2019 and 2) the SBV performed foreign currency purchases to supplement foreign exchange reserves with an estimate of 15 Billion USD, equivalent to pumping nearly 350 trillion dong into the market. Excess liquidity has caused interbank interest rates and government bond rates to remain low since May 2020. As a result, deposit interest rates also dropped sharply, with a decrease of 150-300bps for terms. Lending interest rates have a slight decrease, about 50-100bps, mainly due to the request to reduce from the State Bank to support businesses facing difficulties after the epidemic.

STOCK MARKET

🗨️ The market size of stock market maintained its growth momentum to nearly 5.3 million billion VND [\$228 billion], up 11% compared to the end of 2019, thereby fulfilling the target (70% GDP) set in the stock market development strategy until 2020. 🗨️



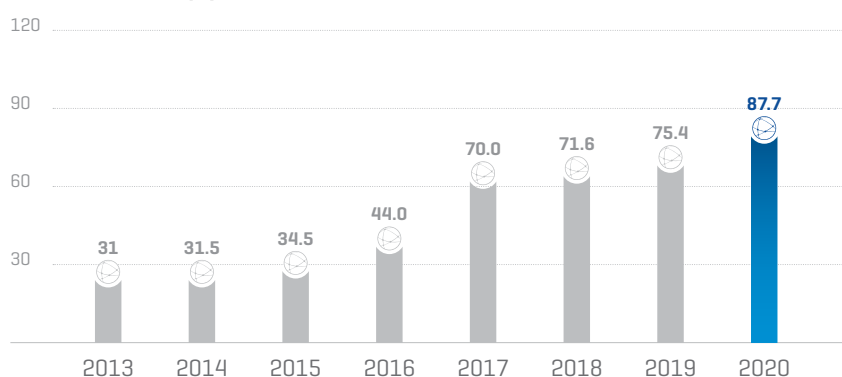
Closing the last trading session of 2020 (December 31), the VN-Index reached 1,103.87 points; HNX-Index reached 203.12 points. Thus, compared to the last session of 2019, the VN-Index and HNX-Index increased by 14.87% and 98.15%, respectively, compared to the end of 2019. Compare to the bottom session in 2020 (March 24, VN-Index reached 659.21 points), the VN-index recovered to 67.5%; Compared to the session HNX-Index made the bottom (on March 30, HNX-Index reached 93.28 points), this index recovered to 117.8%.

At the last trading session of 2020, Vietnam's stock market capitalization reached nearly 5.3 million billion VND (228 billion USD), an increase of 523,594 billion VND (11%).

The first quarter of 2020 was the VN Index's strongest quarter since August 2001 due to Covid-19 becoming a global pandemic. However, thanks to the success in disease control and the early end of social isolation, the recovery trend prevailed throughout the 2nd, 3rd and 4th quarters, the increasing score and improved liquidity showed optimism. Investor's perspective on economic prospects.

The sharp decline of VnIndex in February and March has created a stock element at an attractive price. The two factors of cheap stocks and falling interest rates have attracted many new investors to the market, helping the Vnindex quickly recover and surpass the closing level of 2019. With a strong recovery of the stock market and a record low interest rate, money flowed strongly into the securities investment channel. The market recorded an unprecedentedly high level of new investor participation in history. The strong participation of new investors also pushed market liquidity to a record level with the trading session reaching nearly VND 23,562 billion on both exchanges on June 15, 2020. The matching value also continuously reached more than 10,000 billion VND/session in December 2020.

The market size (%)



From the beginning of December 2020, Vietnam stock market officially became the market with the largest proportion in the basket of frontier markets (Frontier Markets) according to the classification system of MSCI. This is due to the Kuwait market being upgraded to the "emerging" group. According to the roadmap to increase the proportion, the Vietnamese market by the end of 2020 will reach 15.76%, the largest in the group of frontier markets of MSCI. By the end of 2021, the proportion of the Vietnamese market will reach 28.76%. The fact that Vietnam's stock market occupies the highest proportion in the MSCI frontier market group will attract a large amount of capital from investment funds that follow the MSCI Frontier Markets 100 Index.

REPORT AND REVIEW OF MANAGEMENT BOARD

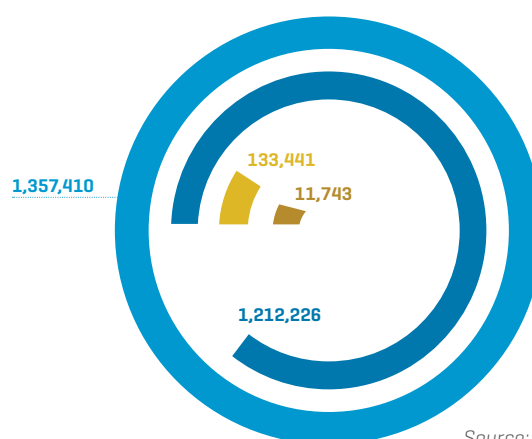
BOND MARKET

In general, the bond market in 2020 has received huge support from the monetary policy when the state bank pumped a significant amount of dong into the market.

Winning interest rates fell sharply. The State Treasury exceeded the issuance plan after the upward adjustment. State Treasury promotes issuance of 10Y and 15Y.

Structure of outstanding bonds as of the end of December 2020

● Total bond (100%) ● Government bond (89.3%)
● Government-guaranteed bonds (9.83%) ● Local government bonds (0.87%)



Source: VBMA, KBNN

Statistics in 2020 have VND 350,227 billion (+62.69% yoy) of bonds mobilized. Specifically, the issuance volume of State Treasury bonds, Vietnam Development Bank bonds, and Social Policy Bank bonds respectively reached VND 323,953 billion, (+63.8% yoy), VND 21,900 billion respectively. (+58.73% yoy), and VND 4,375 billion (+18.18% yoy). Government bond investment demand increased sharply in 2020, reflected in the bidding volume of the whole market, 2.54 times higher than the bidding volume, although slightly down from 3.22 times in 2019 but still higher than 2.23 times in 2018. 10 years-tenor and 15-year tenors are popular mobilizing terms

Term	2020 Plan	Winning Volume	% 2020 Plan
5Y	15,000	13,670	91.13%
7Y	10,000	1,730	17.30%
10Y	127,000	135,648	106.81%
15Y	125,000	131,563	105.25%
20Y	29,000	27,915	96.26%
30Y	24,000	22,561	93.82%
Total	330,000	333,042	100.92%

Interest rates on the primary government bond market started a continuous downward cycle

The average deposit rate has decreased from 4 to 6%/year across all tenors. In which, there is a sharp decrease in 5-year tenors [down from 10.49%/year in 2009 to 1.35%/year in mid-December 2020]; 10-year tenor [down from 9.7%/year in 2009 down to 2.32%/year as of mid-December 2020. Long tenors over 15Y are also maintaining low interest rates.

Interest rates on the primary government bond market will continue to decrease when:

[1]

Interbank liquidity is stable;

[2]

Inflation is controlled;

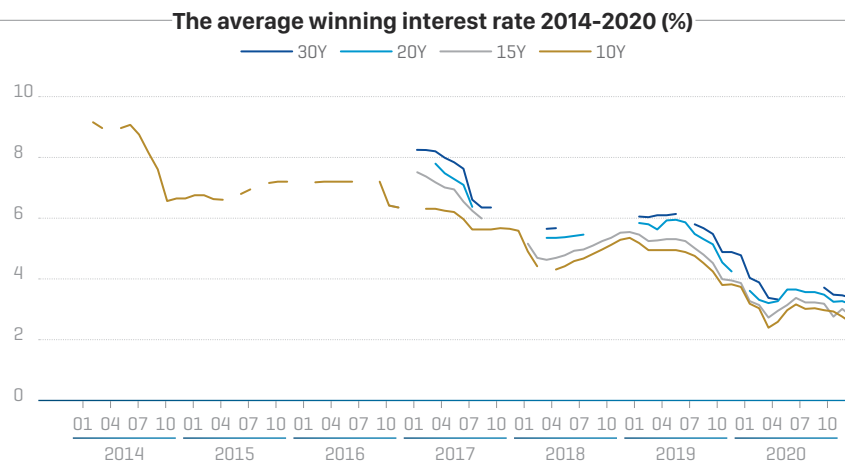
[3]

The number of maturing government bonds continues to be relatively high;

[4]

Demand for investment in risk-free assets continues to grow amid existing uncertainties.

The State Treasury continued to succeed in pushing up the issuance tenor and at the same time reducing the average interest rate on the bond portfolio (2020 term average: 10.48Y; Average interest rate: 4.98%). The downtrend prevails in the context of the situation. global monetary policy easing along with the upward trend in asset prices.



Source: HNX

Corporate bond market

In 2020, the total value of successfully issued corporate bonds is VND 368 trillion, up 24% compared to 2019.

The average maturity of bonds issued in 2020 is 4.07, not much changed compared to 2019. Financial institutions and real estate companies are still the two types with the largest bond issuance value in the year.

Real estate businesses are the largest issuers in the market due to:

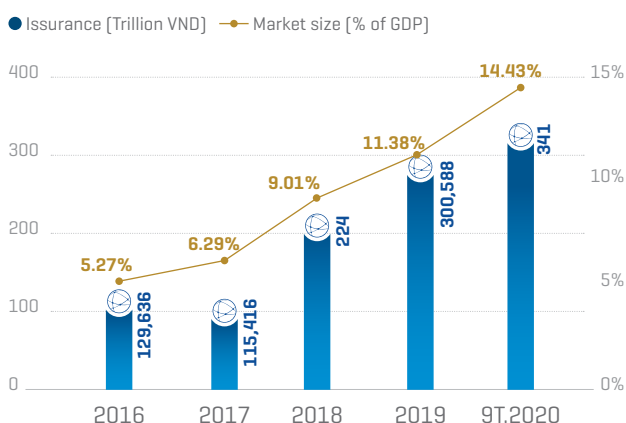
- (1) The orientation of the State Bank in promoting the transition to a sustainable credit structure, keeping a moderate proportion in the real estate lending sector;
- (2) Real estate businesses want to increase their autonomy in capital sources through bond issuance;
- (3) The advantage of mobilizing through bonds is that the mobilization is highly concentrated and does not depend on project progress.



Commercial banks promote bond issuance to meet safety ratios:

- (1) The requirement to meet Basel II standards causes many commercial banks to continue to choose to issue bonds to increase tier 2 capital, from there. Improve the CAR coefficient. According to statistics, banks issue the largest volume of bonds with maturities from 5-15 years;
- (2) At the same time, improve medium-long-term capital, thereby meeting the ratio of short-term capital for medium-long-term loans.

Size of Vietnam corporate bond market (%GDP)



REPORT AND REVIEW OF MANAGEMENT BOARD

REAL-ESTATE MARKET

In 2020, the Vietnamese and global economy will be heavily affected by the Covid-19 epidemic. Real estate and construction are also in the group of industries facing many difficulties and needing support. However, the real estate market also gradually adapts to the challenges of the context to hold out and seize opportunities, continuing to create attractiveness for investors.

According to experts, the real estate market in 2020 is in decline, not in terms of supply and real estate transactions; Adjust in difficulty with adjustments in segment, size and quality to adapt to the market; In difficult times, real estate participants have had previous experience, so they are ready to make a breakthrough when conditions are over, and when the Party and government organizations are stabilized.

Since November 2020, tourism and resort real estate has shown signs of returning and is on the way to recovery, especially in localities with great potential and room for development such as Van Don, Ha Long, Quy Nhon, Ninh Thuan...

In addition to the market's confidence, the fact that banks pushed deposit interest rates down to a record low made money flow strongly to the real estate investment channel. At the same time, the bank also cooperates with investors to launch a series of attractive incentives in large, real-value, high-liquid projects of reputable investors. In addition, the end of the year is a time to accelerate for real estate corporations to complete the set business targets. Those are the main reasons why the real estate market is becoming active after a long period of silence.





The global economy in 2021 is forecasted to continue to face many difficulties, major economies will fall into recession, difficult to recover in the short term, and the world economy will need at least 2-3 years to recover. Restore the growth rate of the time before the epidemic broke out and spread. In 2021, the epidemic is still persistent in the world, but its shock impact is no longer or significantly reduced. Other factors affecting economic growth and world trade have not yet fully returned to the way they were before the epidemic. Therefore, it is likely that the general picture and general trend of world economic growth and trade in 2021 will be basically the same as in 2020.

In its January 2021 report, Worldbank lowered its forecast for world economic growth to only 4% in 2021. The epidemic is still complicated and may become more serious when the Covid-19 strain has passed. Appeared with a faster rate of spread, more difficult to control, while vaccination campaigns against COVID-19 were stalled.

In Vietnam, 2021 is of special significance, being the year of organizing the 13th National Congress of the Party, the election of the XV National Assembly, the election of the People's Councils at all levels and the first year of implementing the Strategy. 10-year socio-economic development strategy 2021-2030, 5-year socio-economic development plan 2021-2025 and 5-year plans in various fields according to resolutions of the Party and National Assembly. In the next five-year plan, the Government sets an average growth target of 6.5-7%. It is worth noting that the GDP scale in this period is adjusted, different from the previous periods [adjusting GDP scale makes GDP 27% higher in 2020 because the economic sector that has not been observed is included in the GDP scale], so this high base growth is forecast to be very positive.

Macroeconomics of Vietnam 2021 is the first year of implementing a 5-year strategy with 2 phases: 2021-2022 [recovery period] and 2023-2025 [acceleration]. Therefore, for 2021, the Government will continue to loosen monetary policy and implement an expansionary fiscal policy. The budget deficit will continue to be high, even in absolute terms as GDP at current prices is adjusted to increase.

In this context,

Baoviet Group identifies opportunities and challenges as follows:



REPORT AND REVIEW OF MANAGEMENT BOARD



MACROECONOMIC

According to the Resolution No. 01/NQ-CP on major tasks and solutions guiding the realization of the socio-economic development plan in 2021, the target is: GDP in the 2021 Plan of the National Assembly increased by 6%, the Government's target for 2021 is about 6.5% compared to 2020, the average CPI is controlled below 4%.

The situation of the Covid-19 epidemic is still complicated, affecting Vietnam's economic growth. BaoViet Group offers 2 growth scenarios for Vietnam's economy:

Base scenario: Expect the Covid epidemic to be relatively well controlled in Vietnam. The vaccine is currently available but not widely available. Therefore, service, tourism and accommodation activities cannot recover like before the epidemic, and the opening of international routes will also be limited to the group of countries that have good control of the epidemic. Vietnam's GDP growth forecast in 2021 is ~6.5%. Growth factors include domestic consumption, the recovery of manufacturing activities, FTAs, and the return of FDI inflows.

Negative scenario: The epidemic is still complicated and may become more serious when the Covid-19 strain has appeared with a faster rate of spread and is more difficult to control. In Vietnam, a complicated outbreak of the disease was only controlled in the second half of 2021, the disease in many countries around the world did not improve much, although efforts to bring vaccines to life have taken place, but

effective to the population has not yet reached a large scale worldwide. Trade activities continued to be stalled, domestic consumption decreased as people prioritized savings, changed consumption behavior in the context of economic difficulties. Travel around the world has not yet recovered. Therefore, accommodation and food services have no motivation to recover due to the lack of foreign tourists, while domestic demand is limited due to the epidemic. Vietnam's GDP growth forecast in 2021 is 4-4.5%.

Vietnam's economic dynamics maintain high and stable growth in the coming time:

- (1) Young population, rapid increase of middle class, urbanization rate by 2030 is 43%;
- (2) Private investment instead of the state plays a key role;
- (3) Vietnam is in the top 3 destinations of foreign investors;
- (4) Economic integration: Vietnam is the top 8 most open economies in the world;
- (5) Faster transformation of the growth model according to productivity, quality and efficiency with the main driving force being science, technology and innovation.





INSURANCE MARKET

“ With the current situation of Covid-19 control having many positive results and it is expected that Vietnam will have 90 million doses of Covid-19 vaccine in 2021 [according to the Ministry of Health], it is forecasted that in 2021, the non-life insurance market will grow at 8-10%, the life insurance market will grow about 15-18%. ”

In the coming period, health insurance continues to be assessed as having a lot of growth potential in Vietnam

due to the large population's demand while the coverage of the state health insurance program is still limited. The Ministry of Health, the Ministry of Finance, and the Vietnam Social Security are researching and discussing how to deploy affiliate packages and the participation of commercial insurers in the state health insurance program, supporting the expansion and sustainability of the program through additional and enhanced health insurance packages for state health insurance.

In the field of non-life insurance, motor vehicle insurance is considered to continue to be the main business, insurers have been focusing on effectively exploiting motor vehicle insurance segment. Insurers strengthen links with garages, auto parts suppliers, build a list of spare parts with standard unit prices; Invest and apply technology to manage motor vehicle insurance value chain, control claims, manage on-site claims assessment, and manage suppliers; Cooperate, invest in association with technology start-ups to develop specialized online insurance applications for motor vehicle insurance. In addition, insurers have been implementing strategies to exploit new customer segments from new modes of transport such as Grab, Go-viet, Be... to develop new motor vehicle insurance products for these new segments.

Travel insurance is also considered a potential segment in Vietnam thanks to the improving living standards of the people and the increasing demand for travel. In order to compete to attract customers and provide convenient products and services, insurers are promoting the application of supporting technology, cooperating with partners and electronic payment gateways to exploit travel insurance via online channel. BVGI launches Baoviet travel insurance application with many convenient features to anticipate the potential of travel insurance.

Regarding distribution channels, investment in digitizing insurance distribution channels has taken place actively in the Vietnamese insurance market. Non-life insurers are currently competing to invest in professionalizing distribution channels to improve cost efficiency, reduce time-to-market and enhance customer experience. Developing online distribution channels to catch future market opportunities is being deployed by many insurers. The Government has issued Decree 165/2018/ND-CP on electronic transactions in the financial sector, creating

conditions for insurers to develop online channels and create new types of products using technology. Decree 03/2021/ND-CP of the Government issued on January 15, 2021 takes effect from March 1, 2021, when purchasing compulsory insurance, In addition to the insurance certificate issued as usual, the car owner can be issued an electronic certificate, most insurers such as BVGI, PJICO, BIC, PTI... are ready to deploy and implement the issuance of compulsory insurance certificates electronic civil liability for motor vehicle owners.

For the life insurance sector, there is a lot of growth potential thanks to the low insurance penetration rate, the proportion of people participating in life insurance is only about 10% of the population. Middle-class customers and Millennials are potential customer segments. According to the World Bank, Vietnam is one of five countries in the region with a strong increase in the middle class (about 1.5 million people join the middle class every year).

In order to meet the increasing and diverse needs of customers, in the coming time, insurers will focus on designing health care elements directly into the main products as well as promoting the development of specialized health insurance products. In addition, the life insurance market also has the potential to develop new products related to “living benefits” to fully meet the diverse needs of customers in the life cycle.

Competition for bancassurance and online channels in the future will increase fiercely as foreign corporations acquire weak life insurers, turning these newly acquired companies into new competitors with many ambitions for market share, industry restructuring due to good financial support. The capital support, information technology system from the parent company of foreign insurers, also puts a lot of pressure on domestic insurers, forcing insurers to continuously innovate and improve their competitiveness and management capacity to achieve effective and sustainable growth. The capital needs of life insurers are forecasted to grow larger in order to meet business requirements and expand the market.

REPORT AND REVIEW OF MANAGEMENT BOARD



BANKING - FINANCE - MONEY MARKET

With the flexible operating policy of the State Bank of Vietnam, the monetary market is expected to remain stable in 2021.

Baoviet forecasts that the interest rate can decrease by about 0.5% [the amplitude is +/- 50 points] in 2020. The reduction in the VND's deposit interest rate for long terms will still have gaps between large and small banks due to the regulations on reducing the ratio of short-term mobilized capital for medium and long-term loans. However, the control of small banks in 2019 has brought results, helping to limit interest rate race.

It is forecasted that It is forecast that deposit interest rates may decrease further even though there is not much room to decrease when:

[1]

Loosening monetary policy leads to a trend of excess liquidity in addition to controlled inflation, trade balance surplus support to stabilize the exchange rate;

[2]

There should be a delay between the reduction of deposit interest rates and the reduction of lending rates. Supporting the reduction of lending interest rates, the deposit interest rate level needs to maintain a stable lower level for a long enough time;

[3]

Although the treasury deposit balance in the banking system decreased. This resource can return to the system later with a larger money multiplier when the Government is showing an orientation to strengthen the public investment sector to stimulate the recovery of the private sector.

It is forecast that deposit interest rates may decrease further by 0.3%-1% before entering a stable state for a long time in line with world market trends.

It is not excluded that interest rates are under increasing pressure around the following points:

[1]

Seasonal factors;

[2]

Credit growth increases again;

[3]

The amount of deposits of the State Treasury in the system of commercial banks as well as the disbursement progress of public investment capital increased.



STOCK MARKET

The global stock market continues to receive support from the cheap money factor from the central banks of countries around the world maintaining quantitative easing to support the economy.

Foreign cash flow: With the central banks of major banks in the world continuing to offer loose monetary policies, it is likely that the cheap money environment will continue to be maintained until the end of 2021, thereby continuing to support the trend of net injection into emerging markets. In which, Vietnam - an emerging economy is forecasted to be a bright spot because the P/E VnIndex is trading at a lower P/E than other markets with a high ROE.

Vietnamese market will soon be upgraded in the FTSE's upgrade review period in 2 terms reviews taking place in 2022. The market will usually increase in about 9 months before the upgrade announcement is made. Therefore, it is likely that Vietnam's stock market may have an uptrend in the second half of 2021.



Domestic cash flow: Stable low savings interest rate continues to create a driving force to attract cash flow from individual investors to the stock market.

VnIndex is forecasted to close in 2021 from 1200-1400. The average Vnindex in 2021 will be in the range of 1000-1200 points.





BOND MARKET

Fixed income market: the interest rate level is forecasted to be stable and maintained at a low level along with the trend of controlling inflation at a low level. Lending interest rates are difficult to reduce when currently the interest rate level depends on market supply and demand.

The Government bond market continues to be a stable and safe investment channel with the issuance interest rate remaining at a low level equivalent to the period of 2019-2020 and unlikely to have strong fluctuations.

Forecast for 2021: The policy of the State Bank of Vietnam to keep the market interest rate at a reasonable low level. The available capital of the forecasting system is abundant, in the condition that demand still exceeds supply, government bond interest rates will basically maintain the current low level, with a small adjustment margin. The yield of 10-year government bonds is around 2-2.5%/year.



The supporting factors for the downtrend to maintain are:

- [1] Liquidity in the interbank market is not short; Views on strengthening management for some investment products to replace government bonds such as corporate bonds, credit institutions' bonds in a number of documents under the Circular Law and draft circulars that were raised for comments in the past period. Therefore, it is not excluded that the investment demand for government bonds will increase significantly in the coming period thanks to this factor;
- [2]
- [3] promote public investment until the end of the year.

Corporate bond market: It is expected that the corporate bond market will continue to be an active investment channel with many issuances and new structures. It is forecasted that the corporate bond market will continue to expand at a moderate pace. It is forecasted that the issuers will still mainly be commercial banks, securities companies and enterprises in industries with large capital needs such as real estate, infrastructure... The interest rate expected to be lower when deposit demand is unlikely to increase strongly, especially in the context that the economic situation will recover slowly. Credit rating activities of corporate bonds will be promoted.



REAL ESTATE MARKET

Vietnam's real estate market has witnessed difficulties in the first half of 2020. However, in the last period, there has been a 'speedy' recovery in some segments. Many experts believe that the real estate market will continue to recover and be vibrant in 2021.

There are 2 scenarios for Vietnam's real estate market in 2021:

Base scenario: if the macro indicators are guaranteed, the real estate market will develop at a higher rate than in 2019, even there will be a boom in certain segments and regional markets. There will certainly continue to be mega-projects of large and very large scale invested in the form of tourism, resort and entertainment complexes with good infrastructure, which are exploited and operated synchronously and built in Green-smart construction. Those will be the projects that create heat and lead in the market. In 2021, the market can hope for a brighter picture.

The second scenario, the negative scenario when the above macro indicators are not guaranteed (the epidemic situation in the country and the world cannot be controlled), the real estate market in 2021 will still keep the same level as in 2020, although some segments and markets (highly dependent on tourists) will face many obstacles. And if there is no government intervention and the initiative and adaptation of businesses, in the long run, it may lead to a freezing situation of the real estate market.

BUSINESS PERFORMANCE

Through determined efforts to overcome big difficulties and challenges caused by an ongoing global pandemic of Covid-19, Baoviet Holdings in 2020 continued to retain its leading position in both life and non-life insurance sectors thanks to sustainable development strategy as well as strong consensus and concerted efforts to adopt and implement 4.0 technology solutions to optimize all resource and promote synergy of the whole Group.

BUSINESS PERFORMANCE HIGHLIGHTS OF BAOVIET HOLDINGS IN 2020

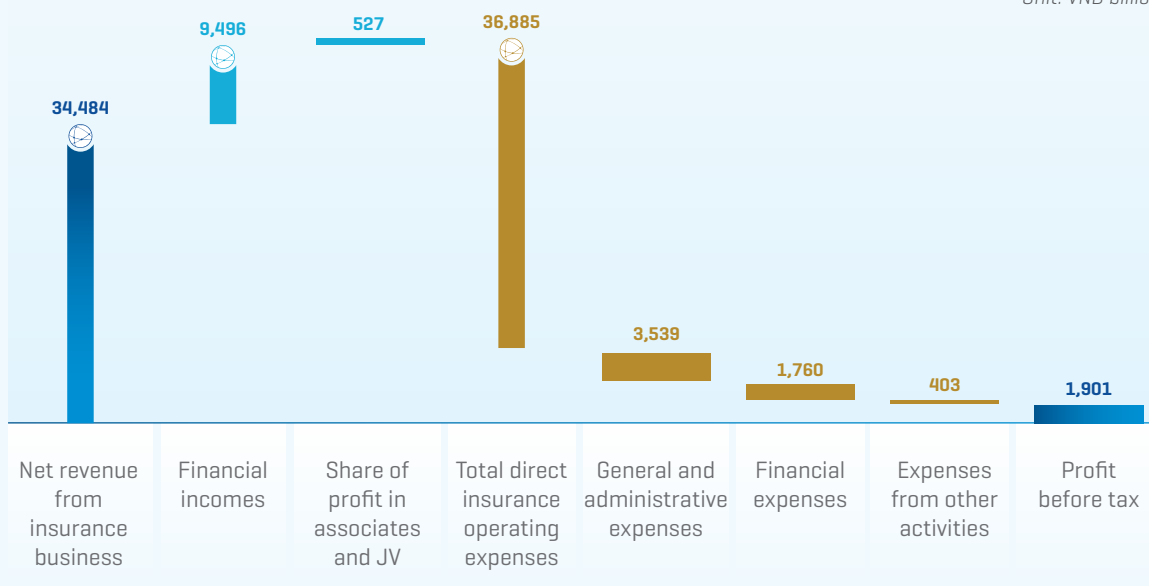
In 2020, regardless of rapidly evolving Covid-19 situation, the unfavourable financial market and stiff competition among insurers, especially in life insurance while the sector witnessed a decrease in growth, Baoviet Holdings' 2020 total revenues and profit far outperformed the plan

when Total revenues nearly reached VND50,000 billion and Profit before tax was VND1,900 billion, correspondent with the excessive proportion over annual plan 9% and 32% respectively.

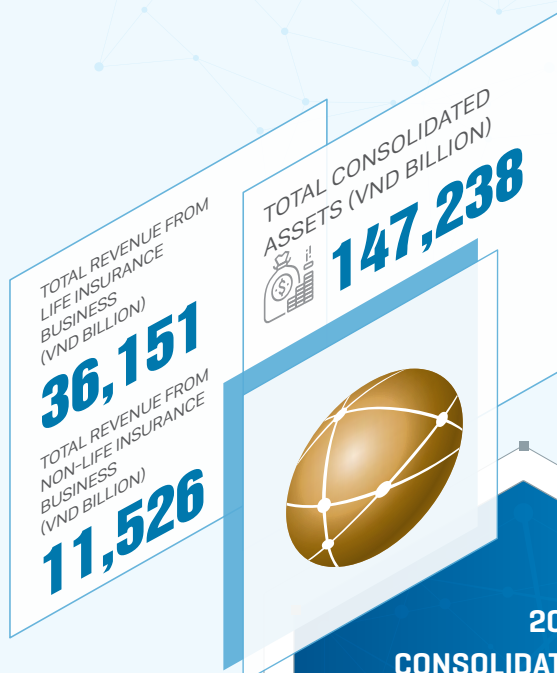
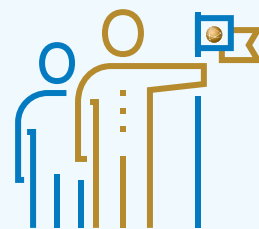
As a leading Finance - Insurance Group, 2020 positive business performance is driven by buoyant insurance activity when net revenue from insurance activity reach VND34,484 billion, nearly 4% higher than 2019. This embraced BaoViet Group to reinforce its leading position in both non-life insurance and life insurance markets as a result.

Additionally, financial activities is also a bright spot of the year with the revenue of VND9.496 billion, profit of VND7.736 billion. This result is remarkable despite the context of market's unfavourable movements, and significantly contributed into impressive business performance of Baoviet Holdings.

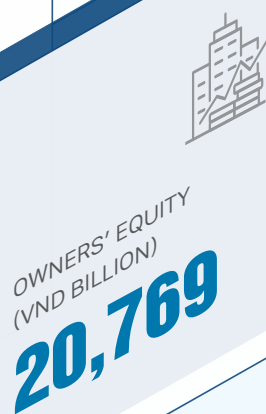
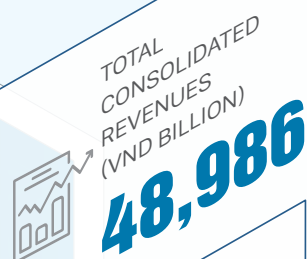
Unit: VND billion



BAOVIET HAS FIRMLY OVERCOME
THE CHALLENGES OF COVID-19,
MAINTAINED THE LEADING
POSITION IN THE LIFE AND
NON-LIFE INSURANCE MARKET



2020 CONSOLIDATED BUSINESS PERFORMANCE



BAOVIET DURING 2020 DELIVERED STRONG GROWTH
AMID THE COVID-19 PANDEMIC AND REMARKABLY
ACHIEVED ALL TARGETS SET, SUCCESSFULLY PACKING THE
2016-2020 BUSINESS STRATEGY.



REPORT AND REVIEW OF MANAGEMENT BOARD

2020 CONSOLIDATED BUSINESS PERFORMANCE

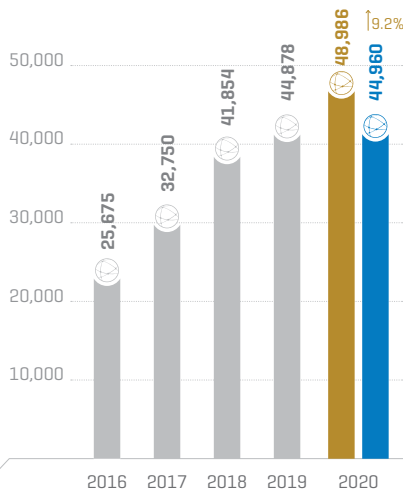
TOTAL REVENUES



Core businesses are reinforced as Vietnamese number 1 brand

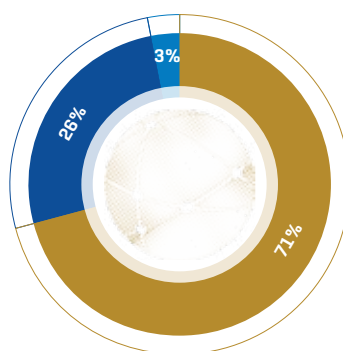
Consolidated Revenues 2016-2020

Unit: VND billion ● Actual ● Plan

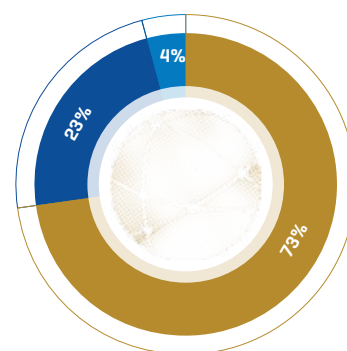


Revenues by core businesses 2019-2020

● Life insurance ● Non-life insurance ● Financial services and others



2019



2020

Baoviet during 2020 delivered strong growth amid the Covid-19 pandemic and remarkably achieved all targets set, successfully packing the 2016-2020 business strategy. Total consolidated revenues hit a record high of VND48,986 billion, outperformed the plan by 9% and 9.2% higher than 2019. This result was driven by sustainable development strategy developed years ago, with a digital ecosystem interconnecting information technology resources designed for Industrie 4.0.





Total revenues from
Life insurance business
[VND billion]

36,151

up **12.5%** than the previous year

Premiums maintained its growth
momentum and achieved
[VND billion]

29,700

5.8% higher than 2019

Total revenues from
Non-Life insurance business
[VND billion]

11,526

6.9% higher than the target

Gross written premium touched
[VND billion]

9,692

4.2% surpassed the plan

Total revenues from
Financial services and others
[VND billion]

1,867

24.6% higher than previous year

Total revenues from securities
[VND billion]

594

5.4% higher than previous year

Baoviet thus achieved a strong performance in all core businesses, specially:



LIFE INSURANCE BUSINESS

Life insurance business successfully overcame difficulties caused by Covid-19 pandemic and retained its market leader with a total revenue of VND36,151 billion, up 12.5% than the previous year and outperformed 7.6% of the target. Premiums maintained its growth momentum and achieved nearly VND29,700 billion, 5.8% higher than 2019; of which, premiums from existing policies grew up by 6.5%. The contribution of life insurance's revenues remained the largest share of total Group's revenues [71%].



NON-LIFE INSURANCE BUSINESS

Non-life insurance business maintained its growth momentum as well as its market leading position for years. Total revenues reached VND11.526 billion, 6.9% higher than the target and accounting for 26% of total Group's revenues; of which gross written premium touched VND9,692 billion, 4.2% surpassed the plan. Claim ratio was 54.7%, considerably decreased compared to 2019 [by 8.7%] and lower than the plan [by 5.1%], thereby Baoviet aimed to improve business efficiency in non-life insurance sector.

In the context of Covid-19 pandemic, the difficulties in the insurance market during 2020 have become more and more severe with tough competition. As a pioneer in digital transformation, especially in "new normal" condition with social distancing, Baoviet not only focused on innovation research, updating product mix to meet increasing market demand but also promoted investments in technology platform, flexibly and effectively adopted Industry 4.0 technologies, transformed challenges into opportunities and launched many new online products. Product diversity, digital ecosystem development and an effectiveness management system have established a solid foundation for impressive results in business efficiency and customer quality service of Baoviet Life Insurance and Baoviet General Insurance.



FINANCIAL SERVICES AND OTHERS

Financial services and others contributed total revenues of VND1,867 billion and 24.6% higher than previous year, which accounted for 3% of the total Group's revenues. During 2020, investment activities were adversely impacted by the reduction in bond and deposit's interest rates. Yet, since Baoviet proactively and promptly identified and seized investment opportunities, investment activities delivered robust growth. Total revenues from securities achieved a growth of 5.4% compared to previous year, reaching VND594 billion. Fund management business witnessed a steady growth with total revenues of VND114 billion. Total asset under management of Baoviet Fund in 2020 reached VND 78,578 billion, grew by 25.5%.

Revenues from office rental, construction and real estate management businesses recorded a growth of 18.4%, achieved VND311 billion, attributing to the Group's remarkable performance of the whole Group.

REPORT AND REVIEW OF MANAGEMENT BOARD

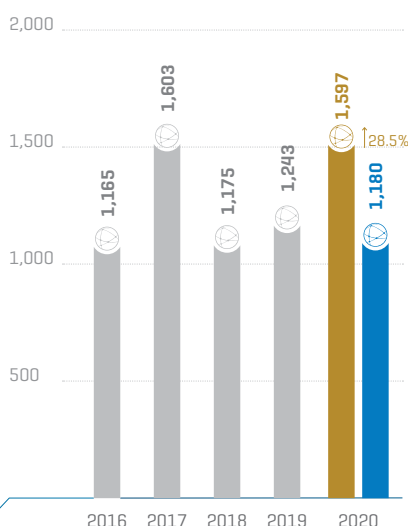
Consolidated profit after tax – Outperformed 2016-2020 strategy targets

In 2020, Baoviet faced much of difficulties and challenges, such as network maintenance and expansion costs, huge investment costs in technology system, lower profit of investment activities as a result of interest rate reductions and turbulences in stock market...

Baoviet yet proactively identified trends of interest rates on financial market, promptly seized opportunities in insurance market and reaped benefits when stock market were buoyed in the second half of 2020 as well as made the most of technology platform in corporate management and business. With concerted efforts to overcome tough difficulties through optimizing all resources, promoting synergy of the whole Group with advanced technology platform and extensive business network, Baoviet successfully completed 2016-2020 strategy when consolidated profit after tax in 2020 recorded at VND1,597 billion, increased by 28.5% compared to 2019 and 35.3% outperformed the target.

Consolidated profits 2016-2020

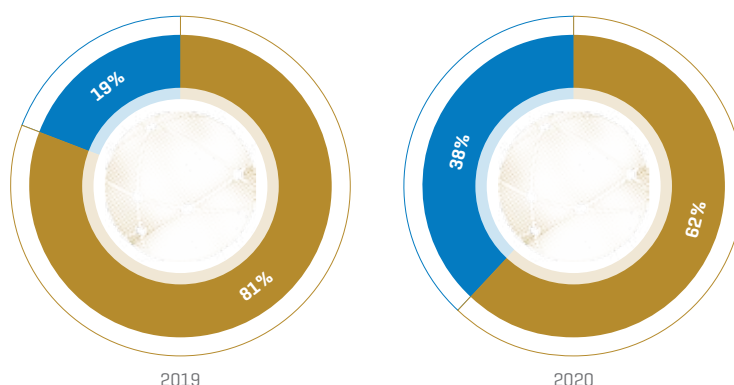
Unit: VND billion ● Actual ● Plan



Insurance business still remained the largest contributor into the Group's profit [62%], financial services and other businesses accounted for 38%. Profits from financial activities at the Parent company sustainably increased compared to previous year due to optimizing cash flows from private placement in 2019. The proportion of financial services and other businesses in the Group's profit thus was much higher.

Structure of Profit After Tax 2019 – 2020

● Insurance ● Financial services and others



TOTAL CONSOLIDATED ASSETS

Total consolidated assets of Baoviet Holdings by the end of 2020 significantly rose more than VND19,000 billion, reached VND147,238 billion. In order to best utilize market's opportunities as well as to assure long-term insurance liability, deposits and bonds remained the main investment channel with high portion of long term ones.

2016-2020 total consolidated assets

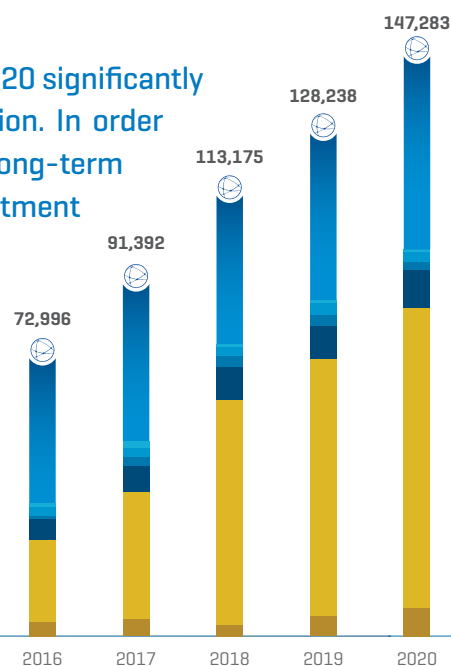
Unit: VND billion

- Long-term investments
- Other assets
- Fixed assets, investment properties, CIP
- Reinsurance assets
- Account receivables
- Short-term investments
- Cash and cash equivalent

Total consolidated assets
of Baoviet Holdings by the end of 2020
[VND billion]

147.283

Significantly rose more than **VND19,000 billion**



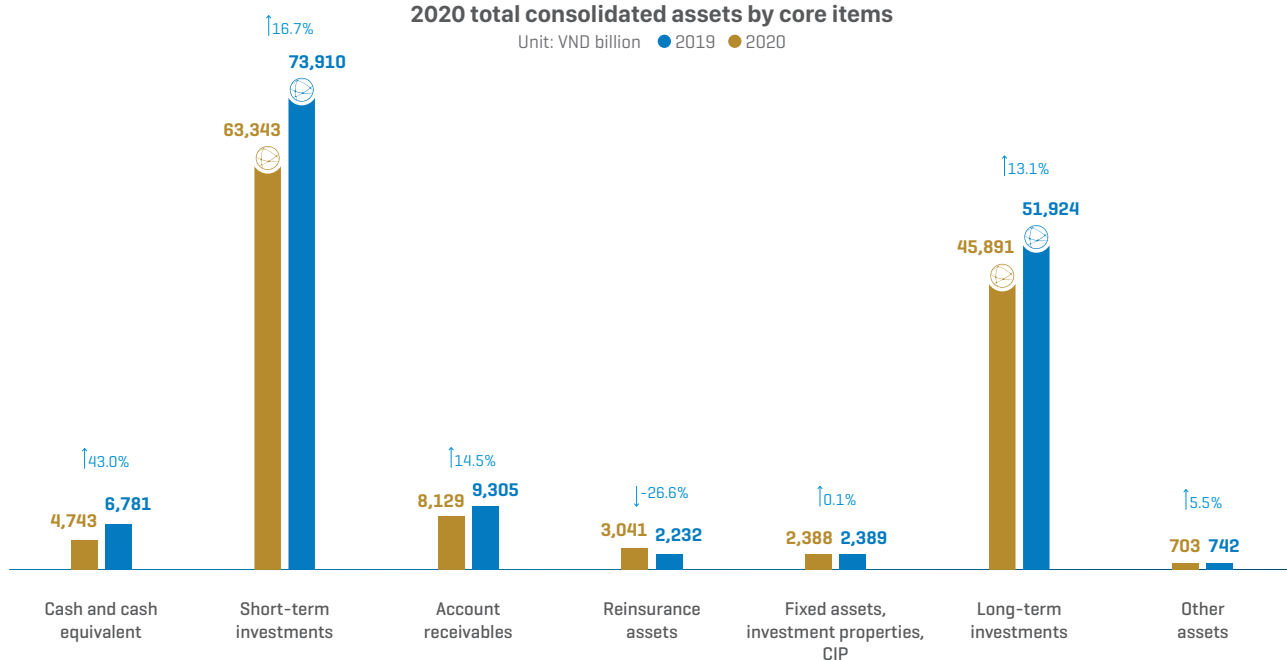
Total consolidated assets

Robust growth in total consolidated assets [up VND19,000 billion, equivalent to 14.9%] were mainly driven by funds from insurance business. This growth mainly lay in short-term financial investments, in which deposits notice a big increase of more than VND 1,000 billion. Taking advantage of favourable

short term deposit interest rate in the context of remaining low Government bonds' rate, new funds from insurance activities were utilized for deposits, especially short-term ones, which facilitated to optimize investment returns as well as to be flexible with long term opportunities when arise.

2020 total consolidated assets by core items

Unit: VND billion ● 2019 ● 2020



For life insurance, long-term liability is noticeable, so, in order to facilitate asset-liability management, long-term financial investment remained the strategic investment channel. Total long-term financial investment by the end of 2020 reached VND51,924 billion, VND6,000 billion higher than 2019. In the context of unfavourable volatilities of long term bond market in 2020, investments in deposits increase more than

VND 4,000 billion – higher than the increase of bond investments [VND 1,900 billion]. But, bond investments remained the key channel with the proportion over 65% of total assets.

The balance of cash and cash equivalent by the end of 2020 was temporarily high, mainly due to 3 month - term deposits held while waiting for long-term investment opportunities.

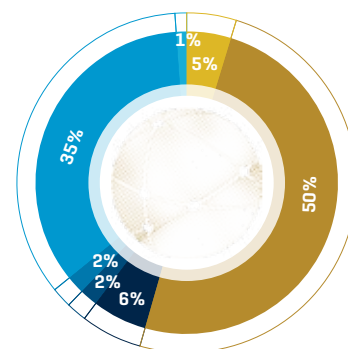
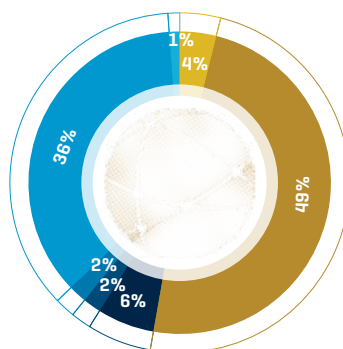
Total consolidated assets' structure

Total consolidated assets' structure by the end of 2020 remained stable with the largest contribution of financial investments, in which, short term investments [mainly deposits] remained the main channel in order to take full advantages of favourable movements of short term deposit interest rates while long term bonds' rates kept such low, attractive long term investments were limited.

Long term financial investments maintained a high proportion of the total assets with 35%, secondly ranked. Percentage of other assets remained unchanged compared to 2019.

2019-2020 total consolidated assets' structure

● Cash and cash equivalent ● Short-term investments ● Account receivables ● Reinsurance assets
● Fixed assets, investment properties, CIP ● Long-term investments ● Other assets



2019

2020

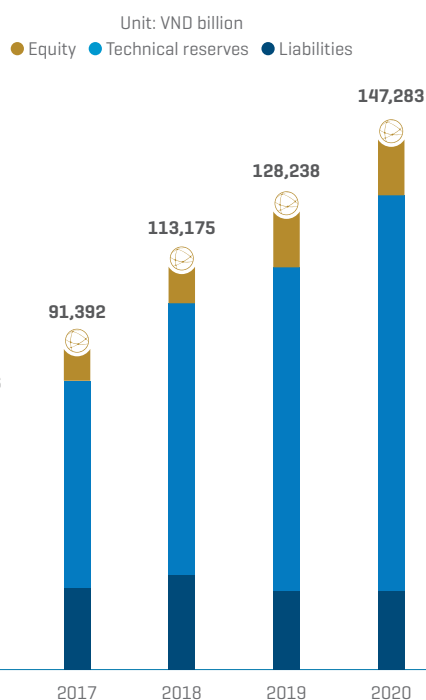
REPORT AND REVIEW OF MANAGEMENT BOARD

TOTAL CONSOLIDATED LIABILITIES AND OWNERS' EQUITY

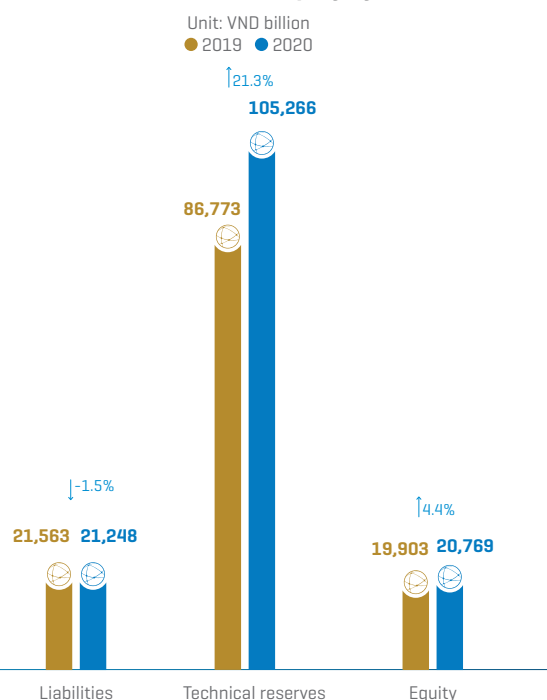
Total liabilities and owners' equity

Following a similar upward trend in total assets, total liabilities and owners' equity by the end of 2020 peaked at VND147,283 billion, 14.9% higher than 2019, in which statutory insurance reserves increased by VND18,494 billion (21.3%), mainly from the increase in the mathematical reserves at Baoviet Life. This increase was a result of strong growth in revenues from insurance business, coming along with low Government bond rates. That supported Baoviet Holdings to minimize possible effects from financial losses that might incur in the future.

2016-2020 Total consolidated liabilities and owners' equity



Total liabilities and owners' equity by main classes

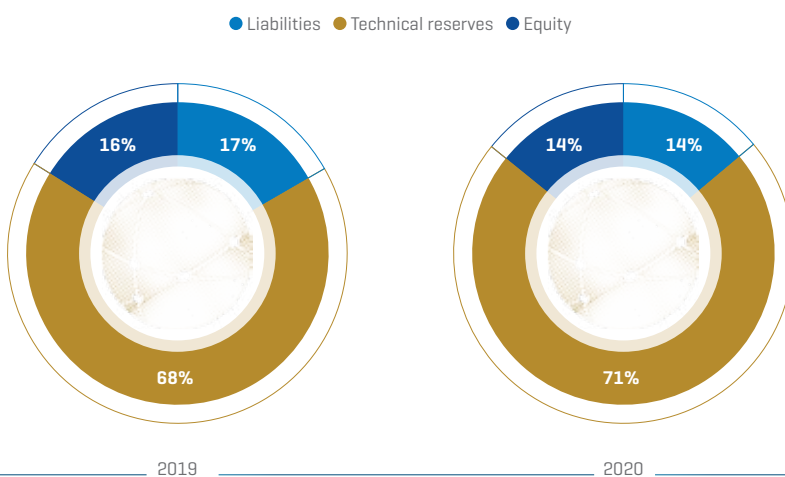


Other items presented in liabilities and owners' equity remained unchanged compared to 2019. Owner's equity increased by 4.4% mainly thanks to additional retained earnings and development fund.

Liabilities and Owners' equity's structure

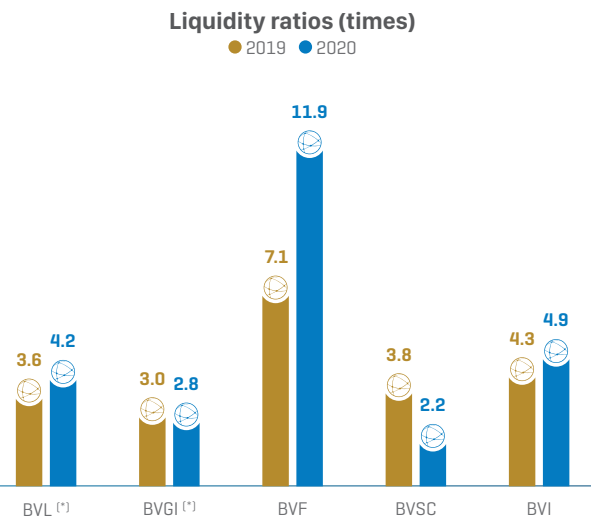
In comparison to 2019, the structure of liabilities and owners' equity remained relatively stable. Being the biggest proportion of equity's structure, statutory insurance reserves accounted for 71%, slightly rose compared to 2019, indicating Baoviet Holdings' strong financial capacity as well as ensuring long term and stable policy holders' rights and benefits. Other payables' proportion insignificantly decreased compared to 2019 (from 17% to 14%) because of partial payments of long-term debt. Though owners' equity grew by nearly VND900 billion compared to previous year, its contribution to total liabilities and owners' equity's structure dropped since exponential growth of total liabilities and owners' equity.

2019-2020 Liabilities and owners' equity



SOLVENCY RATIOS WERE MAINTAINED AT HIGHER THAN REGULATED

Solvency ratios of subsidiaries were sustained at good [at least 2 times] and expected on upward trend in the future, ensuring the solvency for short-term liabilities, of which the liquidity ratios of BVL, BVF and BVI were considerably improved in 2020. To improve the financial capacity and its role in the market, BVSC in 2020 has increased its leverage, aiming at performing more activities regarding securities, which in turn drove an increase in short-term debt. This made its solvency ratio slightly drop compared to 2019, but yet still high.



(*) In case of BVGI and BVL, for liquidity calculations, technical reserves were excluded from current liabilities.

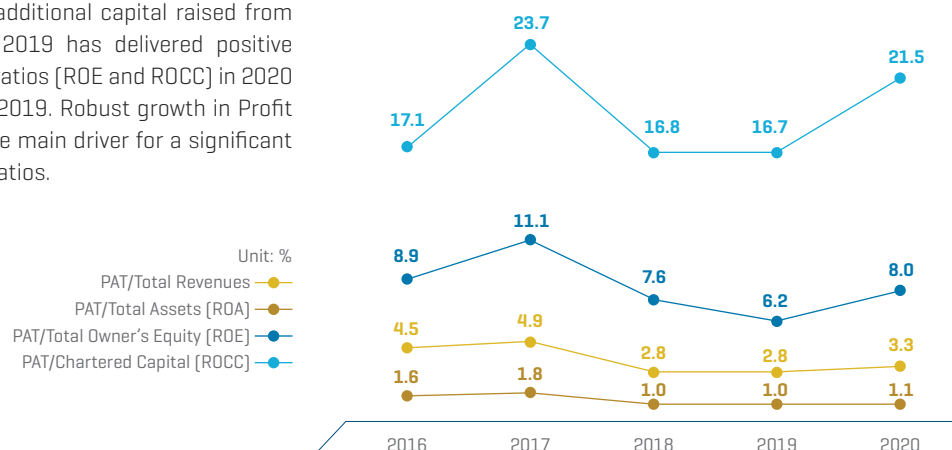
Capital Adequacy Ratios ["CARs"]/Solvency margin of all subsidiaries are sustained at high level and complied with legislation, especially BVSC and BVF while their CARs as at 31/12/2020 were 714% and 405% respectively, significantly exceeded the regulatory requirements [180%].

As at 31/12/2020, the solvency margin of BVGI and BVL were 108.3% and 107% respectively, which remained higher than MOF's benchmark.

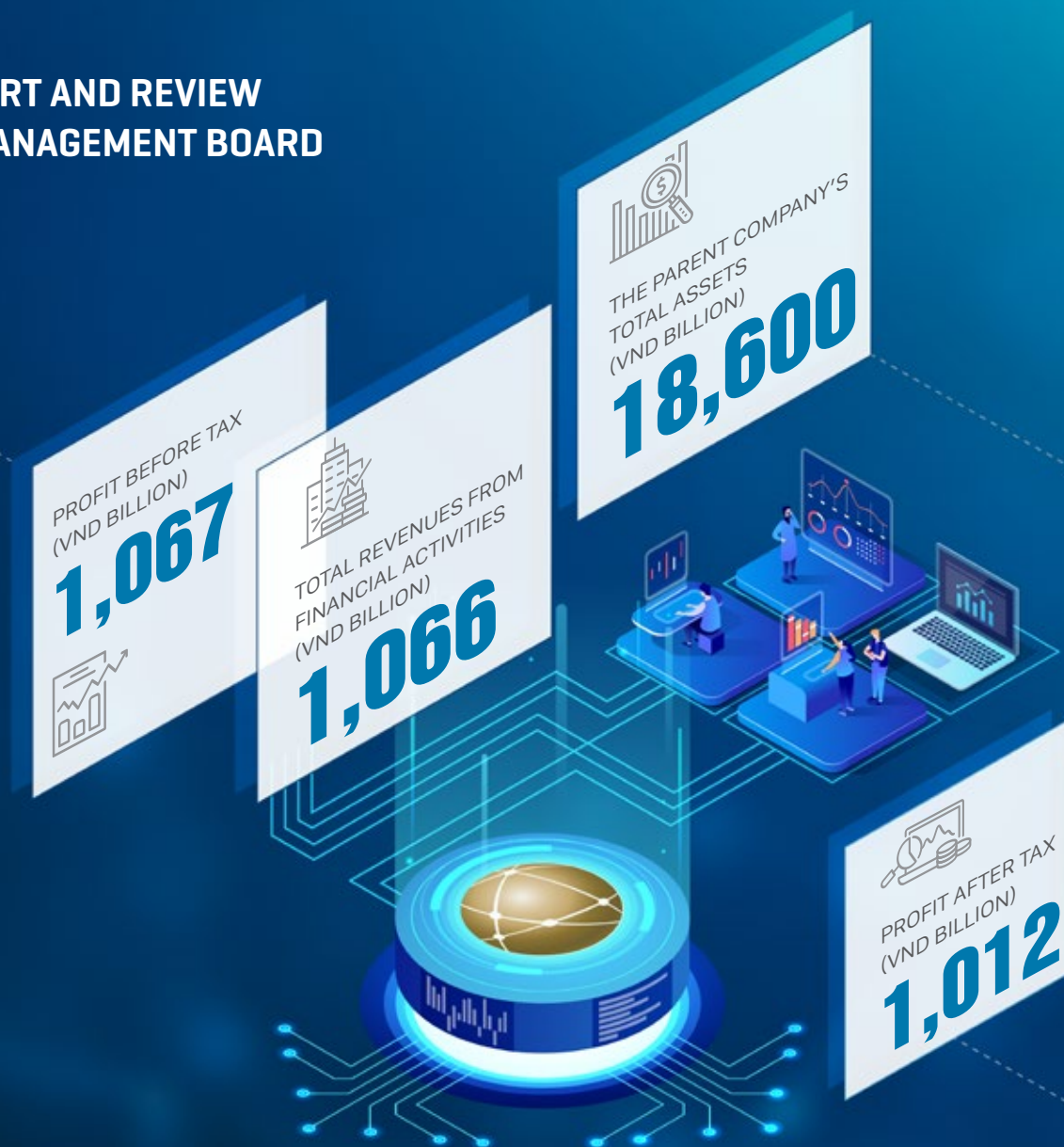
OPTIMIZING ALL CORPORATE RESOURCES, ATTEMPTING TO OVERCOME DIFFICULTIES, BAOVIET AIMED TO IMPROVE ITS EFFICIENCY AND PROFITABILITY

During 2020, the global as well as Vietnamese economic damage caused by the Covid-19 pandemic is substantial. In that context, Baoviet attempted to exploit the synergy among the Group, advanced technology platform and adopt new applications in order to overcome difficulties and satisfy new demands in the "new normal". Additionally, Baoviet made great efforts to enhance customer services' quality, and improve operation efficiency, which supported it to develop and proactively overcome the pandemic.

The efficiency of using additional capital raised from the private offering in 2019 has delivered positive notes when profitability ratios [ROE and ROCC] in 2020 were much higher than 2019. Robust growth in Profit After Tax in 2020 was the main driver for a significant increase in profitability ratios.



REPORT AND REVIEW OF MANAGEMENT BOARD



BUSINESS PERFORMANCE OF THE PARENT COMPANY

2020 BUSINESS PERFORMANCE HIGHLIGHTS

Although 2020 witnessed many turbulences, the Parent Company still noticed a positive business result when both revenues and profits outperformed the target.

Since capital investment is the core business of the Parent Company, revenues from financial activities contributed the largest percentage [76%] in total revenues with VND1,066 billion. In 2020, Baoviet continued to focus on promoting investments in IT platform, aiming at supporting subsidiaries in the Group to enhance their capacities in the market. Revenues from IT service as a result delivered strong growth and attributed VND270 billion in 2020, up 50% than 2019 and made significant contribution into total revenues [from 12% in 2019 to 19% in 2020].

Along with efforts to stick to the revenue plan in the context of the widespread pandemic, Baoviet has constantly developed and applied technology into business activities, improved operational efficiency, maximized all resources to minimize expenses, especially in the "new normal". These have driven the Parent Company to successfully accomplish the business target with Profit Before Tax of VND 1,067 billion and Profit After Tax of VND 1,012 billion.

THE PARENT COMPANY OUTPERFORMED THE TARGET OF 2020 PROFIT AFTER TAX SET BY AGM

In 2020, the economy has faced many substantial economic damages caused by the pandemic: such as unfavourable movements of financial market with low interest rate and unfortunate results from social distancing which lead to limited contacts to customers, hence, negatively impacted revenues.

Baoviet yet strived to enhance technology adoption, supported subsidiaries to promote their businesses, proactively seize opportunities as well as focus on cost management, operation effectiveness to accomplish the plan. As a result, Profit Before Tax and Profit After Tax achieved VND1,067 billion and VND1,012 billion respectively which all beat the target.

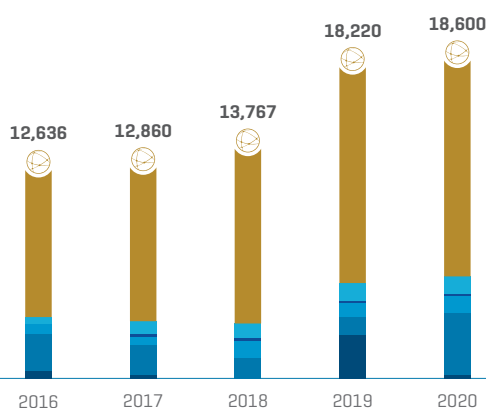
With additional capital raised in 2019, return on chartered capital [after private offering] maintained at high level [13.6%], ensuring the dividend payout ratio committed with shareholders.

The Parent Company's total assets as at 31/12/2020 climbed to VND18,600 billion, up 2.1% with main contributor from investments in subsidiaries. Aiming at reinforcing core subsidiaries' financial strengths, in 2020, the Parent Company already injected the total of VND 850 billion of capital to BVL which supported BVL to foster its financial strength and also made contribution to increasing values of long term investments in subsidiaries. Cash inflows from operating activities and private offering with the strategic partner Sumitomo Life in 2019 were invested in short-term and long-term financial assets as well as for strategy-oriented IT projects, which supported Baoviet to adopt advanced IT applications into its businesses.

Total assets - The Parent Company

Unit: VND billion

- Long-term investments
- Fixed assets and investment properties
- Inventories & other assets
- Short-term receivables
- Short-term investments
- Cash and cash equivalent



Capital investments into core businesses of the Group were critical to the reinforcement and foster of subsidiaries' financial strength, aiming to assist them to move towards strategic goals in the next period, especially in the current context of economy with many turbulences and fierce competition in insurance market.

ASSETS' STRUCTURE OF THE PARENT COMPANY

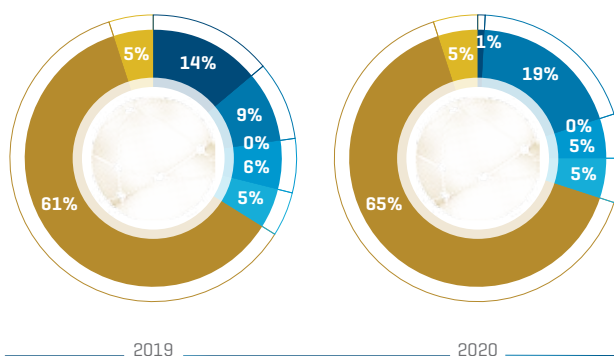
Regarding terms, non-current assets remained the largest contribution in total assets' structure with 75%, in which investments in subsidiaries and joint ventures took major proportion.

In terms of investment lines, investments in subsidiaries and associates and joint ventures noticed a strong growth in both values and their contribution into assets' structure, remaining the highest portion with 65% in 2020 [61% in 2019]. Additionally, the assets' structure witnessed a shift from cash & cash equivalent to deposits, which raised deposits' portion from 9% [in 2019] to 19%. This movement mainly focused on short-term deposits, aiming at optimizing short-term investment opportunities with good interest rate while ensuring flexibility to long-term investment opportunities when the market conditions were favourable, especially with the proceeds from the private offering to the strategic partner Sumitomo Life in 2019.

Compared to 2019, other items remain unchanged regarding their proportion.

2019-2020 assets' structure

- Cash and cash equivalent
- Term deposits
- Equities
- Bonds
- Other assets
- Investment in Subsidiaries, Associates & JV
- Fixed assets & CIP

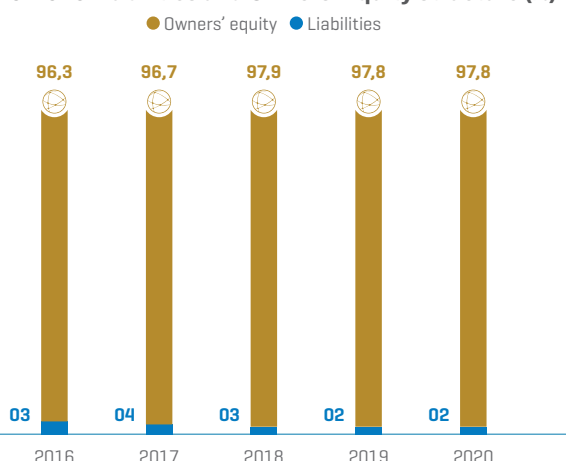


REPORT AND REVIEW OF MANAGEMENT BOARD

LIABILITIES AND OWNERS' EQUITY

With the steady growth in the pandemic, stable business performance, Baoviet's financial capacity was continuously enhanced, its equity proportion in the liabilities and owners' equity structure was remained at high level

2016-2020 Liabilities and Owners' Equity structure (%)



As at 31/12/2020, Total Liabilities and Owners' equity were recorded at VND18,600 billion, 2.1% higher than previous year, in which Owners' Equity/Total Liabilities and Owners' equity ratio consistently remained at high level over years. This ratio by the end of 2020 hit a record high of 97.8% - one of the highest level within the past 5 years - regardless of negative impacts caused by the pandemic to the economy and the insurance market.

In 2020, the Parent Company continued to use financial leverage to fund for large IT projects. The long-term debt/equity and long-term debt/chartered capital ratios were curbed at very low level (1.2% and 2.9% respectively), slightly decreased compared to 2019, which argues well for good equity structure. Additionally, total debt (including short-term and long-term debt) over total liabilities and owners' equity has been usually around 2.2% from 2018, indicating a strong note in financial strength of the Parent Company.

Liquidity ratios were at high level

The current liabilities of the Parent Company remained negligible while current assets have noticed a strong growth in recent years, its liquidity ratios were thus sustained at the high level at all times, indicating strong solvency of the Company.



Regardless of many enormous challenges, profitability ratios were remained positive

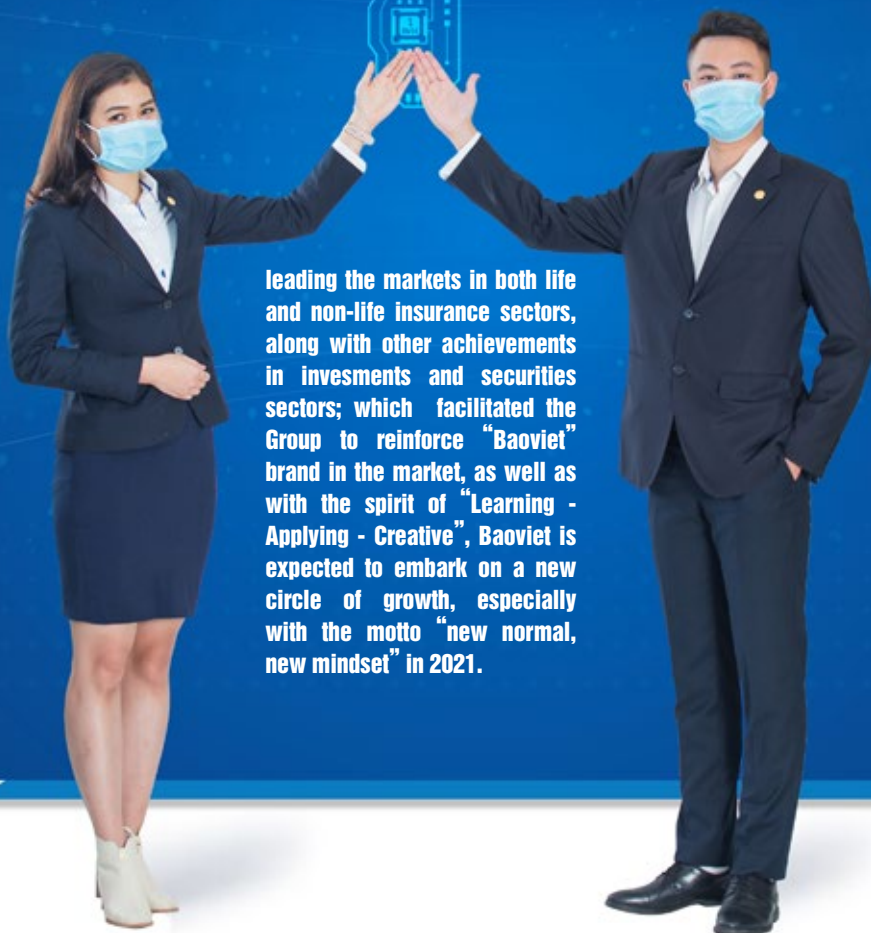
Profitability indicators of the Parent company remain high over the years. During 2020, despite many turbulences, the ratio of Profit after tax/Charter capital (ROCC) and Profit after tax/Equity (ROE) reached 14.4% and 5.9% respectively. With the new level of chartered capital of VND7,423 billion since end of 2019, ROCC and ROE ratios as at 31/12/2020 were considerably positive, especially in unfavourable market conditions. The rates of ROCC and ROE are maintained stable through years, showing efficiency as well as long - term stability in the operation of the Parent Company.

Baoviet continues
to maintain its

leading role

in the Vietnamese Finance - Insurance market

During 2020, Covid-19 pandemic's spread has resulted in a global crisis and unfavourable volatilities. For Baoviet, this year yet has just ended with many remarkable achievements, made by determined efforts of the whole Group, including the Parent Company and all its subsidiaries as well as the belief of shareholders, partners and customers.



leading the markets in both life and non-life insurance sectors, along with other achievements in investments and securities sectors; which facilitated the Group to reinforce “Baoviet” brand in the market, as well as with the spirit of “Learning - Applying - Creative”, Baoviet is expected to embark on a new circle of growth, especially with the motto “new normal, new mindset” in 2021.

Impacts of exchange rate fluctuations on business performance



Fluctuations in exchange rates between VND and other currencies in which the Group conducts business may affect its financial condition and business performance of Baoviet and its subsidiaries. Subsidiary which is affected by foreign currency risk is Baoviet General Insurance [BVGI]; however, the total exposure is insignificant.

INVESTMENT PERFORMANCE

“ Baoviet Holdings’ investment activities comply with the principles of safety and efficiency to increase the benefit of shareholders, customers and ensuring jobs, living standards for employees. In 2020 the management role of BVH was expressed through the implementation of risk management policies, building and deploying the model evaluation and classification of the credit institution to determine the investment limits in financial institutions, continue improving the processes and regulations related to investment activities. BVH also set up the investment monitoring measures to ensure timely action when the counterparts appear to experience credit quality deterioration. As a result, the Group’s investment activities ensure safety, contributing significantly to the overall business result of the Group and each unit.”



INVESTMENT PERFORMANCE OF THE GROUP IN 2020

At 31/12/2020, the total investment capital of the Group was 134,420 billion, increasing 16.5% compared to last year's figure. In particular, fixed income investments [deposits and bonds] reached 124,281 billion, or 17.7% higher than 2019's figure, accounting for 93.9% of the total capital investment. Equity investments reached 5,972 billion, or 6.1% smaller than 2019's figure, accounting for 4.5% of the total capital investment.

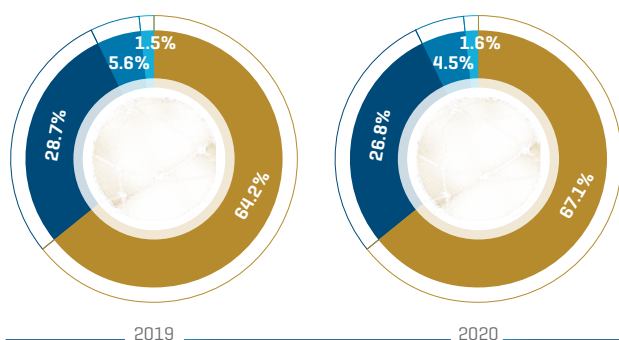
The Group's Investment Portfolio at 31/12/2020

No.	Items [Unit: VND Billion]			At 31/12/2019		2020/2019
				Amount	Proportion	
I.	Fixed Income Investment	124,281	93.9%	105,587	92.9%	17.7%
1.	Deposits	88,804	67.1%	72,952	64.2%	21.7%
2.	Bonds	35,477	26.8%	32,635	28.7%	8.7%
II.	Equity Investment	5,972	4.5%	6,358	5.6%	-6.1%
III.	Other investment	2,167	1.6%	1,741	1.5%	24.5%
	Total	132,420	100%	113,686	100%	16.5%

Source: Consolidated Financial Statements_ 2020

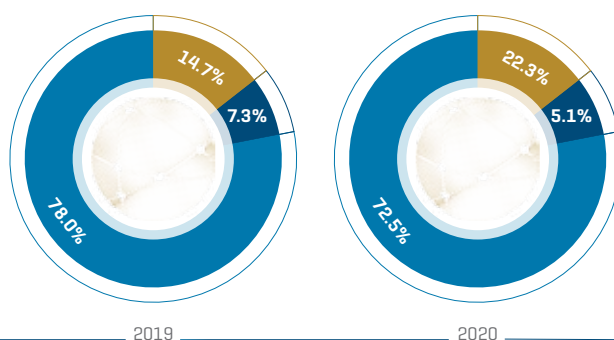
The Group's Investment Portfolio

● Deposits ● Bonds ● Equity ● Others



BVH's Investment Portfolio

● Deposits ● Bonds ● Equity



INVESTMENT PERFORMANCE OF BVH IN 2020

At 31/12/2020, the total investment capital of BVH was 16,766 billion, or 15.6% higher than the figure at 31/12/2019. Approximately 90% of the equity investment portfolio focused on insurance and financial services - the core businesses of BVH. Total investment revenue in 2020 reached VND 1.066 billion.

BVH's Investment Portfolio at 31/12/2020

No.	Items [Unit: VND Billion]			At 31/12/2019		2020/2019
				Amount	Proportion	
I.	Fixed Income Investment	4,604	27%	3,190	22.0%	44.3%
1.	Deposits	3,744	22.3%	2,131	14.7%	75.7%
2.	Bonds	860	5.1%	1,059	7.3%	-18.8%
II.	Equity Investment	12,163	72.5%	11,313	78.0%	7.5%
	Total	16,766	100%	14,502	100%	15.6%

Source: Financial Statements_BVH only_Audited 2020

REPORT AND REVIEW OF MANAGEMENT BOARD

INVESTMENTS IN 100% SUBSIDIARIES: STRENGTHENS THE FINANCIAL CAPACITY OF SUBSIDIARIES

In 2020, the Group will continue to prioritize focusing on core businesses, strengthening the financial capacity of subsidiaries by increasing chartered capital to ensure solvency margin, meet business needs and sustainable development of the units.

At the end of 2020, BaoViet Group continues to maintain its leading position in the insurance market in both life insurance and non-life insurance. BaoViet Life continues to lead the Top 10 “Vietnamese prestigious life insurance companies” for many consecutive years. BaoViet Insurance also received the award “Asia’s most trusted insurance brand” by Global Brand Magazine. BaoViet Fund Management Company is proud to be voted the best Fund Management Company in Vietnam for the 4th time by Global Banking & Finance Magazine - the UK’s leading prestigious magazine on finance and banking, contribute to the strong development of the Group.



INVESTMENTS AT BVH: exceeding the plan



“ In 2020, in the context of difficulties caused by the COVID-19 epidemic, BVH’s investment activities have achieved positive results, with remarkable increase in revenue compared to 2019, making an important contribution to the achievement of the strategic objectives of the period 2016 – 2020. ”

FIXED INCOME INVESTMENT

- » BVH re-invested available fund with suitable terms in line with interest rate movements and cash flow plan; increased investments in corporate bonds to improve investment efficiency.
- » Fixed income investment revenue in 2020 reached **VND346.7 billion**, exceeding the target by **31%**.

EQUITY INVESTMENT

- » Revenues from equity investment reached **VND119.7 billion**, exceeding **17%** of the plan, mainly coming from divestment profits and dividends.


BVH's Equity Investment Portfolio at 31/12/2020

No.	Item	Amount [VND Billion]		Proportion	
			31/12/2019	31/12/2020	31/12/2019
1	Insurance	8,117	7,267	66.7%	64.3%
2	Bank	1,599	1,599	13.1%	14.1%
3	Securities, Fund	1,260	1,260	10.4%	11.1%
4	Real Estate	462	462	3.8%	4.1%
5	Others	724	724	6.0%	6.4%
6	Total	12,163	11,313	100%	100%

Among big projects that Baoviet has invested in, there's no project that failed to reach the announced or committed schedule. In 2020, to enhance the financial capacity of core subsidiaries, BVH has increased BVL's chartered capital from 4,150 billion to 5,000 billion which was also the biggest investments of BVH over the year.

THE GROUP PROMOTES ITS ROLE IN MANAGING AND COORDINATING INVESTMENT ACTIVITIES



Baoviet Holdings' investment activities comply with the principles of safety and efficiency to increase the benefit of shareholders, customers and ensuring jobs, living standards for employees. 



On the basis of the strategic orientation for the period 2016 – 2020, in 2020 the management role of BVH was expressed through the implementation of risk management policies, building and deploying the model evaluation and classification of the credit institution to determine the investment limits in financial institutions, continue improving the processes and

regulations related to investment activities. BVH also set up the investment monitoring measures to ensure timely action when the counterparts appear to experience credit quality deterioration. As a result, the Group's investment activities ensure safety, contributing significantly to the overall business result of the Group and each unit.

REPORT AND REVIEW OF MANAGEMENT BOARD

EMBED ESG IN INVESTMENT PROJECTS

We believe that corporate governance, social and environmental mechanism are important factors when assessing the effectiveness of middle and long-term investment. Therefore, besides return indicators, Baoviet also embed the Environmental, Social and Governance (ESG) indicators in our investment selection, review and continued to implement Principles for Responsible Investment when reviewing major investment projects.



As a listed company with capital contributions from many investors, we understand that sustainable development is a competitive advantage in attracting capital. Therefore, Baoviet – as an investor, strives to engage sustainable factors into assessing potential projects.

“With the leading scale of total assets in the insurance market, Baoviet has increased its investment back into the economy with investment orientation based on safety and efficiency principles, ensuring the Group’s sustainable development, thereby ensuring the benefit of shareholders, customers and employees.”

Baoviet focuses on the core business with 90% of our equity investment portfolio focusing on insurance, investment and financial services, which are also environmentally friendly industries. In 2019, we have always complied with criteria related to governance – social – environmental issues in the management of investment projects and equity investments.

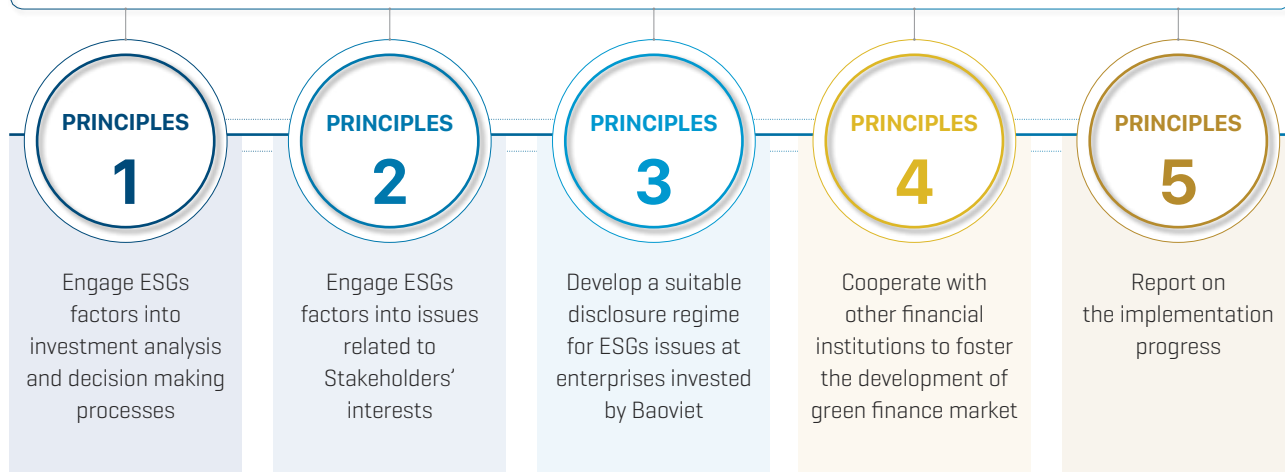
In the past, governance criterion was considered the most important part when evaluating an investment project. But now, according to the newly promulgated procedures of Baoviet, labour usage, community contribution and environmental awareness also

become important criteria for evaluating and adding points to the project. In the near future, we will continue to prioritize the development of our core business – to ensure the sustainable development of Baoviet, and to contribute to the reduction of harmful effects on the environment.

The linkage of sustainability factors for suppliers as well as investment projects helps Baoviet approach closely to the goal of building a sustainable value chain, which benefits Baoviet and its counterparts as well.

05 PRINCIPLES

OF RESPONSIBLE INVESTMENT BAOVIET IS APPLYING IN OUR PROJECTS INCLUDE:



GREEN CAPITAL MARKET

IDENTIFY GREEN CAPITAL MARKET

Green growth is defined as an important highlight in the development policy of many countries in the world towards sustainable development. Vietnam's financial market is making efforts to research policies, seeking feasible solutions to promote the development of green capital markets. The shift from traditional capital market to green capital market has been regarded as an important step in creating a strong financial channel for restructuring Vietnam economy, thus moving towards sustainable development in the long term.

BAOVIET & GREEN CAPITAL MARKET

Baoviet hopes to join the Securities and Exchange Commission and other related parties to develop and implement a framework for green finance and green financial products, thus maintaining the business effectively while ensuring environmental and social benefits; which, in turn, helps maintain the sustainable development of green capital market.

Baoviet's investment activities comply with the principles of the United Nations' responsible investment (including not to invest in projects negatively affecting the environment or employing child labor

“ Baoviet is one of the big enterprises pioneering in researching and seeking financial support towards green growth through the reduction of greenhouse gas emissions, environmental pollution and the green production.”



...), invest in insurance, investment and financial services - environmentally friendly industries. In addition, Baoviet also holds many other VNSI stocks such as MBB, BID, VNM, FPT..., to name just a few.

ORIENTATION 2021

On the basis of the strategic orientation approved by the Board of Directors, along with financial and monetary market forecasts, in 2020 The Group follows and expands its investment orientation on the basis of compliance with the principle of safety and efficiency, thus increasing the benefit of shareholders, customers and ensuring jobs, living standards for employees.

In 2021, Baoviet aims to actively participate in the green capital market by considering investment in green financial products of great significance such as: List of green projects built by the State Bank, or local governments' green bonds, investment projects

in the fields of wind power, solar power, or construction of green buildings, etc ... Although Vietnamese bond market has changed remarkably over the past few years, green bond market is still small and has a long way to go. As a member of Vietnam Bond Market Association (VBMA), Baoviet commits to full participation in training courses and seminars related to the green bond market and wishes to collaborate with other parties to revise related policies. It is strongly believed that together we can help promote the green bond market development.

PHÁT TRIỂN NGUỒN NHÂN LỰC



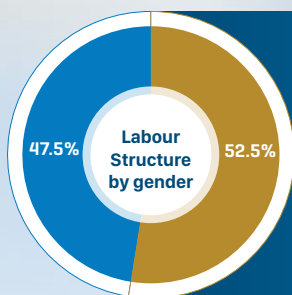
HUMAN RESOURCES

MANAGEMENT POLICIES OF BAOVIET

Identifying people as the core factor, determining the strong and sustainable development of the business, in its human resource development strategy, Baoviet focuses on building, training, training create and develop a team of highly qualified personnel in key fields; building a professional working environment, attractive benefits; implement a system of evaluating work quality according to work performance and are closely linked closely, based on the vision, code of ethics, professional ethics and cultural characteristics of Baoviet.



For many years, Baoviet has always appreciated and realized that the values created by members all contribute to success, regardless of position, age, gender, education level, social status, personality, lifestyle, thinking process, work experience, ethnic origin ... That philosophy is the foundation for Baoviet to build a dynamic, fair, and individual working environment. All have the opportunity to work and train towards success and career development in the Group.



● Male ● Female

In 2020, the total number of employees of Baoviet is

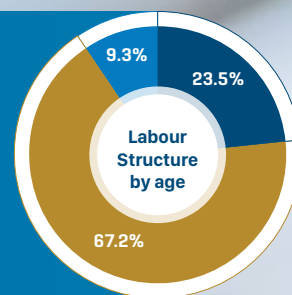
6,519 PEOPLE

in 2020, the total number of management staff

592 PEOPLE

The total number of employees

5,927 PEOPLE



● <30 ● 30-50 ● >50



LABOR FORCE

In 2020, the total number of employees of Baoviet is 6,519 people. Regarding the labor structure in 2020 by gender is quite equal: The proportion of male workers accounts for 52.5%, female workers 47.5%.

In terms of age structure, the proportion of workers under 30 years old accounts for 23.5%, middle-aged workers from 30 to under 50 years old make up 67.2% and workers aged 50 and over with working seniority longtime partnerships in Baoviet accounted for 9.3%. Regarding ethnic groups, workers from the Kinh majority account for 6,378 people [97.8%] and workers from ethnic minorities are 140 people [accounting for 2.1%], an increase of 80 people compared to 2019.

Regarding labor qualifications, with the goal of building and maintaining a contingent of cadres with high professional qualifications and structure, by 2020, Baoviet's employees will continue to maintain a proportion of qualified workers with

college and postgraduate at a high level. Workers with university degrees accounted for the majority with 81.9%, postgraduate degrees accounted for 8.8% and workers with university degrees only accounted for 9.3% [down 0.4% compared to the previous year].

In terms of managerial staff structure, in 2020, the total number of management staff of Baoviet is 592 people, accounting for 9.1% [up 0.1% compared to 2019], employees are 5,927 people, accounting for 91%. In terms of management structure, senior managers are 48 people, accounting for 0.7% and middle-level managers are 544 people, accounting for 8.3%. Regarding the region, the number of workers in the North accounted for the majority with the number of 3,348 people, equivalent to 51.4%, in the Central region there were 1,807 people, equivalent to 27.7%, and the number of workers in the South was 1,364 people, accounting for 20.9%.

REPORT AND REVIEW OF MANAGEMENT BOARD

LABOR ATTRACTION

Among the top 50 recruitment brands voted by Anphabe, Baoviet still focuses on intensive investment in many areas of human resource management, including recruitment policies to attract young workforce at high level of expertise, dynamic, creative, enthusiastic, and equipped with basic and advanced information technology knowledge to suit business requirements in the context of technology application in management activities corporate and business finance and insurance.

In 2020, Baoviet recruited 513 people, including the majority of candidates from Baoviet Insurance Corporation, Baoviet Life Corporation and Baoviet Investment Company due to increased service providers. requires more labor than previous years.

Out of the total number of recruited candidates, Male candidates account for 61%, Female candidates account for 39%; Young candidates under 30 years old are recruited by



Baoviet accounting for the highest proportion of 68%, followed by candidates aged from 30 to 50 years old accounting for 31% and candidates over 50 years old is 1%. In terms of regions, units in the North employ the most at 52%, followed by 28% in the South and 19% in the Central.

TURNOVER RATE

In 2020, the business market is undergoing many changes leading to many challenges for businesses in maintaining existing teams. Employees have many opportunities to choose a better job, in accordance with their career orientation and their own changing working environment. However, with policies aimed at investing in depth, developing and maintaining human resources, in 2020, Baoviet had a significant decrease in labor volatility compared to the previous year, specifically: the total number of employees quitting at Baovietnam in 2020 is 533 people [decreasing by 253 compared to 2019], equivalent to the severance rate of 8.2% [down 3.8% compared to 2019].

Regarding the structure of laid-off employees in 2020, the severance rate of men is 9.2%, of women is 7.6%; Regarding the age group, the severance rate of workers over 50 years old [mainly retired] accounts for 3.5%, young workers [under 30 years old] account for 19.2% and workers aged 30-50 years only accounting for 5.4%. Regarding geographical areas, units in the North and the South had a high rate of resignation compared to units in the Central, specifically, the severance rates in the North, Central and South were respectively 8.8%, 4.6% and 12.8%.

Turnover rate		Age			Gender		Region			Total
		<30	30-50	>50	Male	Female	North	Central	South	
2020	Quantity [person]	295	235	21	316	237	295	84	174	533
	Ratio [%]	19.2%	5.4%	3.5%	9.2%	7.6%	8.8%	4.6%	12.8%	8.2%
2019	Quantity [person]	451	260	75	425	361	436	177	173	786
	Ratio [%]	25.4%	6.2%	12.1%	13.5%	10.5%	12.2%	12.0%	11.3%	12%

POLICY SYSTEM OF BAOVIET

“ Baoviet always strives to improve the system of welfare policies, providing an equal, friendly and professional working environment, and to ensure health, occupational safety and financial safety for our staffs.”

specifically:

Non-life insurances to protect health and financial safety against health risks for employees and their relatives, including:



HEALTHCARE

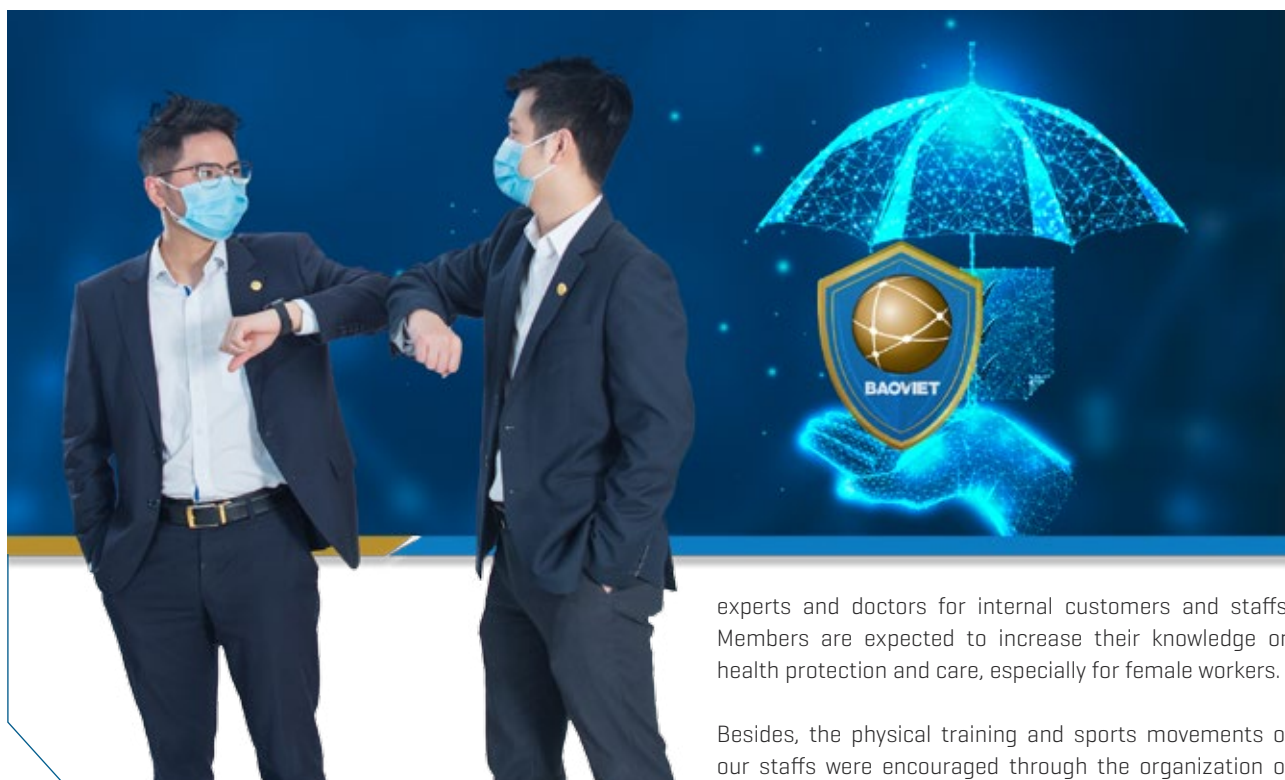
Health insurance and human combine insurance.



K-CARE

Health insurance for family, Combined life insurance and Cancer insurance.

Life insurance types had been implemented including: Successful Insurance, Life Insurance and Sustainable Retirement Insurance at Baoviet and our units to attract, maintain and develop a team of highly qualified personnel, ensure our human resources for sustainable development, long-term commitment, peace of mind for career development at Baoviet, and help the insured to improve improve living standards, have a stable additional income in addition to pensions, ensure a relaxing life, be financially independent, have the ability to continue to support relatives after retirement and protect against risks in life and in the course of work.



In 2020, Baoviet continued to show an interest in the health of our employees through conducting periodic health examinations for employees at reputable medical facilities and high-service quality.

With the strength of products to protect customers against health risks, Baoviet regularly organizes consultancy programs with the participation of

experts and doctors for internal customers and staffs. Members are expected to increase their knowledge on health protection and care, especially for female workers.

Besides, the physical training and sports movements of our staffs were encouraged through the organization of classes and clubs such as Yoga classes, Yumba, table tennis clubs, dance classes, tennis tournaments, table tennis, soccer friendlies. At some units of Baoviet, a gym has been built to create conditions for employees to practice outside working hours.

For retired officials, in addition to organizing visits, giving gifts on the occasion of International Elderly People, Lunar New Year, Baoviet maintained annual combined human insurance with a liability of VND 20,000,000 / person.

REPORT AND REVIEW OF MANAGEMENT BOARD

MATERNITY LEAVE POLICY FOR FEMALE EMPLOYEES AND MALE EMPLOYEES WITH SPOUSE TAKING MATERNITY LEAVE

Baoviet applied maternity leave policies for employees (both men and women) to comply with the labor law and to apply the policy of reward, welfare, health insurance and other types of insurance. At the same time, employees were still considered for annual emulation, consideration for periodic wage increases and performance evaluation as a basis for considering annual work performance rewards and related welfare regimes.

In 2020, the actual number of employees taking maternity leave was 231 people; in which, male employees whose wives give birth were 32 maternity leave, while female employees having maternity leave was 199 people. By the end of December 31, 2020, there were 205 employees returning to work after maternity leave, reaching 89%; in which, male workers returned to work 100% and female workers returned to work was 173, reaching 87%. The remaining female employees would return to work in 2020 after the end of the maternity leave regime. Baoviet commits and always ensures the full employment for the maternity leave workers to return to work at the old position after the end of the leave.

In addition to ensuring that employees are assured of rest and recuperation after birth and to have the necessary health to continue working as required by the organization, after the end of maternity leave, the main Maternity leave policies also help employees feel secure financially and create the best conditions to support employees to care for children.

In addition, in order to create maximum conditions for employees to have time to take care of their children, after the end of maternity and commuting leave, female workers were provided with conditions to shorten working time for 1 hour / day compared to other workers until the child is full 12 months old. Female employees can register to work late or leave early compared to the standard working time prescribed by Baoviet and ensure that the total number of late hours and / or early dismissal does not exceed 1 hour in accordance with the regulations of internal rules and labor law.

IMPLEMENTATION OF OCCUPATIONAL SAFETY AND HYGIENE WORKS AS PROVISIONS OF LAW



Pursuant to Article 74, Law on Occupational Safety and Health 2015, each Department at Baoviet Holdings must have at least 01 staff member for safety and hygiene. Work Hygiene Safety Officer (WHSO) is the person in charge of occupational safety and health, fire prevention and fighting in the functional department. Hygiene safety members are direct workers, knowledgeable about occupational safety and health techniques and expertise; voluntarily and exemplary in complying with regulations on occupational safety and health.

“ In 2019, Baoviet has implemented occupational safety and health work to ensure compliance with the provisions of the law, ensure efficiency, and bring peace of mind and safety to employees. ”

The works implemented during the year include:

- » Develop a plan for occupational safety and health of the year
- » Appointment of people to do occupational safety
- » Establishing a safety and hygiene network for students
- » Sign a contract with a medical facility to take care of people's health labor
- » Organize training on occupational safety for people employer, employee
- » Implement the annual reporting regime on security work Occupational hygiene and safety, Periodic report on accident situation 6 the first month of the year and every year to the state management agency about labor according to regulations



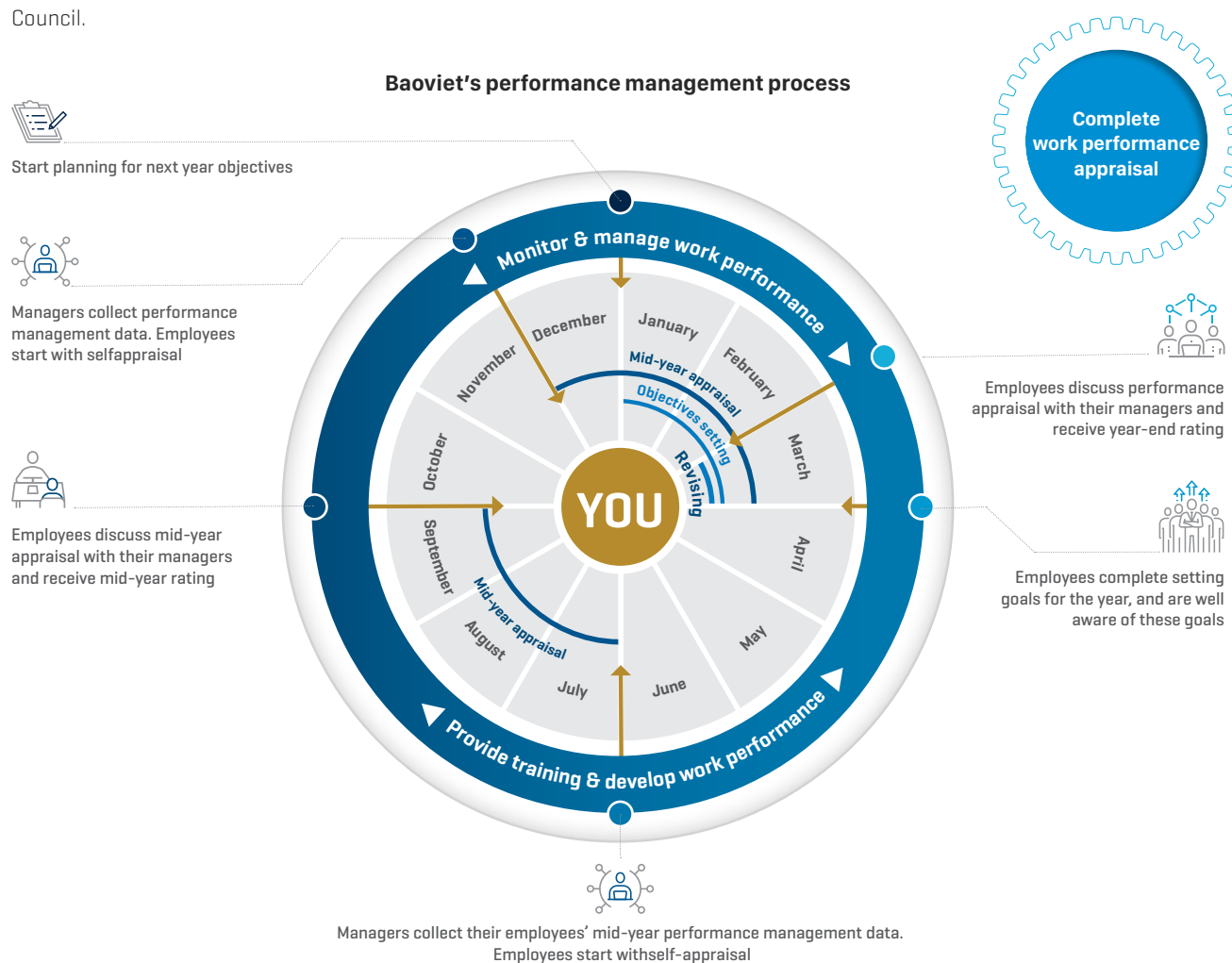
MANAGING AND PAYING BY WORK PERFORMANCE

Performance-based salary scheme and management system

“ Baoviet’s performance management policy has been maintained since 2009 to establish, control and evaluate the achievement of goals, classify the performance of each individual, as a basis for viewing and considering to adjust the annual salary and rewarding working efficiency for individual employees based on achievements and level of contribution to the organization’s success; contributing to creating a fair and competitive income mechanism in the salary policy of Baoviet.”

In 2020, individuals who were proposed to be classified as Class 1 [Excellent] had to present their reports of achievements in the previous year. These achievements must have a level of influence and benefit on the company and be recognized by the majority of individuals. In case the number of votes for more than 50% of the Board members and individuals was reached, the Board of Directors would approve the General Director of the Group to approve Class 1 – Excellent, the Director of the Center must present the report and protect the achievements of those individuals before the Council.

These achievements had to have the level of influence and network benefits in the Block / Center scale and were recognized by the majority of individuals and collectives in the Division / Block. In case the number of votes for more than 50% of the Board members and individuals was reached, the Board of Directors approved Class 2 – Good Performance. The remaining individuals were considered and rated Class 3 – Completed and Class 4 – Not completed depending on the level of accomplishment of the work goal in the year and the expression of attitudes and behaviors of individuals.



REPORT AND REVIEW OF MANAGEMENT BOARD

“ In 2020, in addition to complying with current laws and regulations, Baoviet continuously updated new trends in the market’s remuneration policies to improve the competitive advantage of human resources, to attract and retain high quality labor force easily, to motivate and increase labor productivity.”

With the human resource development strategy approved by the Board of Directors, Baoviet continued to implement the performance-based income policy, participated in surveys about the market’s wages and salaries to determine pay range, pay rate to its employees corresponding to each job level and performance accomplished, ensuring the internal equity and competition with the outside.

In 2020, the total number of employees that are periodically evaluated for the management staff according to Baoviet’s regulations is 3,580 people, equivalent to 96% of the total number of employees who are subject to evaluation; Of which, Female employees are rated as 1,718 people, accounting for 48% of the total number of qualified employees, Male

employees are rated as 1,862 people, accounting for 52% of the total number of qualified employees. According to the age group, employees under 30 years old are rated is 1,092 people, accounting for 30.5%, workers from 30 to 50 years old are evaluated is 2,229 people, accounting for 62.3%, workers over 50 years old are assessed the staff members with 259 people, accounting for 7.2%.

The remaining of the total number of employees as of December 31, 2020 of Baoviet were assessed and recorded their achievements in 2020 according to the specific policies of each subsidiary of Baoviet, accordingly with each position and specific job; and be awarded for the specific achievement.



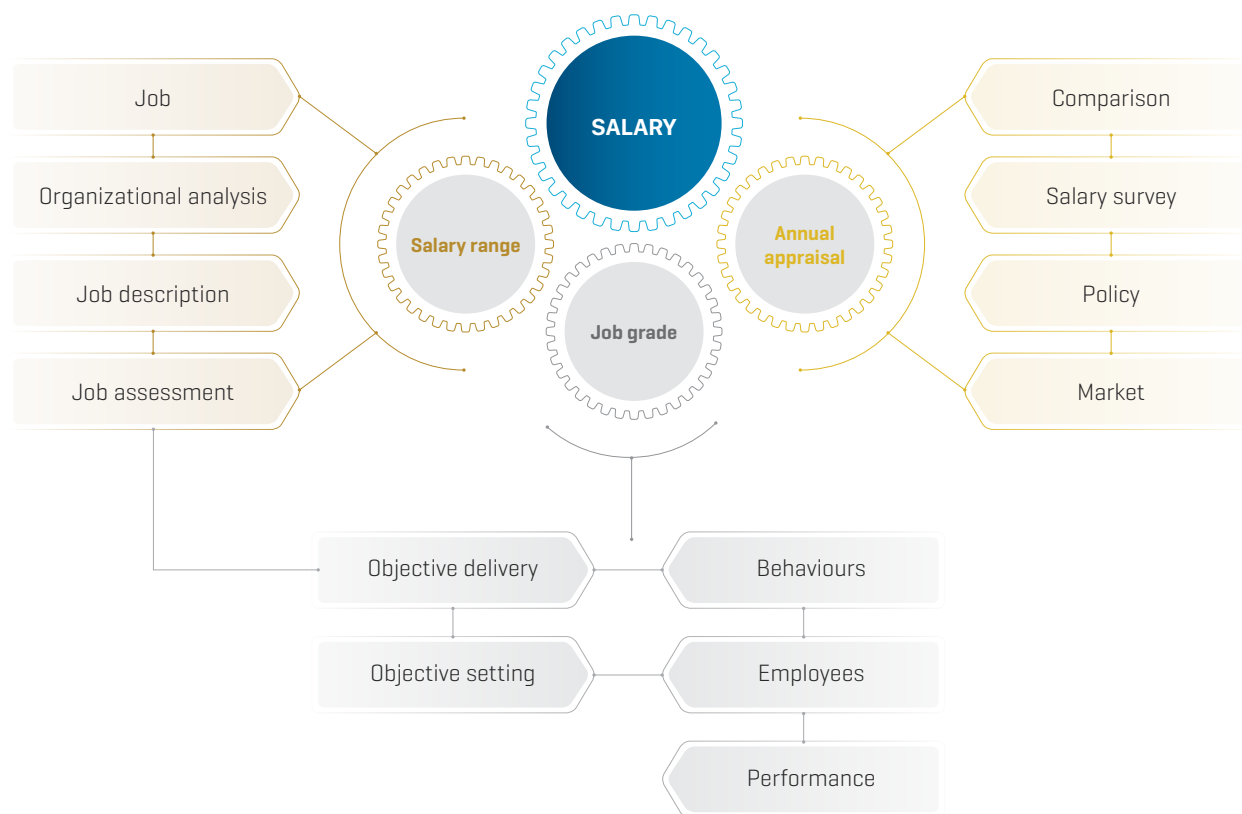
Unit: Person

No.	Unit	Percentage of appraised employees			Evaluated labor, in which:				
		Total number of employees	Total number of appraised employees	Percentage of appraised employees	Age group			Gender	
					Under 30	From 30 to 50	Over 50	Male	Female
1	BVH	267	262	98%	27	225	10	160	102
2	HEAD OFFICE (*)	558	558	16%	85	391	82	381	177
3	BVL	2,265	2,068	91%	758	1,143	167	1,041	1,027
4	BVF	49	48	97.96%	9	39	-	27	21
5	BVSC	247	239	97%	71	163	5	114	125
6	BVI	323	323	100%	175	144	4	135	188
Total		3,709	3,498	94%	1,125	2,105	268	1,858	1,640

(*) The performance appraisal data of BVGI is calculated at the Corporation Head Office.

PERFORMANCE BASED SALARY POLICY

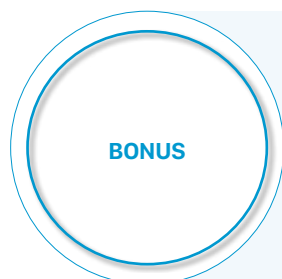
Fundamental model which forms the basis for Baoviet salary policy



Salary and bonuses from Baoviet's salary fund in 2020 include



- » Salary depends on the job/title and allowance
- » Supplementary salary
- » Salary for outstanding annual leave that employees have not used up.



- » 13th month salary;
- » Performance based bonus.



In 2020, Baoviet will have 2,211 annual salary increases according to job positions / titles, equivalent to 33.9% of the total number of employees; Of which, male employees receive a wage raise of 1,110, equivalent to 17% of the total number of male workers and female employees with a raise of 1,101 people, or 16.9% of the total number of female workers. For work performance based salary review, 100% of employees eligible for performance appraisal in 2020 had their salary reviewed consistent with the budget and current regulations.

REPORT AND REVIEW OF MANAGEMENT BOARD



CORPORATE STRUCTURE TRANSFORMATION OF BAOVIET HOLDINGS

Implementing the Resolution of the Central Executive Committee on restructuring, renewing and improving the efficiency of state-owned enterprises; Based on the direction of the Ministry of Finance and the directing documents and guidance of the Party Committee of the Central Business Division. On March 19, 2020, the Board of Directors of Baoviet Holdings decided to consolidate the organization of the Block-level management apparatus, including the establishment of unified agencies to simultaneously perform the function of advising and assisting the

Party Committee and Board of Directors, General Director of Baoviet, as follows:

1.

Transformed the organizational management model of the Block level under the Board of Directors, General Director of Baoviet.

2.

Established Inspection - Internal Audit, Office and functional committees to advise and assist the Party Committee, Board of Directors and General Director of Baoviet Holdings.

In which, 04 units are consolidated, simultaneously performing the function of advising and assisting the Party Committee of Baoviet Holdings on the organization, inspection, propaganda, mobilization and office work; assisting the Board of Directors, General Director of the Group in professional work associated with the Holdings operational functions.

Overall assessment of results

The new organizational structure meets the Party's requirements, corporate governance practices and Baoviet business requirements. The consolidated agencies have the full functions and duties of advisory agencies, assisting the Party Committee of Baoviet and specialized agencies assisting the Board of Directors and the General Director of Baoviet Holdings.

The new management apparatus has been built to follow the set objectives and requirements; continues to follow the online structure, functions but has reduced the intermediate level

(Block level), focusing on the initiative and responsibility for the functional departments, offices under the General Director.

The unification of the Party Committees and Specialized Committees, does not cause major disturbances and not arise difficulties in work. After consolidation, the model of the Consolidation Boards reduced the focal points of management, concentrating resources, ensuring streamlined apparatus, rational structure, inheritance, and promoting the operational efficiency of the previous structure.

The assignment of tasks between units is clear, highly specialized, convenient in training and inheriting experiences of other individuals. There is no overlap in functions and tasks among the merging units.

Personnel working in the Party's work are strengthened in both quantity and quality, shorten the time, process of solving work, improve the quality of advisory, ensure good performance of professional functions and tasks in accordance with the Party's lines and guidelines, the Government's policies and laws.

EVALUATION ON THE BOARD OF DIRECTORS

The consolidated
total revenue of BVH
[VND billion]

48,986

Increased by **9,2%**
compared to 2019

The total consolidated
assets
[VND billion]

147,238

Increased by VND**19.000**
billion compared to 2019

PBT of the Parent
company of BVH
[VND billion]

1,067

ROCC: VND**7.423** billion
estimated to **13,6%**

PAT of the Parent
company of BVH
[VND billion]

1,012

ROE estimated to
5,6%



2020 is the vital year in the revision, implementation of the Development Strategy for the period of 2016 – 2020 of Baoviet Holdings. Upon the direction, management of the CEO, as well as the efforts of the Board of Management, Baoviet Holdings, with the synergized, solidated spirits, together with the Subsidiaries have been fiercely implemented the key tasks to complete the business targets in 2020. Baoviet continues to emphasise the No.1 brand name in the Vietnamese Finance – Insurance market, simultaneously comply firmly to the regulations in the operation and management of the company according to the Charter, Regulation on internal corporate governance and the current Law.

EVALUATION OF THE MANAGEMENT OF THE BUSINESS ACTIVITIES AND THE IMPLEMENTATION OF KEY TASKS IN 2020

REGARDING THE CONSOLIDATED BUSINESS RESULTS

The consolidated total revenue of BVH reached 48.986 billion Dong, exceeded 9% compared to the strategic targets, increased by 9.2% compared to 2019, in which the total revenue in the life insurance activities reached 36.151 billion Dong, increased by 12.5% compared to 2019, exceeded plan by 7.6%, contributed to the largest amount i.e. 71% to the total consolidated revenue of BVH; the total revenue of the non-life insurance reached 11.526 billion Dong, exceeded 6.9% plan, contributed to 26% of the total consolidated revenue; the total consolidated revenue in the financial service activities contributed 3% to the total consolidated revenue with the amount of 1.867 billion Dong, increased by 24.6%.

The consolidated Profits before taxes (PBT) reached 1.901 billion Dong, completed 132.1% plan, increased by 25.7% compared to 2019; The consolidated Profits After Taxes (PAT) reached 1.597 billion Dong, increased by 28.5% compared to 2019, exceeded 35.3% plan. The total consolidated assets reached 147.238 billion Dong as at 31/12/2020, increased by 19.000 billion Dong, equivalent to 14.9% compared to the end of 2019.

REGARDING THE BUSINESS PERFORMANCE OF THE PARENT COMPANY

The Parent company of BVH completed the business plan in 2020 assigned by the AGM with the total revenue reached 1.410 billion Dong; PAT reached 1.012 billion Dong.

ROCC reached 7.423 billion Dong, estimated to 13.6%. ROE estimated to 5.6%, ensured the dividend payouts as committed to the shareholders.

BVH completed the Capital strategy for the period of 2016-2020 to approve of the private placement scheme, increased the charter capital to 7.423 billion Dong, retrieved the surplus for capital supplement, investment of the core business activities.

This is such a remarkable results acknowledge within the landscape of the challenging macro economy and the finance – insurance market.

IMPLEMENTED RESULTS OF KEY TASKS SET IN 2020

Aside from the results in the business objectives, in 2020, with the slogan "Learning – Applying – Creating", Baoviet Holdings has fiercely implemented the key tasks in order to improve the effectiveness of the core businesses, strengthened the internal cooperation, improved the professionalism, as well as emphasizing the brand name and the lead service quality of Baoviet.

The achieved results of keys tasks in 2020 are as follows:

- » Completed the tasks, business targets in 2020 toward sustainable and effective growth; Completed the capital strategy for the period of 2019 -2020; Improved the financial capability of BVH and its Subsidiaries.
- » The results of the Synergy project acknowledged the success of the cross-selling projects, the projects on IT application, headquarters for share as well as the marketing of BVH;
- » Upon the trend in the 4.0 Industrial revolution, BVH researched, implemented the Digitalisation in the business activities, invested on the modern IT infrastructure.
- » The Marketing activities in branding have supported the sale activities effectively, managed the marketing crisis. Especially, BVH and its Subsidiaries have received various reputable awards domestically and internationally.
- » The organizational structure has been streamlined towards efficiency, improving HR quality, implementing effectively tasks based on KPIs, drafting the policies on salary, bonuses based on fairness and efficiency.
- » Diversified the products and the distribution channels, expanded networks, provided professional services, created differences.

ORIENTATIONS IN THE OPERATION IN 2021



Upon the motto **“The new normal – the new mindsets”**, Baoviet is confident to act and to continuously learn new knowledge, new experiences, apply the creativity and new IT in the business activities, continues to maintain No. 1 position. BVH shall continue to foster the business activities, to surpass every challenges caused by the Mother nature or the Sars- Covid2 pandemic, yielding to effective growth and sustainability, closely aligns to the Strategy for the period of 2021 - 2025 by applying the key tasks as follows:

1.

All of the Subsidiaries completed their tasks, business objectives in 2021 towards sustainability, safety; drafting the Strategy for the period of 2021 – 2025 to submit to the AGM.

2.

Foster the implementation progress of the key IT projects.

3.

Continue to develop and to implement the Digitalisation projects, including:

- » The application of IT in corporate governance, management;
- » Development of the softwares for sales and customer services.

4.

Improve the roles of corporate governance and management of the BOD and the BOM; the roles of consultancy of the Committees, Councils.

- » Create the modern culture, business environment, organize the training programmes, conferences in corporate governance
- » Complete the legal framework i.e. the charter, the regulatory system, procedures, etc.
- » Improve the roles of BVH to the Subsidiaries in completing the mutual objectives.

5.

Widespread the image of Baoviet nationwide; Foster marketing, marketing supportive activities to business. Continue to develop, increase the brand values of Baoviet.

6.

Restructure and streamline the organizational structure; research, apply the digitalization, strengthen the staff rotation, delegation, construct the succession lines; draft the policy regime on salary, bonuses; increase the training quality for better HR quality.

7.

Develop new products, diversify and utilise products, expand networks and distribution channels.

STOCK INFORMATION AND INVESTOR RELATIONS



SHARE TYPE: **ORDINARY SHARE**

CHARTERED CAPITAL
7,423,227,640,000
VND

NUMBER OF FREELY TRANSFERABLE STOCKS
738,239,417
SHARES

LISTED NUMBER OF SHARES
742,322,764
SHARES

NUMBER OF RESTRICTED TRANSFERABLE SHARES ^[*]
4,083,347
SHARES

TREASURY SHARE: **0** SHARES

PAR VALUE: **10.000** VND/1 SHARE

OVERSEA SHARES TRADING:
BAOVIET HOLDINGS DOES NOT HAVE OVERSEAS STOCK TRADING IN 2020

[] Number of shares restricted from transfer is the number of shares issued under the Employee Stock Ownership Plan from May 2018.*

BVH STOCK PRICE PERFORMANCE IN COMPARISON TO THE MARKET

Overall evaluation of the market

66 In 2020, the Vietnamese stock market continued to maintain its momentum thanks to good domestic disease control, helping many businesses to recover quickly after the period affected by social distancing. The global economy also gradually recovered thanks to the gradual control of the pandemic and the continued launching of policies to support the economy. Positive macro factors have created a driving force for the stock market to grow continuously and by the end of 2020, reached above 1,100 points. The positive recovery of the stock market made all ETFs net buying strongly again in the fourth quarter of 2020. 66

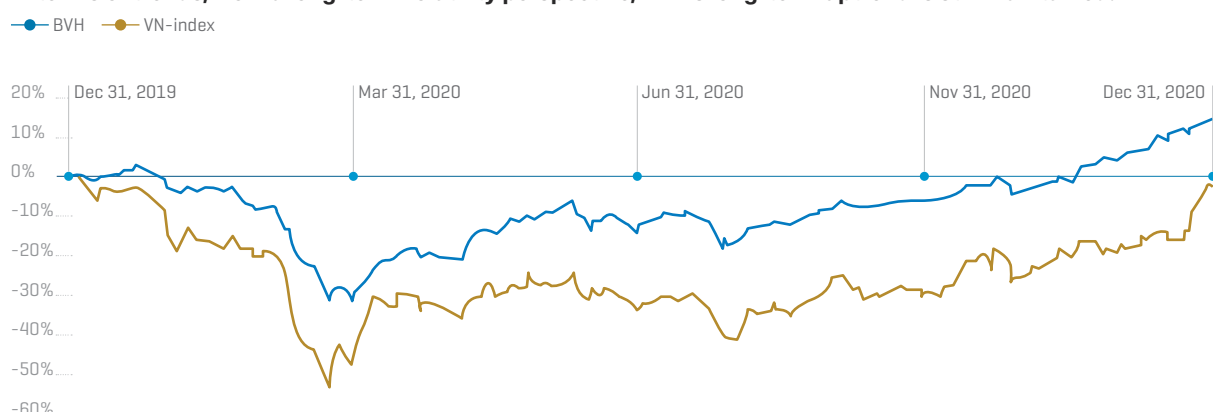
BVH stock price performance

In general, BVH's performance in 12 months was in line with the general market movement. After the difficult period in early 2020 due to the impact of the pandemic, the market began to recover as the disease was gradually controlled, and measures to support the economy were continuously introduced.

Especially in the fourth quarter of 2020, the market continued to maintain its momentum from the bottom area at the end of March. Accordingly, BVH's stock was not exceptional to this trend. While VN-index increased by 21.95%, BVH increased by 37.50%.

Stocks of insurance companies all increased at the end of 2020. With the leading position in the insurance industry, BVH is also the stock with the strongest increase. BVH's liquidity in the fourth quarter reached 78.79 million shares, an increase of 71.13% compared to 46.04 million shares of the previous quarter. Average trading volume per session in the quarter reached 1,193,747 shares per session, an increase of 68.54% compared with the level of 708,296 shares / session in the third quarter. At the same time, the average trading value per session in the fourth quarter of BVH also increased by 97.97% q-o-q, to VND66.4 billion / session.

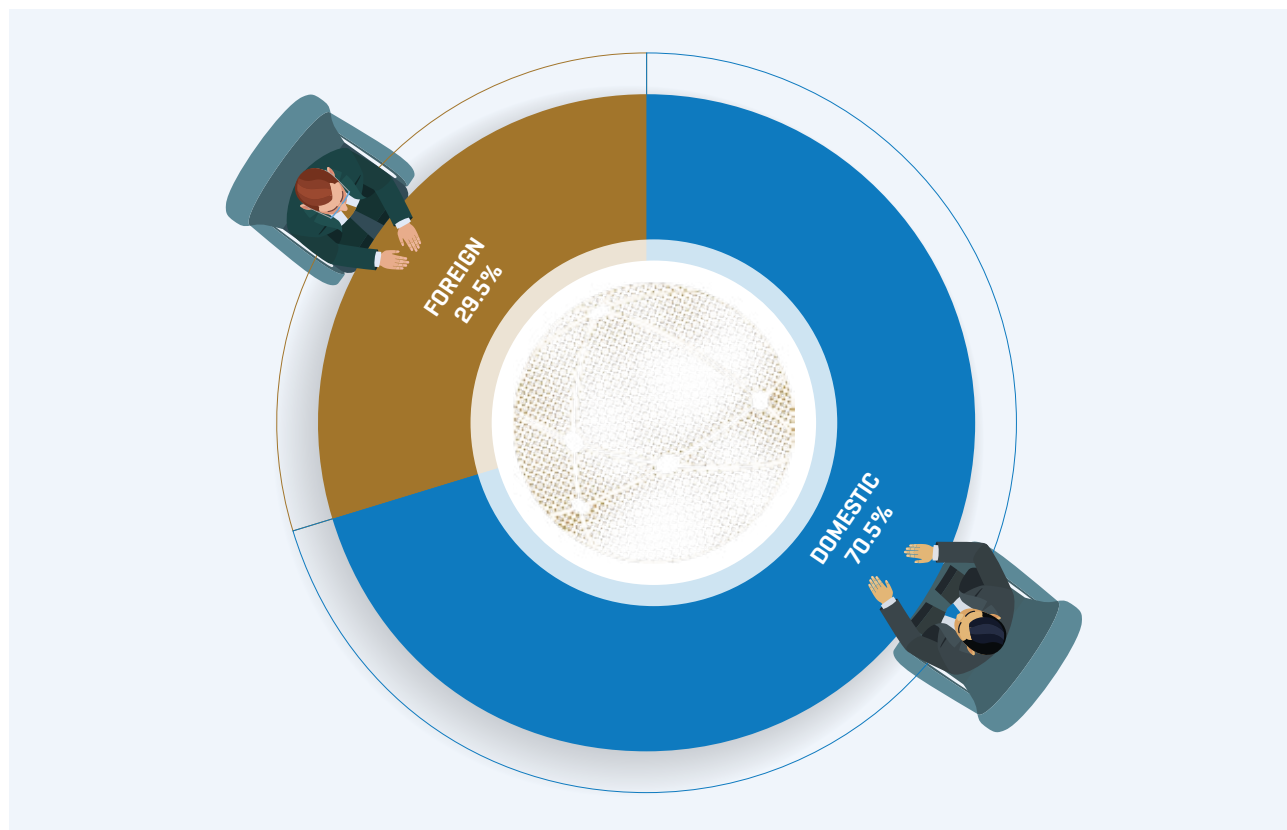
In terms of trends, from a long-term volatility perspective, BVH's long-term uptrend is still maintained.



In 2020, with the expectation that more cash flow from new ETFs will enter the market, analysts expect the attractiveness of a leading industry bluechip such as BVH to attract a lot of attention and the stock's average liquidity will be pushed higher. BVH stock may continue to accumulate with price fluctuations within a small range. When accumulating enough and creating a solid price

base, we expect BVH stock will recover and grow again. Currently, BVH is the leading insurance industry's stock in terms of market capitalization and liquidity. With stable and sustainable business results and maintaining good liquidity, BVH's attractiveness to international investment funds and ETF funds in Vietnam stock market has been maintained.

SHAREHOLDER STRUCTURE



No.	Shareholders	Number of shares	[%] ownership	Number of Shareholders	Shareholder structure	
					Institution	Individual
1	State Ownership ^(*)	504,664,200	67.98%	2	2	0
2	Founding shareholders ^(**)	482,509,800	65%	1	1	0
3	Major shareholders [5% upwards] ^(***)	646,455,221	87.09%	2	2	0
4	Trade Union	140,759	0.02%	1	1	0
5	Treasury shares	0	0	0	0	0
6	Other shareholders	73,572,384	9.91%	9,282	165	9,117
	Total	742,322,764	100%	9,286	169	9,117
	<i>In which: - Domestic</i>	<i>523,366,726</i>	<i>70.5%</i>	<i>8,634</i>	<i>62</i>	<i>8,572</i>
	<i>- Foreign</i>	<i>218,956,038</i>	<i>29.5%</i>	<i>652</i>	<i>107</i>	<i>545</i>

Note:

[*]: including Ministry of Finance, SCIC

[**]: includes Ministry of Finance

[***]: includes Ministry of Finance and Sumitomo Life

INFORMATION ON OWNER'S INVESTMENT CAPITAL

Owner's investment capital

	December 31, 2020 Ordinary share	December 31, 2019 Ordinary share
Chartered Capital	7,423,227,640,000	7,423,227,640,000
Capital surplus	7,310,458,742,807	7,310,458,742,807
	14,733,686,382,807	14,733,686,382,807

Trading of treasury shares

Baoviet Holdings did not incurred any transaction to buy / sell treasury shares in 2020.

Other stocks

On January 7, 2020, Baoviet Holdings made an additional listing of 41,436,330 shares after successfully issued private placement of shares according to Resolution No. 02/2019/NQ-ĐHĐCĐ-TĐBV dated June 29th, 2019 of the Group's Annual General Meeting of Shareholders. So far, Baoviet has not listed shares on the foreign stock exchange.



REPORT ON THE SUBSIDIARIES' BUSINESS PERFORMANCE

1. — BAOVIET INSURANCE CORPORATION
2. — BAOVIET LIFE CORPORATION
3. — BAOVIET FUND MANAGEMENT COMPANY
4. — BAOVIET INVESTMENT CO., LTD
5. — BAOVIET SECURITIES JOINT STOCK COMPANY

5.

BAOVIET  **Securities**
BAOVIET SECURITIES JSC

4.

BAOVIET  **Invest**
BAOVIET INVESTMENT CO., LTD



1.

BAOVIET  **Insurance**

BAOVIET INSURANCE
CORPORATION

2.

BAOVIET  **Life**

BAOVIET LIFE
CORPORATION

3.

BAOVIET  **Fund**

BAOVIET FUND
MANAGEMENT COMPANY

REPORT ON BAOVIET INSURANCE CORPORATION'S BUSINESS PERFORMANCE



Mr. Nguyen Xuan Viet
Chief Executive Officer

BVGI's strategic direction is to promote the application of 4.0 technology revolution in business as well as management activities in order to provide highly flexible and friendly products and services to its customers; build and deploy new products, restructure product basket to suit targeted customers and develop solutions to increase revenue in key areas; continue to take advantage of and develop to cross-selling channels; promote marketing online sales activities and employees award programs to motivate business performance and ensure effective and sustainable growth target.

COMPANY OVERVIEW

As the first non-life insurance enterprise in the Vietnamese market with more than fifty years of strong development, continuously standing in the top position in terms of revenue, market share and growth, Baoviet Insurance Corporation (BVGI) has always been a pioneer in the application of technology and successful solutions of 4.0 revolution technology not only in sales, operational management, claim management, customer data management, but also in customer interaction management in order to provide customers with the highest convenience.

Processes and transactions with digital technology contributes to quick and effective search and access, customers' time saving, systematic management of data and information, increasing data security level and careful back-up. With a diverse sales and distribution network spreading in all provinces and cities nationwide, BVGI continues to expand its interactive channel through online sales website (baovietonline.com.vn) and other digital channels, banks... to provide customers and the market with several optimal choices. BVGI is currently an insurance enterprise having high charter capital, strong financial capacity, diversified products, outstanding service quality and highly qualified staff.





TOTAL REVENUE

11,503

SCOPE OF DISTRIBUTION NETWORK
[AS OF 31ST DECEMBER 2020]

Profit before tax

88



Profit after tax

71



Charter Capital

2,900



Direct insurance premium

9,690



Market share

17.4%

79

Number of branches

702

Number of transaction offices/regional offices/
customer care office

92,687

Number of insurance agents/consultants/brokers

>10 MILLION

Number of customers/customer arrivals

In 2020, BVGI received many prestigious awards, including:



- » **Most Trusted General Insurance Brand, Asia 2020**
- » **Best Insurance Brand for Customer Service, Asia 2020**
(Best Brand Magazine)
- » **Best Insurance Company Digital Transformation Vietnam 2020**
- » **Insurance Customer Satisfaction & Happiness Vietnam 2020**
(Global Banking and Finance Review)
- » **Top 10 most prestigious insurance companies in Vietnam** (Vietnam Report)

The above and many other awards in Vietnam and the region that have been awarded to BVGI in many consecutive years are a clear proof for BVGI's appropriate orientation where customers are considered as the center and lodestar for all activities. During the process of formation and development, BVGI has always affirmed its role as a market leading insurer, constructing Vietnam's non-life insurance market with strong resources and proper implementation of its commitments to customers, bringing the best benefits to customers and the community.

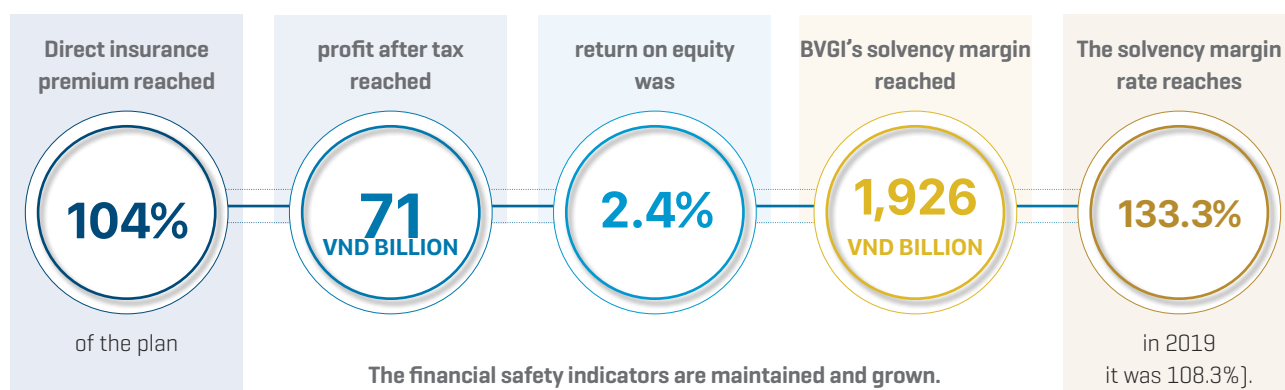
REPORT ON BAOVIET INSURANCE CORPORATION'S BUSINESS PERFORMANCE

BUSINESS HIGHLIGHTS IN 2020

“ In 2020, BVGI will continue to maintain its leading position in the market, ensure its business performance as well as be rated as the most sustainable and reputable enterprise in the industry. BVGI's strategic direction over the past years, especially in 2020 in the context of the global epidemic, is to promote the application of 4.0 technology revolution in business activities as well as management activities in order to provide highly flexible, friendly and convenient products and services to its customers. ”



In 2020, in the context of Covid-19 epidemic effects on the world and Vietnamese economy in general as well as the whole insurance industry in particular, BVGI still completed its business targets.



In 2020, with the motto **“Effective management - Pioneering technology”**, BVGI focused on risk control and service screening to ensure business efficiency. Actual results showed that the direct insurance claim ratio decreased by 8.7% as compared to the same period in 2019, in which the claim ratio of retailed products such as motor vehicle insurance, health insurance and personal insurance... also decreased. Besides, BVGI continued to maintain reinsurance policy to share risks, contributing to the sustainable growth of BVGI in particular and Baoviet Holdings in general.

1. Researching and developing new insurance products that are flexible, benefit-diverse and can be online purchased at anytime, anywhere.
2. Promoting the deployment of diverse sales channels from direct channels to indirect ones so that customers can easily access, study, and actively choose suitable insurance packages.
3. Creating a complete insurance ecosystem with diverse programs for individuals (such as health insurance, travel insurance, motor vehicle insurance...), for enterprises (such as property insurance, house insurance, corporate insurance ...) to bring peace of mind to customers in all aspects.
4. Cross-selling activities between BVGI and other subsidiaries in Baoviet Holdings network, especially BVL, continued to affirm as the right and potential direction. Total revenue was estimated approximately 1,000 billion VND, bringing sustainable values to BVGI and the insurance market.
5. Continuously expanding cooperation in terms of direct billing service with many partners in health care sector such as big hospitals (Viet Duc Hospital, 108 Military Hospital, Central Endocrine Hospital, Ho Chi Minh City Medicine and Pharmacy Hospital, Ho Chi Minh City Pediatric Hospital...), prestigious and modern medical examination and treatment facilities..., increasing the number of BVGI's direct billing facilities to nearly 200 facilities nationwide
6. Promoting the development and expansion of new and potential distribution channels through the B2B2C model such as Bancassurance, online Insurance, cooperating with e-commerce partners...

Always ready to innovate and cooperate to completely satisfy customers as well as conquer the growing non-life insurance market every day, BVGI has been recognized by domestic and foreign organizations for many years as trusted insurance brand name and best service quality insurer in Asia...

Facing the general challenges of the world economy, the domestic market in general and the insurance industry in particular, BVGI has not only maintained the motto “Customer is the center” – the lodestar for all business activities, but also turn challenges into a resource and development opportunity to achieve well its targets, fulfill an insurer’s mission of bringing peace of mind and sustainability to Vietnamese families as well as domestic and foreign enterprises.



REPORT ON BAOVIET INSURANCE CORPORATION'S BUSINESS PERFORMANCE

Maintaining the leading position in insurance premium and sustainable development

For many consecutive years, BVGI has affirmed its role as the number one insurer in the market with a steady growth of total revenue over several financial years.



BVGI is also the leader in terms of market share - TOP 5 large enterprises with approximately 20% market share. All insurance lines have achieved a certain growth, among which health insurance is still one of BVGI's development foci in 2020.

By the end of 2020, BVGI's total premium reached more than 11 trillion VND, which is also the growth maintained in recent years. BVGI is currently recognized by reputable organizations as an insurance company with high charter capital, strong financial capacity, diverse products, outstanding service quality, and highly qualified employees.

Affirming the advantage of network scale, bringing friendly services closer to customers



BVGI affirms its superiority in terms of network with total of 79 subsidiaries and over 3,000 employees, more than 85,000 agents and nearly 700 regional insurance offices nationwide. In fact, BVGI is the largest-scale insurance company in the industry up to now. BVGI is not only the Number one insurance company for individual household customers, but also the leading insurer providing comprehensive insurance solutions, risk management programs, minimizing damages to corporate customers. With significant changes towards a diverse, comprehensive, customer-friendly digital ecosystem, BVGI has been bringing customers a new and better experience journey with easier-to-understand insurance process which is warmly welcomed by all customers.

In 2020, BVGI has obtained remarkable achievements in business and management activities, thereby improving brand reputation, sustainability, and market leadership, ensuring business efficiency and profit contribution to the overall picture of Baoviet Holdings.

"The best working environment in Vietnam" ensures development and promotion roadmap



Together with business promotion activities, BVGI is also the pioneer in creating a professional and friendly working environment, providing more than 3,000 employees with development and promotion opportunities and good remuneration packages. Always listening to understand employees' concerns, BVGI has built a new standard of ideal workplace, where all employees receive a commitment to comprehensive care and maximum growth in a personalized career path, worthy recognition of contributions through diverse experiences, work challenges, learning opportunities for personal improvement and development.



2021 PLAN

IN 2021, BVGI CONTINUES TO SET THE TARGET OF LEADING THE MARKET
WITH THE MESSAGE

Effective management - Pioneering technology

STRONGLY COMMITTING TO CONSOLIDATE INTERNAL RESOURCES,
EFFECTIVELY APPLY 4.0 TECHNOLOGY. 4.0 IN BUSINESS AND MANAGEMENT
ACTIVITIES AS WELL AS OTHERS RELATING TO SERVICE QUALITY,
AFTER-SALE SERVICE TO PROVIDE PRODUCTS AND SERVICES MEETING
CUSTOMER'S NEEDS THE MOST IN LINES WITH "CUSTOMER IS THE CENTER"
ORIENTATION.

REPORT ON BAOVIET INSURANCE CORPORATION'S BUSINESS PERFORMANCE

2021 PLAN

Some solutions will be deployed to complete the business plan in 2021, as follows:

1.

Centralized management

Continuing to improve centralized management model based on the application of information technology, specialization of insurance business activities including the management of insurance operations, claims, sales, and after sales services.

2.

Business Development - Managing and improving insurance operation efficiency, promoting business performance across the whole system

Accelerating data analysis, exploiting the role of actuary in insurance operation management; continue to implement centralized management model in actuary, insurance underwriting, pricing, sales guidelines, decentralization; adjusting and building premium table in accordance with business goals; adjusting sales policies to ensure business target efficiency; performing monthly analysis and evaluation of business performance for timely adjustment of underwriting policy; reviewing, adjusting, and updating insurance operation guidelines; promoting the development of new products to serve the increasing demands of customers and ensure the diversity of products; promoting cross-selling activities with Baoviet Life.

3.

Claims and Surveying - Effective management and revenue promotion

Continuing to deploy the centralized management model for surveying and claims with a practical roadmap. Implementing surveying solutions for all insurance lines: motor vehicle insurance, property and engineering insurance, marine insurance, health insurance, personal insurance... including: Adjusting and applying advanced operating model; strengthening the verification and surveying; approving repair price and claim settlement, evaluating and negotiating with suppliers [garages, hospitals...]; training and applying KPI for surveyors; applying information technology.

4.

Information technology - Promoting the deployment of new applications, ensuring standard and timely data

Ensuring the operation of InsureJ insurance core software [for motor vehicle insurance, marine insurance, property and engineering insurance] and BV Care [health insurance products]; completing management reports; building centralized customer database to support sales, underwriting management, surveying and claim settlement, customer care; completing the connection between InsureJ and Sunaccount; continuing to improve, upgrade and deploy other software in BVGI's information technology ecosystem; accelerating digital transformation.

5.

Distribution channel - Focusing on developing highly potential channels

Consolidating the professional non-life agency channel through training activities, award programs, software application in agent management. Timely warning and controlling agents' activities that do not comply with regulations; continuing to promote cross-selling channel, making adjustments to ensure the channel effectiveness [amending products, revising expenses]; developing high potential channel such as Bancassurance; continuing to develop new distribution channels such as online channel, telesales channel, other partner channels .. in combination with information technology application.



6.

Flexible financing mechanism – policy but still ensuring efficiency

Assigning and adjusting sales expenses according to respective insurance line efficiency; monitoring debt settlement; controlling non-claim settlement expense such as operating expenses, management expenses, sales

7.

Human resource development

Recruiting, exploiting and using human resources appropriately, ensuring labor quality, saving expenses; continuing to expand the implementation of KPI to improve employees' productivity; allocating wage and unit price in lines with the increase of insurance line efficiency.

8.

Marketing - Communication

Focusing on sales promotion activities with targeted customers; building partnerships with digital partners to introduce and promote sales to individual customers on marketing channels; deploy marketing campaigns on BVGI's products and services to provide customers with diverse information and understanding.

REPORT ON BAOVIE LIFE CORPORATION'S BUSINESS PERFORMANCE



Mr. Pham Ngoc Son
Chief Executive Officer

The year 2020 - the first year of the new decade has ended, marking the success of BaoViet Life on our journey to create and bring sustainable values to our customers. On our 25 years long journey of establishment and development, BaoViet Life has continuously grown with a stable and solid financial position, the synergized strength of the entire BaoViet Holdings, the application of Industry 4.0 Technology to improve customer services quality and corporate management efficiency, striving towards effective and sustainable growth.

COMPANY OVERVIEW

BaoViet Life Corporation (BVL) is a subsidiary with 100% capital owned by BaoViet Holdings - the leading Finance & Insurance Holdings in Viet Nam. During its establishment and development, BaoViet Life (BVL) has consistently affirmed its stable and strong financial position and is the only one life insurance company in the life insurance market with a network of branches and regional offices across the country, becoming a prestigious and trusted brand of Vietnamese.

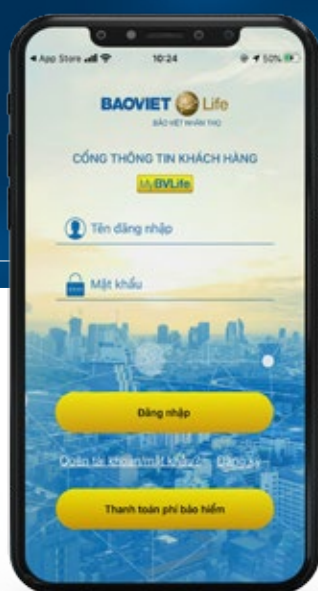
As the only Vietnamese enterprise in the Vietnamese life insurance market, BVL has always maintained our Premium and New business revenue growth rate. According to data from the Insurance Supervisory Authority of Vietnam, in 2020 BVL continued to maintain the **1st POSITION** in term of Premium revenue's market share.





TOTAL REVENUE

36,169

DISTRIBUTION NETWORK
[AS AT 31/12/2020]

Profit before tax

1,078



Profit after tax

875



Charter Capital

5,000



Premium revenue

28,038



Market share

21.5%

76

Branches

362

Regional Office

170,000

Agents

>6 MILLION

Customer

BVL has also been recognized by the State Authorities as the market leader in term of corporate income tax contribution to the State's Treasury as well as in the implementation of Vietnamese Government's strategic development orientation to build Vietnam's social welfare system through the development of life insurance market. BVL has always been committed in our mission to "Protect Vietnamese Family - Protect Vietnamese Benefits", perform our responsibility to society, contributing to building a healthy, peaceful and prosperous community.

Thanks to these relentless efforts, BVL had had the honor to receive various international awards such as:



» **Asia-Pacific Outstanding Brands**

Nominated by Asia Pacific Economic Journal.

» **Top 10 reputation Award 2020 for life insurers**

An award nominated by Vietnam Report Joint Stock Company. This is also the fourth time BaoViet Life has firmly upheld this position.

» **The best companies to work for in Asia 2020**

A title awarded to BVL for 3 consecutive year by HR Asia Magazine.

REPORT ON BAOVIET LIFE CORPORATION'S BUSINESS PERFORMANCE

2020 BUSINESS PERFORMANCE

🗨️ In the year 2020 BVL had faced with various challenges for the business activities of BVL due to Covid-19 outbreak and natural disasters and floods in the central provinces of Vietnam. However, Thanks to the application of Industry 4.0 advanced technology in our business activities, BVL has achieved excellent business results with high growth rate compared to 2019. 🗨️

Details are as follows:



BAOVIET Life
BẢO VIỆT NHÂN THỌ



**TỰ HÀO ĐẲNG CẤP
TIỀN PHONG DẪN ĐẦU**

As the only domestic life insurer in the market, BVL has consistently affirmed its leading position of a Vietnamese enterprise. Sound business performance reinforce the financial strength with the total assets of over 120.000 billion VND, increased by 18.8% compared to 2019.

In order to achieve the above results, BVL put our best effort into implementing consistent business solution with the orientation "sustainable growth and development" through business network expansion, improve performance quality of agency force, product innovation and 4.0 technology application in business operation, customer services and corporate management.

Distribution system development and business networks expansion

With the strategic orientation to expand and develop, BVL has emphasized on market expansion. By the end of December 31 2020, BVL has over 2.300 employees, 76 branches and 362 regional offices located in over 63 provinces nationwide, helping BVL to approach and provide a diverse range of services to our customer.

BVL has continued to maintain and develop traditional agency as our main distribution channel while striving to rejuvenate our agent forces, continue expanding our agency network in term of quantity through recruiting new agents and focusing on the quality and effectiveness of training programs in order to adapt to the changes in the business environment, securing a sustainable development. The total number of BVL's agents has reached nearly 170.000, whereas, over 1.000 agents were awarded with the title "Million Dollar Round Table" [MDRT].



Alternative distribution channels and cooperation enhancement

In addition to the traditional agency channel, BVL also continued to develop alternative distribution channels, such as Bancassurance, Telesales, Corporate customer sales... to diversify the sales method as well as to improve life insurance advising service to customer: bancassurance, telesales, digital sales, online, corporate customer sales... to diversify the sales method as well as to improve life insurance advising service to customer.

With the orientation of applying 4.0 technology to developing distribution channels, improving customer experience and satisfaction, BVL has successfully deployed online sales channels and launched the first online product of BVL "Lifecare – Cancer and stroke". This step demonstrates BVL's determination to promote digitization and application of modern technology in business activities.

In order to diversify distribution channels, BVL has cooperated with domestic and foreign partners such as Diamond Star, Asahi, Fe Credit, Viettel Store... to distribute BVL's products to potential customers of the partners.



Increasing utilities to serve customers

With the motto **"Pioneering technology – Sustainable Efficiency"**, BVL always concentrate in improving the quality of services, investment to apply of 4.0 technology in the business operation to bring customers true satisfaction. In 2020, in addition to continuing to provide comprehensive and improved utilities for customers through current services, BVL also continued to upgrade and develop new applications for customer conveniences:

- » Launching BVL's first Digital sales channel;
- » In addition to the premium collection model using Mobile App, MPOS and electronic invoices, BVL has deployed new premium payment methods through BaoVietPay and Momo e-wallet... to diversify payment method help customer pay premium more conveniently;
- » Launched supporting software SalesPlatform with new features such as customer data management, insurance benefits illustration,

online Application, online supplement documents submission, application information browsing... to improve customer services quality;

- » Increasing benefit for loyal customer through Baoviet Loyalty Program, a special program which gives loyal customer extra points on their birthday, policy anniversary day, premium payment transaction. Those points can be accumulating to be exchanged for various special gifts and benefits.

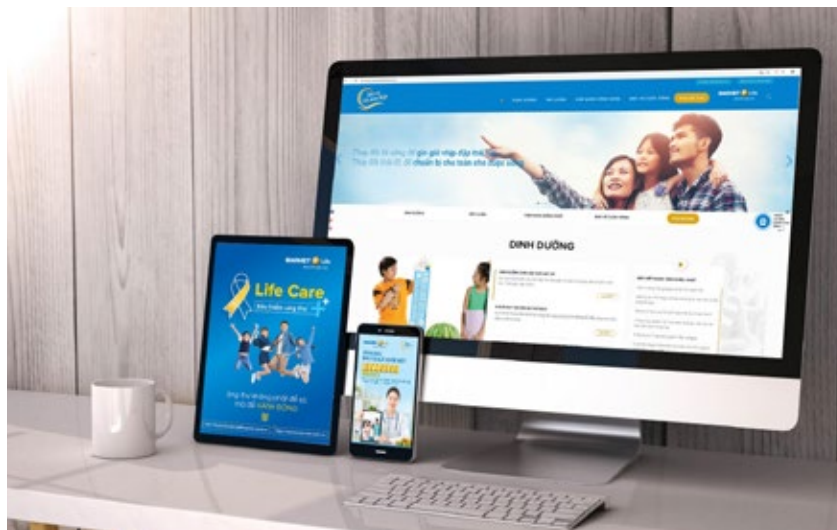
REPORT ON BAOVIET LIFE CORPORATION'S BUSINESS PERFORMANCE

Building a comprehensive protection system, increasing branding power

In an effort to build a comprehensive protection system to bring a joyful and healthy life, creating positive lifestyle for customers, BVL provided more Health Conference with the topic “Controlling Cancer and Stroke risks”, which is a combination of medical examination and counseling program for potential customer.

Healthcare Call Center - 18006966 provides advice from experienced professional doctors to customers and their family through unlimited calls. This is the unique special benefit in the Vietnamese life insurance market to only consumers of BVL.

In addition, BVL's website on Vietnamese Health Protection and Vietnamese



Families Protection also provide useful knowledge to improve customer's quality of life, useful healthcare knowledge for customers.

Product development to meet the diversified demands of the market



Product research, development and improvement are continuously carried out and promoted to introduce new innovative products to the market. In January 2020, BVL launched a new product for children named “An Khoa Trang Nguyen”. With lucrative benefits, accumulation and comprehensive insurance coverage, “An Khoa Trang Nguyen” is an innovative financial solution, a meaningful gift to help parents realize the solid plan for their children education and future career and provide protection against life's risks, diseases, including epidemics...



In December 2020, BVL continues to launch a new insurance product “Life Care-integrated insurance for Cancer and Stroke” – unique in Vietnamese market, spreading the message of an active life “Cancer is not to be feared, but to act”. This product provide protection against cancer from an early stage, benefit amount up to 122% of the Sum Insured, the highest coverage on the market currently. Furthermore, this product is distributed entirely online with a simple, quick application procedure, meeting the development trend of 4.0 technology era.

As a national brand, Baoviet Life has always endeavor to carry out our mission “Protect the Viet Family – Protect the Viet Health” – Protect the Viet Future”.

Social and community activities

In 2020, social charity program “Green Journey – Golden heart” organized by BVL continued to travel all over the provinces and cities of Vietnam to provide free health examination and share useful healthcare information for over 2.500 poor families. “Green Journey” program of BVL didn’t only motivate the devoted participation of over 200.000 “Golden heart” – the volunteers, agents of BVL, but also the joined effort of many devoted Physicians, all coming from Major Hospitals to give free health examination, helping people reached by the program to get a hold of their medical state and awareness of illness prevention. “Green Journey – Golden heart” also gave away 2.000 scholarship and bicycles to excellent students under difficult circumstances from all over Vietnam and even more gifts for poor families, contributors to Vietnam revolution.



2020 was a year full of unexpected incidents and event to the people all over the world, including Vietnam. The pandemic outbreak has considerably affected the life, health of the whole society. In order to raise the awareness of Vietnamese people in proactively protect the health of ourselves and our family, BVL has continued to coordinate with the Embassy of India to organize the International YOGA day. Through 2020 concept “YOGA – Refresh your life”, Yoga for a fresh start, BVL hopes to spread the message of active and optimistic living, always ready to face any challenge. Together with BVL, over 5.000 people who love Yoga had gathered in Vinh Phuc, Quang Ninh, Phu Yen... and became emissaries to spread positive energy and mindset to ready ourselves and face the pandemic. The organization of this program also ensure the compliance to Pandemic prevention regulations and the safety of participants.

Near the end of October 2020, multiple consecutive storm has landed in Central Vietnam, leaving behind significant damage in term of human and assets. However, “No one is left behind”, BVL has promptly coordinated with local authority in 4 provinces including Quang Tri, Quang Binh, Thua Thien Hue in order to organize giveaway many gifts to the families which is affected by the great damage left behind by the storms and flood. At the same time, BVL’s staff and agents all over 63 provinces have volunteered to make a donation in order to share the losses and grief of people in the center of this flood disaster, contributing in the effort to make up for the damages, helping central Vietnam people to stabilize their life.

REPORT ON BAOVIET LIFE CORPORATION'S BUSINESS PERFORMANCE

BUSINESS TARGET AND ORIENTATION IN 2021



“ With a sustainable financial strength and the continuous high growth of business results over the years, Baoviet Life continues aiming at high revenue growth, better customer service, ensuring the benefits for customers, maintaining the leading position in the market. ”

In order to achieve the above targets, BVL shall perform the following comprehensive and consistent solutions based on its long tradition development as a pioneering Vietnamese enterprises in the life insurance market, utilizing the synergy strength of Baoviet Holdings:

1.

Network and branches expansion, regional offices enhancements to serve customers

BVL will maintain and continue to develop a multichannel distribution system including Agency channel, Bancassurance, Telesales, Corporate Customer, Online and Digital sales channel (Online sales, digital commercial, non-Bank institution partners).

2.

New Product development

BVL will continuously promote market researches and develop diversified product packages to meet the demand of the market and different customer segments with high competitiveness features, in accordance with the general strategic direction of the Vietnamese Government and Ministry of Finance in reforming the social security system. In 2021, BVL will continue to introduce new products and synergic products within the Baoviet Holdings to create a wider range of product portfolio.



3.

Efficient investment strategy

Given that the market interest rate remains at a low level, BVL shall carry out a flexible investment strategy which could utilize investment opportunities of financial market to bring the best benefit as well as guarantee the commitments to policyholders. Simultaneously, BVL shall also contribute to the development of Vietnam financial market by re-investment into the economy and entering into government bonds market. In addition, BVL will focus on building and promoting research and development of investment products; establishing information network, systematic cooperation in order to promote the synergic strength within Baoviet Holdings.

4.

Improving customer services quality

BVL is committed customer services digitalization, increasing the solutions to best support business operations in Policy issuance, automatic claims processing widen the range of digital services provided to customer, expand the network of Medical associates, centralize customer information management and improving customer management and services.

BVL will Continue to improve customer care and services by diversifying customer care method, optimizing the application of technology in order to provide for customers consulting needs, increasing customer satisfaction.

5.

Optimizing the application of advanced technology

BVL will continues to develop and upgrading software infrastructure n order to support core business operation [Product development, business development, customer services and internal coporate management] and continue the digitalization of BVL internal procedures, customer services and corporate management are the two priorities of BVL.

6.

Promoting the synergy within the Holding

Promoting the strength of Baoviet Holding - The leading Financial and Insurance Holdings of Vietnam with a diverse fields of business: life insurance, health insurance, fund management, banking, securities... In 2021, BVL continues to utilize the synergic Baoviet Holdings's strength, increase the cooperation and internal synergic activities, in order to provide integrated insurance - financial - banking solutions, maximizing the utility of the services provided to customers...

REPORT ON BAOVIET FUND MANAGEMENT COMPANY'S BUSINESS PERFORMANCE



Mr. **NGUYỄN ĐÌNH AN**
Chief Executive Officer

2020 is considered to be an important milestone for the 15 years of development of Baoviet Fund. The company has shown its strong innovation and transformation in various activities. With the positive business performance and improvement in investment activities, Baoviet Fund has confirmed its role as one of the three core business pillar of Baoviet Group.

BAOVIET FUND INTRODUCTION

In November 2022, Baoviet Fund has celebrated its 15th anniversary, marked the outstanding developments and confirmed its role as the leading professional investor in Vietnam financial market with total asset under management increased by 25% compared to 31/12/2019, reached VND 78.490 billion. Baoviet Fund's core business includes portfolio management, fund management and securities investment advisory. With the experiences in managing large-scale and long-term capital, together with capabilities in providing diversified and comprehensive financial package up to international standard, Baoviet Fund commits to bring utmost qualified services and highest benefits to customers.

Recently, Baoviet Fund has managed five portfolios, three open-ended funds and one member fund. As a strong investment pillar of Baoviet Group, in 2020, all investment portfolios achieved good results, meeting customer's expectations. Baoviet Fund has been awarded "Asset Management Company of the year 2020 Vietnam" by Global Banking & Finance Reviews Magazine.



Unit: VND billion



TOTAL REVENUE

113.6



FOUNDED YEAR

2005



Total asset under management

78,490



Profit after tax

42.4



Charter Capital

100



Profit after tax / Charter Capital

42.4%



NAV/CCQ increased

14.4%

BVBF was the leading bond open-ended fund in Vietnam market.

BAOVIET FUND HAS MANAGED

5

portfolios

3

open-ended funds

1

member fund

2020 BUSINESS RESULTS

By synchronously deploying appropriate business solutions, made efforts in all activities, in 2020, despite many difficulties due to Covid-19 pandemic, Baoviet Fund Mangement Company had a good business performance, details as following:



Total asset under management

As of 31/12/2020, total asset under management of Baoviet Fund was VND**78.490** billion, **25%** increased comparing to that in 2019.



Total Revenue

reached VND**113.6** billion, exceed target by 0.5%.



Profit after tax

reached VND**42.4** billion, exceed target by **11.6%** and increased **7%** compared to 2019.



Other financial indicators

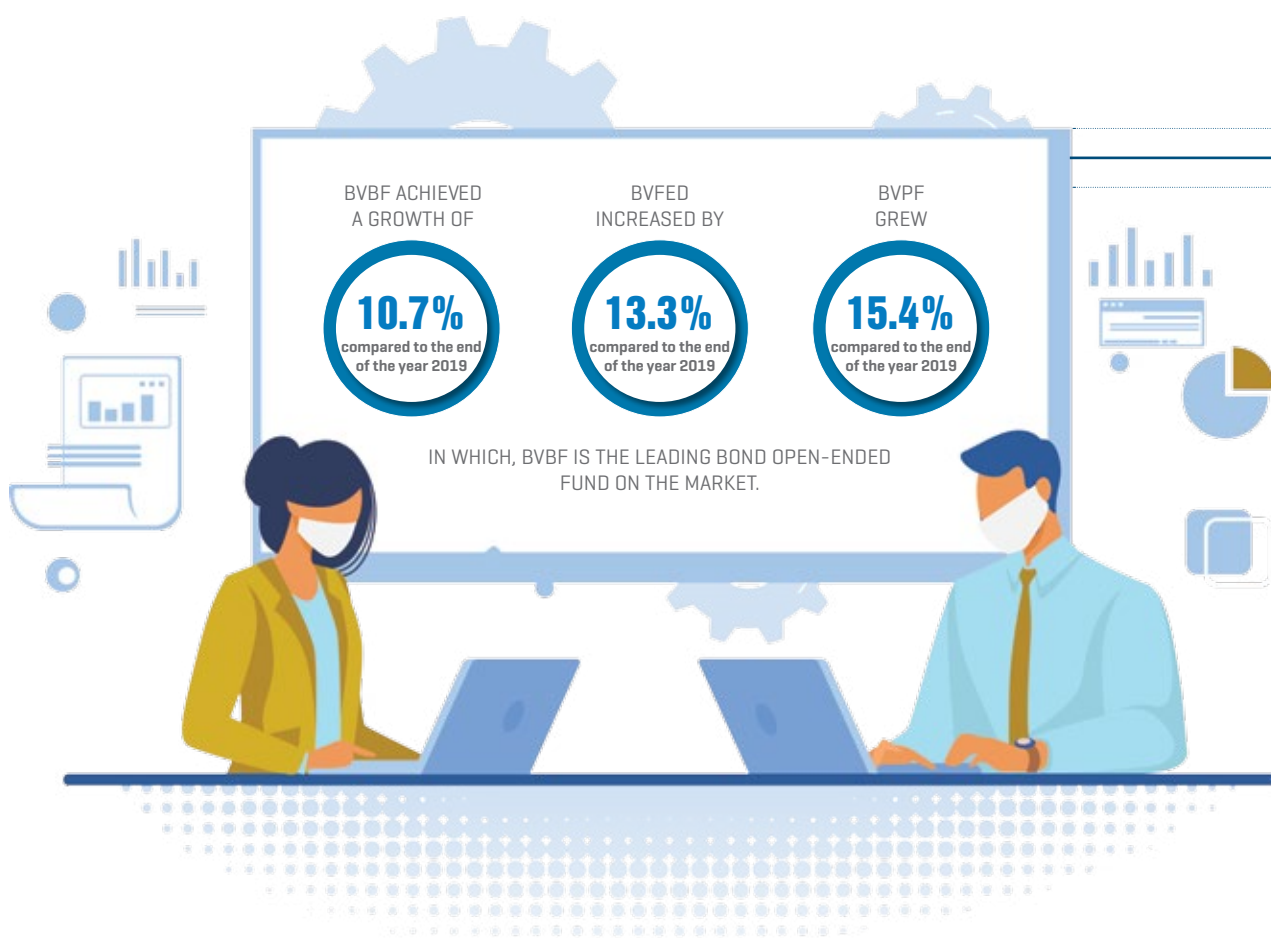
Profit after tax on charter capital reached **42.4%**.
Capital Adequacy Ratio as at 31/12/2020 was
All portfolios of customers exceeded their expectations.

REPORT ON BAOVIET FUND MANAGEMENT COMPANY'S BUSINESS PERFORMANCE

Investment activities were effectively implemented, ensuring capital safety, meeting customers' expectation

The investment activities of Baoviet Fund are implemented on the principle of ensuring compliance with customer requirements, and at the same time having flexibility in applying solutions to promptly respond to market conditions and fulfill the agreed targets. In 2020, most of the portfolios had

exceeded customer expectations. In particular, the effective implementation of repo had contributed greatly to improve the efficiency of customers' portfolios. All three open-ended funds managed by Baoviet Fund gained remarkable growth in 2020, in particular:



Exciting open-ended fund trading, attracting more individual investors

With the remarkable growth in NAV performances, 2020 is considered an exciting year for open-ended fund. Good investment result was an important factor of attracting investor. By the end of 2020, the total newly mobilized capital of 3 open-ended fund was more than 70 billion dong. This is a positive sign that show investors' interest has gradually switched to the fund – investment channel and it is also a good opportunities for Baoviet Fund continuously developing mutual funds in the future.

Improve professionalism in all areas of operation

Many investment projects on IT software and platforms has been implemented in 2020 to improve operational efficiency, support investment activities such as Power BI management reports, IMS; set up a number of tools and solutions to generate automated reports to meet the management requirements of the Company and customers. Risk management was carried out methodically with strict supervision regulations, contributing to the efficiency of the Company's operations as well as the investment results of the entrusted portfolios.

BUSINESS TARGET AND ORIENTATION IN 2021

2021 business plan

2021 is forecasted to face many difficulties and challenges. With the ambition of sustainable growth, utilizing strengths and opportunities toward creating breakthrough developments in the following period, Baoviet Fund Management Company has set the following business target as:



2021 key solutions

On the basis of business goals along with market evaluation and the Company's Strength, Baoviet Fund Management Company has set out 2021 missions and key solutions as follow:

- 1. Continue Improving investment efficiency in the face of market's difficulties**

In 2021, BVF will focus on deploying some solutions for improving investment efficiency, such as: [1] restructuring the investment portfolios in the oriented asset classes shifting to ensure compliance with market developments and customers' requirements; [2] taking advantages of market opportunities for portfolio efficiency activities such as buying and selling stocks, bonds, repo ...
- 2. Continue implying Technologies in all operational activities toward improving administrative efficiencies**

Concentrating in developing Core system in order to satisfy the professional as well as administrative requirements. On the contrary, Open-ended funds trading system will also be upgraded and accomplished in attempt to ensure the highest confidentiality together with improving customers' experience.
- 3. Reinforce basis activities in attempt to create breakthrough developments**

The 2021 key solutions in Human resources will be focusing on Training activities, Human resources development, building professional working environment. Besides, BVF has constantly review and strengthen the risk monitoring system, increase the activeness of risk subjects. Continue to develop new products, especially products with connections to other subsidiaries' products.

REPORT ON BAOVIET INVESTMENT CO., LTD'S BUSINESS PERFORMANCE

BAOVIET  **Invest**

BAOVIET INVESTMENT
CO., LTD.



Mr. **NGUYEN MINH TUAN**
General Director

After more than 10 years of operation, Baoviet Investment Co., Ltd has continuously improved its professionalism, abundant financial capacity, rich experience, skilled human resources and high sense of responsibility to meet demand for real estate investment and providing construction services and construction investment consultancy with domestic and foreign partners.

BVI INTRODUCTION

As a member of Baoviet Finance - Insurance Group, operating under Vietnamese Enterprise Law, Baoviet Investment Co., Ltd is established on the basis of consolidating financial and human resources, functions, tasks and great achievements in the field of investment and construction of Baoviet Holdings in order to specialize investment and construction activities to further promote the role of a State Corporation in the national economy.



Baoviet Investment Co., Ltd ["BVI"] has successfully completed the 2020 business plan; total revenue archives 311 billion VND, increased 17% compared to 2019 result; net profit after tax archives 7,52 billion VND, exceed 32% above plan.

In 2021, the Company continuously aims to provide comprehensive solutions for investment and management of real estate resources for BVH and its subsidiaries.



Unit: VND billion



TOTAL REVENUE

311



ESTABLISHED IN

2009

PROFIT AFTER TAXES (PAT)
Meet 132% of annual plan

7.52



REVENUE FROM MAIN ACTIVITIES

302

Among them

Construction and
project management revenue 36Office leasing and
property management revenue 115

Real estate revenue 03

Trading & services revenue 148

PRODUCTS AND SERVICES

Real estate
investmentOffice leasing and
Property managementProject
management

BUSINESS PERFORMANCE IN 2020

In 2020, the Company provides building management services up to 35 buildings across the country, increases 8 buildings compared to 2019. BVI has completed construction and started operation of two shared Office Buildings for BVH and its subsidiaries in Dak Nong and Lao Cai province.

Năm 2020 Công ty Đầu tư Bảo Việt đã hoàn thành vượt kế hoạch đề ra, cụ thể:

**Total revenue**is **311** billion Dong, **17%** increased comparing to that in 2019;**Profit after taxes/Charter capital**
achieve **3,76%**.**Profit after taxes**is **7,52** billion Dong, exceeds the annual plan by **32%**, accounted for **132%** of the annual plan.**Profit after taxes/owner's equity**
achieve **3.5%**.

After over 10 years of operation, BVI has set up a system
combining activities in 03 major fields:

1.

Real estate investment

2.

Office leasing and property management

3.

Project management

REPORT ON BAOVIET INVESTMENT CO., LTD'S BUSINESS PERFORMANCE

“ BVI has clearly identified Office leasing and Property management is one of the core business in the development strategy in the coming years, and will strengthen business plan to attain this goal. At the same time, BVI always increase business value in “Baoviet synergistic program” as well as invest in infrastructure; effectively use land fund; Operate & cooperate with services retail partners.

With professional management, abundant financial capacity, experience, skilled staff and responsibility with commitments, BVI always meets the demand for real estate investment, construction services and construction investment consultancy of domestic and foreign partners.”



BUSINESS OBJECTIVES AND ORIENTATION IN 2021

Business plan in 2021

In 2021, together with BVH's orientation on cross-business synergies of members' products, BVI focuses on researching and advising BVH and its subsidiaries of property management solutions, including real estate, head office, and office buildings in provinces and cities nationwide. With such a long-term orientation, BVI aims to achieve sustainable growth with the following financial indicators:



Key solutions in 2021

- 1. Real estate business activities**
 - » Rapidly invest the projects of Baoviet synergistic program, such as: Baoviet Building in To Hieu stress [Ha Dong District], Baoviet Apartment in Phan Chu Trinh street [Vung Tau City], Shared Office Building in Long Thanh [Dong Nai Province], Tra Vinh, Hau Giang.
 - » Researching real estate market to carry out buying and selling apartments to increase profit in the short term.
 - » Speed up capital retrieval from Eco - Green and Landmark 51 projects.
- 2. Office building management activities**

Expanding the provision of building management services in localities across the country for BaoViet Life.
- 3. HR Management**
 - » Priority using internal employees to meet works requirement.
 - » Organize training courses to improve employees' skills

REPORT ON BAOVIET SECURITIES JOINT STOCK COMPANY'S BUSINESS PERFORMANCE



BAOVIET SECURITIES
JOINT SECURITIES COMPANY



Mr. NHU DINH HOA
Chief Executive Officer

After more than 20 years of establishment and development, as the first securities company established and pioneered in the stock market, BVSC has continuously improved its financial capacity, consolidated operations, developed information technology system, improve service quality and become a reputable securities company in the market. BVSC has continuously received awards and votes from prestigious domestic and foreign large organizations.

COMPANY OVERVIEW INTRODUCTION



Baoviet Securities Joint Stock Company [BVSC] was established in 1999 with the founding shareholder of Vietnam Insurance Corporation [known as Baoviet Holdings nowadays] under the Ministry of Finance, BVSC inherits the reputable brand and financial strength of a leading Finance - Insurance Group in Vietnam. The company provides financial and investment services to all institutional and individual investors, reputable domestic/foreign funds and investment banks.

Over 20 years of establishment and development, as the first securities company established and pioneered in the securities market, BVSC has continuously improved its financial capacity, strengthened operations and developed information technology system as well as improved service quality and became reputable securities company in the market. Over the past years, BVSC has been continuously received awards and votes from highly prestigious domestic and foreign organizations and management agencies.



TOTAL REVENUE

594.46

SIZE OF DISTRIBUTION NETWORK,
CUSTOMER BASE
[AS OF DECEMBER 31, 2021]

Profit before tax

154.33



Profit after tax

132.38



Charter capital

722.34



Market share

2.62%

01

Number of branches

08

Number of transaction offices

424

Number of securities brokers (persons)

69,317

Number of clients



HIGHLIGHTS ON BUSINESS PERFORMANCE

Quickly adaptation to the challenge of the Covid- 19 pandemic:

As soon as Vietnam showed signs of a Covid-19 outbreaks, BVSC quickly assessed risks and implemented strict epidemic prevention and response measures to ensure that business operations were not interrupted. By exploiting the technology application fully and quickly making decisions to change investment strategies and implementation measure for a number of operations, BVSC has made changes “turning risks into opportunities”, overcoming difficulties and challenge of the Covid-19 pandemic effectively.

BVSC upgraded a new web trading platform with a brand new name: B-WISE:

The online trading platform B-Wise was officially launched on November 26, 2020, replacing the BVS@Trade system as BVSC's first web trading version. B-Wise is a combination of a confidential, modern IT core and seamless experience interface that supports the client's securities investment process. With B-Wise, clients can place an order on BVS@LiveBoard price board with outstanding features that are tools to help clients manage their assets effectively. This is an important foundation for the development of digital applications for clients in the coming time.

Launching the new iDeposit product:

In October 2020, the company officially provided a new product named iDeposit to help clients optimize the efficiency of management and use of investment capital, flexibly allocating assets in accordance with securities market developments. iDeposit has diversified the portfolio to clients, thereby improving the company's competitiveness and quality of customer service.

Implementation of the Future Broker 2020 program - the foundation for building a new generation of human resources:

Future Broker 2020 is the most outstanding internal training program of the year. The program is designed with 03 levels of Training - Coaching - Practicing with 24 subjects for students who are about to graduate and have the desire and passion to work at the brokerage position. Through this program, BVSC will build the next generation of human resources that have quality control right at first time.

REPORT ON BAOVIET SECURITIES JOINT STOCK COMPANY'S BUSINESS PERFORMANCE

BUSINESS PERFORMANCE 2020

2020 is the year with many fluctuations for the securities market in general and the business activities of securities companies in particular due to the impact of the Covid -19 epidemic. In the first quarter of 2021, the securities market had a sharp decline in the VN Index when epidemics information is appeared that makes investors worried. This caused the business results of most securities companies to suffer losses in 1st Quarter, mainly due to

selftrading, including BVSC. However, by the end of the second quarter of 2020, along with the good control of diseases by the Government, the interest rate decreased, and the appearance of F0 investors, made the cash flow continuously poured into the stock market. The trading value increased sharply and created new records. This has created favorable conditions for the Company's brokerage activities. At the same time, in the face of complicated

epidemics, BVSC quickly decided to change investment strategy from flexible to carefully, minimizing the proportion of securities investment, transferring capital sources to implementing other business. With this right decision, resonating with market conditions, the Company's business performance has improved significantly and smoothly to complete the business plan set out.



Total revenue

Reached **594.46** billion VND, equal to **122.92%** of the plan and **105.41%** over the same period last year. In which, realized revenue was **518.23** billion VND, equaling **121.83%** of the plan and equaling **103.60%** compared with the same period last year.



Profit before tax

Reached **154.33** billion VND, equal to **169.03%** of the plan and **102.10%** of the same period last year. In which, profit before tax was **124.47** billion VND, equal to **120.49%** of the plan and equal to **86.86%** over the same period last year.



Lợi nhuận sau thuế

Reached **132.38** billion VND, equal to **166.93%** of the plan and by **97.69%** over the same period last year. In which, profit after tax reached **105.03** billion VND, equal to **115.04%** of the plan and equal to **82.10%** compared to the same period last year.



Total assets in 2020

Reached **3,412.99** billion VND, increasing **1,015.14** billion VND, corresponding to an increase of **42.34%** over the same period last year. The Company's assets increased mainly from investments in financial assets and loans to finance selftrading activities and implementing margin lending services - advances in accordance with business direction of the Company.

Available capital adequacy ratio of the Company is always high compared to the prescribed rate [180%] of the SSC. In 2020, the capital adequacy ratio will reach 518%, decreasing by 27.45 compared to the same period last year. This ratio is still beyond the safe level and at a high level compared to other companies in the same industry, showing that the Company has a healthy financial position, well controlled investment risks and payment risks as well as risks on Company activities.

Capital structure targets: in 2020, the Company has accelerated the loans utilization with low interest rates in the short term, reduced long-term loans from issuing bonds to reduce costs of capital for the Company. Accordingly, the capital structure of the Company has had a significant shift between Equity and Liabilities. In 2020, this shows that BVSC has accelerated the utilization of cheap loans, low interest rates in the short term to serve main business activities, improve financial leverage to increase the growth of the Company.

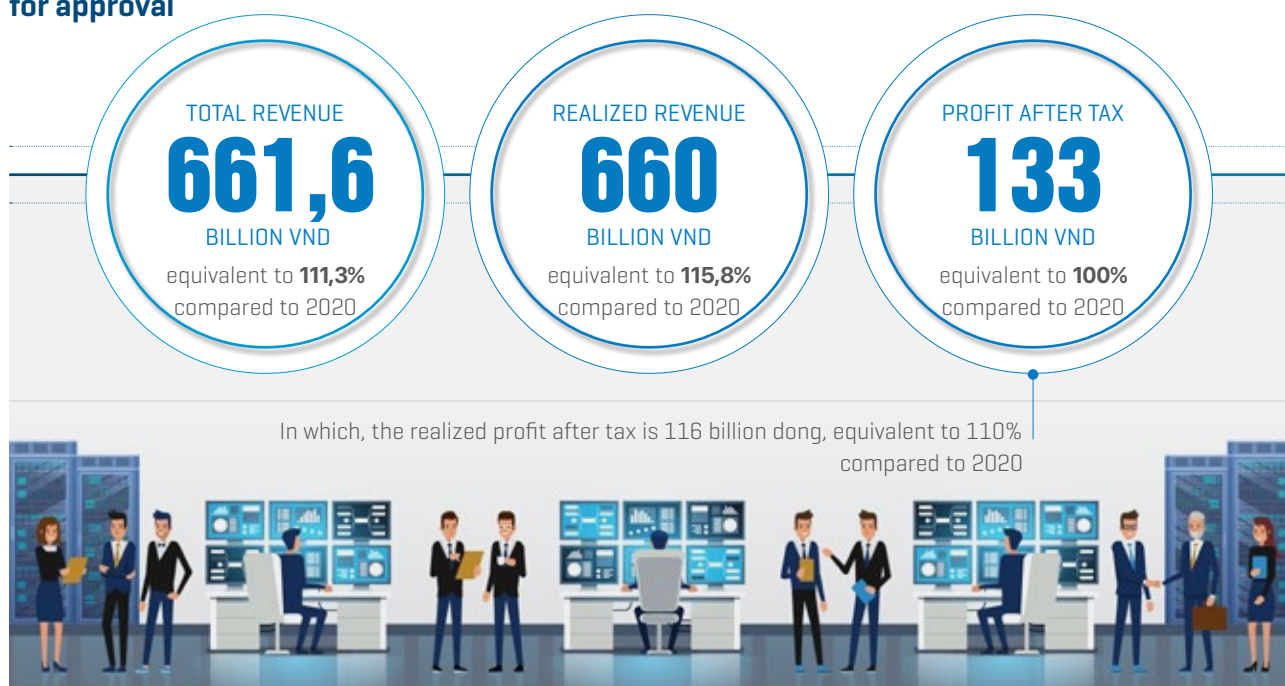


Profit Indicator: Net profit margin on ROE equity reached 7.06%, slightly decreasing 0.44% compared to the same period last year due to a slight decline in the Company's profit after tax this year by 0.02% comparing with year 2019 while Equity increased 3.77% comparing with the same period last year.

Net profit margin on ROA assets was 3.88%, decreasing 1.77% year on year due to a slight decrease in the profit after tax of the Company while the total assets increased highly [+ 1,015.14 VND billion, equivalent to an increase of 42.34% compared to the same period last year] comes from the company's restructuring, mobilizing loans to supplement proprietary trading activities, margin lending, advance payments, and some other business activities.

BUSINESS TARGETS AND ORIENTATIONS FOR 2021

Business plan for 2021 are expected to submit to the General Meeting of Shareholders 2021 for approval



Business orientation in 2021

- 1. Continue to promote brokerage activities**
 According to the development strategy of the Company, in 2021, BVSC will continue to focus resources to promote the development of brokerage activities through synchronous solutions of products and services, capital resources, people, and information technology solutions.
- 2. BVSC promotes capital arrangement consulting activities through corporate bond issuance**
 Parallel implementation of capital consulting segments is BVSC's strengths such as: M&A, equitization consultancy, issuance consultancy and securities listing associated with IR activities.
- 3. Information technology solutions**
 To catch up with the general trend of conversion of the whole market, on the new online trading system B-wise, in 2021, BVSC will upgrade and complete new applications such as upgrading Mobile Trading applications; implementing online account opening on eKYC platform; supplementing and upgrading management systems, supporting for trading bonds, ETFs as well as deploy products related to trading activities, portfolio management with AI support....

4

CORPORATE GOVERNANCE

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TRANSPARENCY



INTEGRATING IN GOVERNANCE TO SUSTAINABLE DEVELOPMENT

ESG



The practical context with challenges is demanding for businesses to integrate factors [ESG - Environmental, Social and Governance] into business strategies for the goal of ensuring effective and sustainable growth.

The crisis caused by the Covid-19 pandemic and increasingly extreme natural phenomena have increased the importance of responding to issues related to ESG. According to the United Nations Intergovernmental Panel on Climate Change (IPCC), even if humans try to limit the increase in global temperature to less than 2 degrees Celsius above pre-industrial times, which is the goal of the 2015 Paris Agreement, permafrost will still melt and reduce its area by 25% by 2100.

Aware of those challenges and opportunities, Baoviet has implemented additional ESG criteria, including processes and criteria on environmental protection and climate change control into its governance and operations. operate its business to ensure its growth,

but this development must be sustainable. From the perspective of a Group operating in the fields of insurance, finance, banking, and investment, we also believe that the ESG portfolio possesses less risk to environmental and social fluctuations, while providing good long-term returns, especially as climate change issues become increasingly serious.

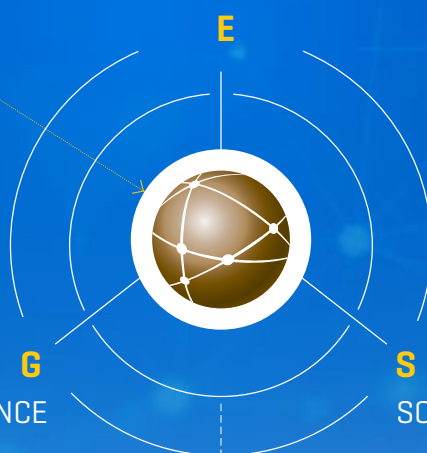
In addition, Baoviet also deploys integrated reporting according to international practices, whereby financial and non-financial information is aggregated, analyzed and reported according to a resource management model to create value. for businesses, shareholders, employees and the community.



REDUCED
6,500 m³
WASTE WATER
THROUGHOUT BAOVIET OFFICES

1,200
POSTERS CALLING ACTIONS OF EMPLOYEES
IN USING ENERGY RESOURCES AT OFFICE

ENVIRONMENTAL



105,365
TRAINING HOUR
FOR EMPLOYEES

96,714
TRAINING HOUR
OF PROFESSIONAL EXPERTISE

2,000
BLOOD UNITS
DONATION TO PATIENTS IN NEED

3,700
POOR FAMILIES
RECEIVED FREE MEDICAL TREATMENT

OVERVIEW ON THE CORPORATE GOVERNANCE AT BAOVIET HOLDINGS

“ Baoviet pioneered good corporate governance practices in the development of its internal governance system, aiming to improve the quality of corporate governance, laying breakthrough foundation to develop business and achieve broader economic goals related to shareholder and investor confidence, accumulation and access to capital markets, and capital allocation throughout the Group.”



PRINCIPLES AND CORE VALUES OF CORPORATE GOVERNANCE AT BAOVIET HOLDINGS

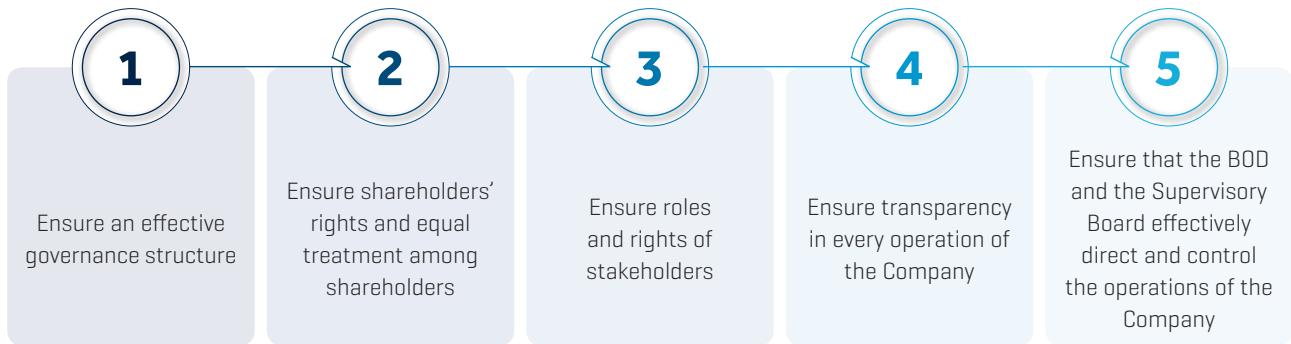
At Baoviet Holdings, Corporate Governance is identified as the core value in order to ensure the efficiency and sustainability of growth in the long term; as well as being the essential factor to improve the brand image and brand values of the Group in the context of such stronger and deeper international integration.

Throughout the past year, under the direction and management of the Board of Directors (“BOD”), Baoviet Holdings has become one of the pioneering enterprises to apply the Best Practices in Corporate Governance, including the Principles on Corporate Governance of the Organisation for Economic Co-operation and Development (“OECD”) and the ASEAN Corporate Governance Scorecard. All principles on corporate governance related to [i] Rights of shareholders, [ii] Equitable treatment of shareholders, [iii] Roles of stakeholders, [iv] Disclosure of information and Transparency, and [v] Responsibilities of the BOD, have been actively used by Baoviet Holdings as the reference for building the internal corporate governance system at Baoviet Holdings, yielding towards improving the quality of corporate governance

as well as creating the platform to breakthrough in the business development and to achieve higher economic objectives related to the belief of shareholders and investors, to accumulate, to approach the capital market and the capital distribution in order to expand the business activities throughout the Group. In addition, Baoviet Holdings strictly enforces corporate governance regulations in accordance with Vietnamese law, including Decree 71/2017 / ND-CP of the Government and Circular 95/2017/ TT-BTC of the Ministry of Finance.

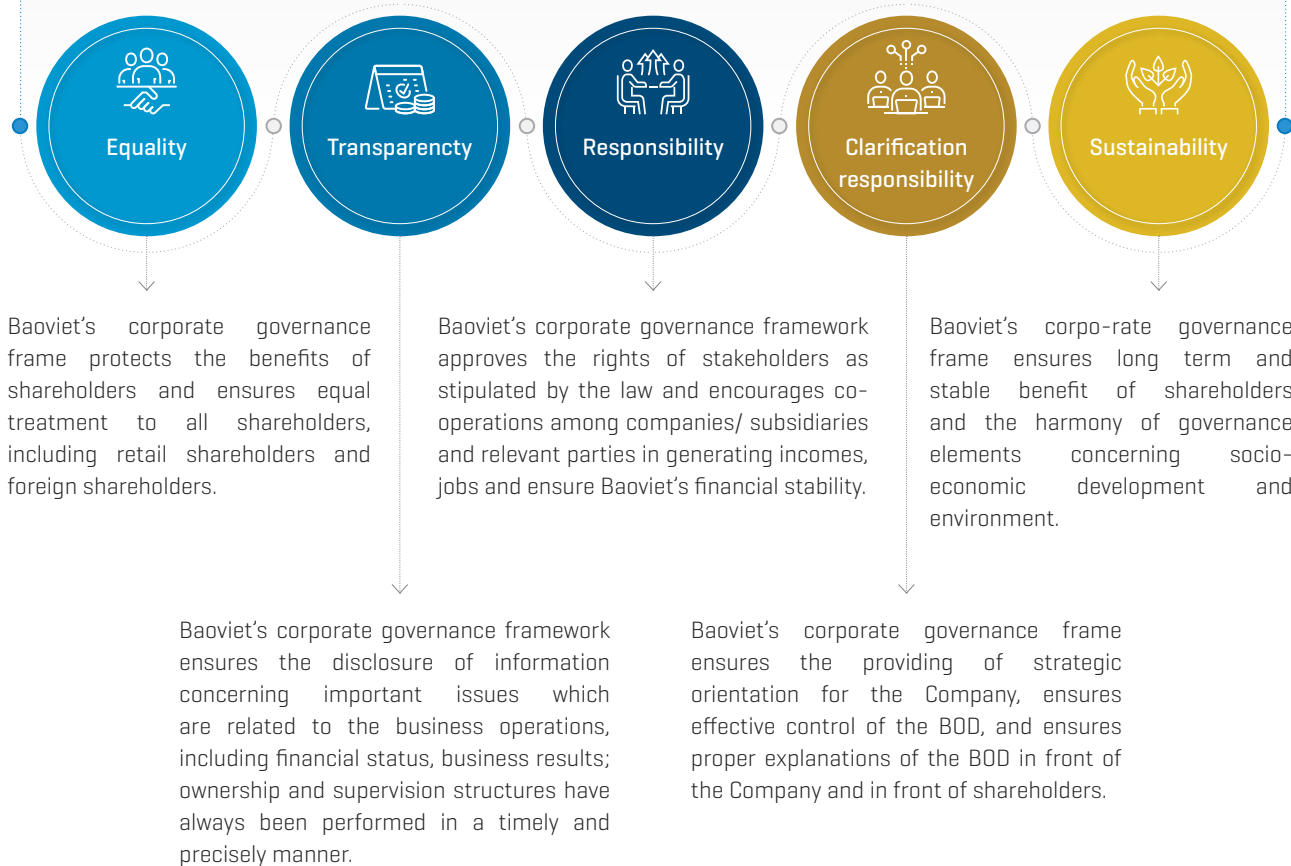
In order to operate the corporate governance structure effectively, BVH has drafted and issued the system of regulations on internal management to create a unified management mechanism as well as being transparent throughout the system for supervision and review of the company in such professional, transparent and effective manner; to ensure the benefits of shareholders and to harmonise with the benefits of related parties, including customers, employees and the community.

Governance principles at Baoviet Holdings



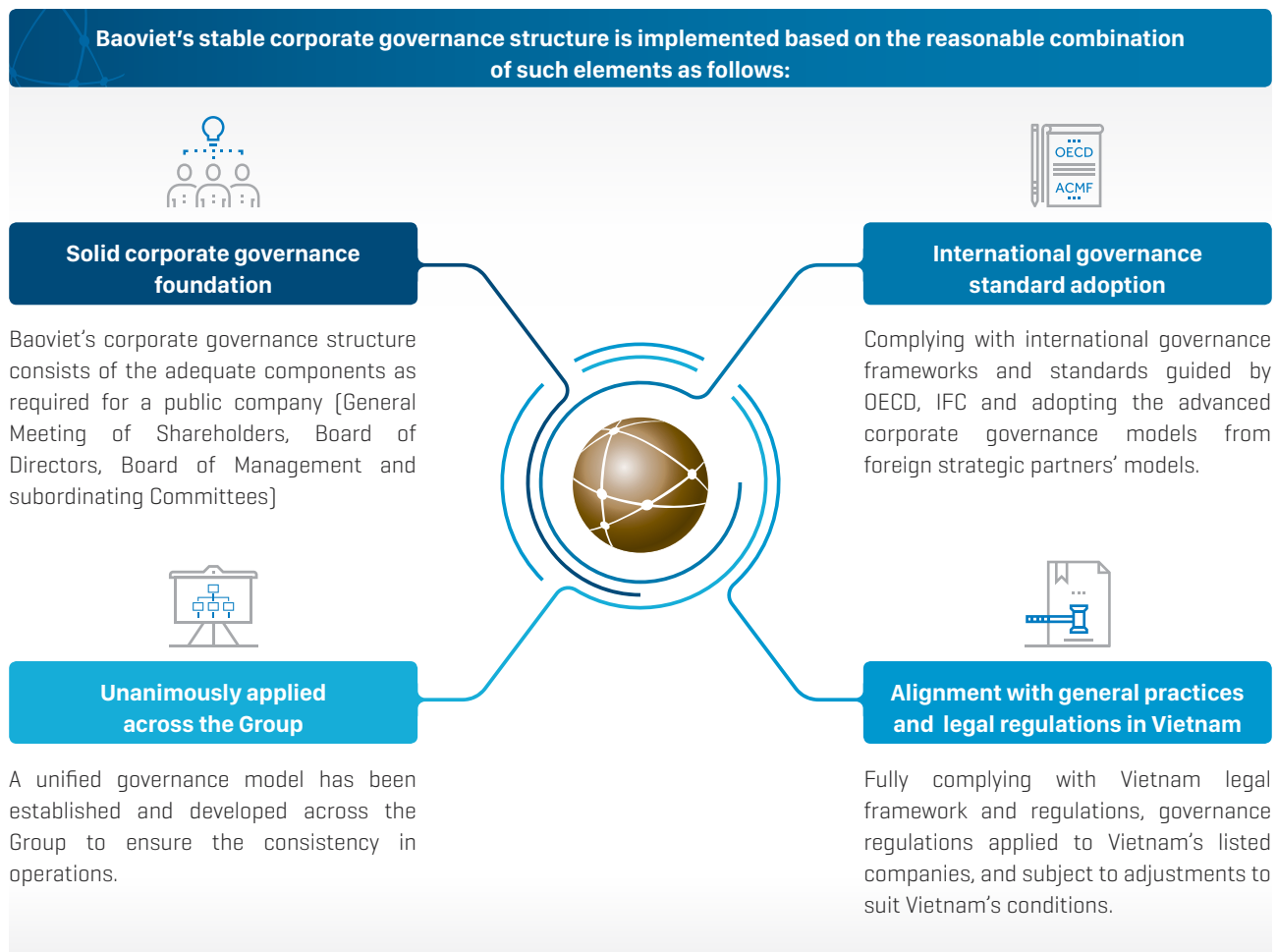
CORE VALUES

The corporate governance model of Baoviet is implemented based on 05 core values:



OVERVIEW ON THE CORPORATE GOVERNANCE AT BAOVIET HOLDINGS

“ In the direction of sustainable development, Baoviet has declared the commitment of senior leaders [from the Board of Directors, the Board of Management] to ensure the implementation of 3 socio-economic and environmental goals [ESG]. in Baoviet’s development strategy. This strategic orientation is realized through the development of specific goals for each functional board and member unit. These objectives are quantified according to performance indicators [KPIs], which include financial [economic] and non-financial [environmental and social] indicators. ”



ASSESSMENT OF CAPACITY AND IMPLEMENTATION IN RELATION TO SUSTAINABLE DEVELOPMENT

Baoviet implements sustainable development orientation from senior leaders to the performance committees to evaluate these KPIs and report to the Board of Directors. It can be said that Baoviet’s business activities are more and more closely linked with social and environmental issues.

Strategic orientations and action plans related to socio-economic - environmental issues are given at the Annual General Meeting of Shareholders. Accordingly, the Board of Directors organizes the implementation of resolutions approved by the General Meeting of Shareholders, and the Executive Board directs them to concretize them into actions through activities at the Parent Company and its member units.

Carry out a review of the impacts, risks and opportunities related to the Socio-Economics

In the guiding documents, the Board of Directors frequently requested the Board of Management to focus on forecasting, updating and closely monitoring actual developments in the economic, social and environmental situation in business activities. to proactively adjust flexibly and promptly give appropriate and effective orientations, decisions and solutions, ensuring the direction and successful implementation of the annual business plan and business strategy.

Supervise the implementation of the Group's decisions, resolutions and policies issued by the Board of Directors related to sustainable development and environmental and social issues.

Directing the implementation of sustainable development reports

The Board of Directors oversees the implementation of Baoviet's strategy, which includes the sustainable development strategy. The Board of Directors is responsible for approving the implementation policy and approving the audited financial statements and sending them to the Supervisory Board for appraisal before submitting to the General Meeting of Shareholders for consideration and approval. The Board of Directors assigns the Executive Board and the Division to be responsible for the sustainability report, ensuring that the content is developed in accordance with international standards and practices and Vietnamese conditions.

CORPORATE GOVERNANCE FRAMEWORK OF BAOVIET HOLDINGS

Baoviet Holdings' corporate governance framework includes the following compo-



OVERVIEW ON THE CORPORATE GOVERNANCE AT BAOVIET HOLDINGS

BOARD OF DIRECTORS



Mr. DAO DINH THI

Chairman of the Board of Directors

Born in	: 1974
Nationality	: Vietnamese
Qualifica-tion[s]	: Bachelor of Economics
Experience[s]	: Over 24 years in finance, ac-counting, investment area.

Current occupation(s):

- » Chairman of the Board of Directors of Baoviet Holdings tenure 2018- 2023 (since 27/6/2018).

Former occupation(s):

- » Chairman of the Board of Directors of Baoviet Holdings for the term 2012- 2017 (as of 23/12/2014);
- » Deputy Chairman of Debt and Asset Corporation;
- » Deputy Chairman cum Director of Finance and Accounting Division, Viglacera Corporation;
- » Chief Accountant cum Director of Finance & Investment Division cum Director of Viglacera Real Estate Trading Company.



Mr. DO TRUONG MINH

*Member of the Board of Directors,
Chief Executive Officer*

Born in	: 1971
Nationality	: Vietnamese
Qualifica-tion[s]	: Master of Business Admin-istration [MBA]
Experience[s]	: Over 26 years in insurance area.

Current occupation(s):

- » Member of the Board of Directors of Baoviet Holdings tenure 2018- 2023 (since 27/6/2018);
- » Chief Executive Officer of Baoviet Holdings (as of 27/6/2018).

Former occupation(s):

- » Acting Chief Executive Officer of Baoviet Holdings (as of 03/01/2018);
- » Member of the Members' Council; Acting Chief Executive Officer of Baoviet General Insurance Corporation;
- » Chief Operations Officer, Baoviet Holdings.

As at 01/03/2021



Mrs. THAN HIEN ANH

Member of the Board of Directors

Born in	: 1974
Nationality	: Vietnamese
Qualifica-tion[s]	: Master of Business Administration (MBA), Bachelor of Banking; Bachelor of Insurance
Experience[s]	: Over 23 years in finance and insurance area.

Current occupation(s):

- » Member of the Board of Directors of Baoviet Holdings tenure 2018- 2023 [since 27/6/2018];
- » Chairwoman of the Members' Council, Baoviet Life Insurance Corporation.

Former occupation(s):

- » Member of Boad of Directors for the term 2012-2017 [as of 23/12/2014], Baoviet Holdings;
- » Chief Executive Officer of Baoviet Life Insurance Corporation;
- » Chief of Strategy & Risk Management Block;
- » Chief of Strategy Development Block;
- » Director of Restructuring Project of Baoviet Holdings;
- » Executive Director cum Director of Strategies Conversion Project; Director of Communication Division cum Director of Brand Conversion Project.



Mr. NGUYEN XUAN VIET

Member of the Board of Directors

Born in	: 1970
Nationality	: Vietnamese
Qualifica-tion[s]	: Bachelor of Economics
Experience[s]	: 25 years in information tech-nology, insurance.

Current occupation(s):

- » Member of the Board of Directors of Baoviet Holdings tenure 2018- 2023 [since 27/6/2018];
- » Chairman of BVH R&A Committee;
- » Member of the Members' Council, Chief Executive Officer of Baoviet Insurance Corporation;
- » Member of the Members' Council, Baoviet Fund Management Company;
- » Vice Chairman of the Board of Directors of VietNam National Reinsurance Corporation.

Former occupation(s):

- » Acting Chief Executive Officer of the Baoviet Insurance Corporation;
- » Deputy Chief Executive Officer of Baoviet Insurance Corporation.

OVERVIEW ON THE CORPORATE GOVERNANCE AT BAOVIET HOLDINGS

BOARD OF DIRECTORS



Mrs. TRAN THI DIEU HANG
Member of the Board of Directors

Birth year	: 1973
Quốc tịch	: Vietnamese
Trình độ chuyên môn	: Master of Business Administration (MBA)
Kinh nghiệm	: Over 25 years of experience in insurance and auditing.

Current occupation(s):

- » Member of the Board of Directors of Baoviet Holdings tenure 2018- 2023 (since 27/6/2018);
- » Chairman of BVH Audit Committee;
- » Head of Inspection - Internal Audit of Baoviet Holdings;
- » Chairwoman of the Members' Council, Baoviet Insurance Corporation.

Former occupation(s):

- » Head of Market Development Department, Department of Insurance Management and Supervision - Ministry of Finance;
- » Head of Non-life Insurance Management and Supervision Department, Department of Insurance Management and Supervision - Ministry of Finance.



Mr. NGUYEN DINH AN
Member of the Board of Directors

Birth year	: 1981
Quốc tịch	: Vietnamese
Trình độ chuyên môn	: Master of economics - finance, fund management practice certificate issued by the State Securities Commission on December 25, 2017
Kinh nghiệm	: 15 years of experience in insurance and investment.

Current occupation(s):

- » Member of the Board of Directors of Baoviet Holdings for the term 2018-2023 (from June 29, 2020);
- » Chairman of the Strategy and Investment Committee of Baoviet Holdings;
- » Member of the Board of Members, General Director of Baoviet Fund Management Company.
- » Member of the Board of Directors of Baoviet Commercial Joint Stock Bank.

Former occupation(s):

- » Member of the Members' Council, Acting General Director of Baoviet Fund Management Company.
- » Member of the Members' Council of Baoviet Fund Management Company.
- » Head of Secretariat - General, Baoviet Holdings.

As at 01/03/2021



Mr. TERUO SHIMMEN

Member of the Board of Directors

Birth year	: 1969
Nationality	: Japanese
Professional certificate	: Bachelor of Foreign Studies
Experience	: Over 29 years in Insurance field

In charge position:

- » Member of Board of Directors of Baoviet Holdings;
- » Member of Baoviet Holdings's Audit Committee, Strategy and Investment Committee;
- » Member of Council Members, Baoviet Life Insurance Corporation;
- » Chief Representative, Hanoi Representative Office of Sumitomo Life Insurance Co.

Positions in past at Sumitomo Life:

- » Principal Manager, Corporate Planning Dept. of Sumitomo Life Information Systems Co.;
- » Assistant General Manager, International Business Dept.;
- » Special Staff Manager, Corporate Planning Dept. Planning Development Sect.;
- » Special Staff Manager, Information Systems Dept.



Mr. KENJI YONEDA

Member of the Board of Directors

Birth year	: 1966
Nationality	: Japanese
Professional certificate	: Master of Law
Experience	: Over 31 years in Insurance field

In charge position:

- » Member of Board of Directors of Baoviet Holdings;
- » Member of Board of Directors of Aviva Singlife Holdings Pte. Ltd.;
- » Member of Board of Directors of Singlife;
- » Member of Board of Directors of Aviva Ltd.;
- » General Manager In Charge of International Business Dept. of Sumitomo Life Insurance Co.

Positions in past at Sumitomo Life:

- » General Manager In Charge of Customer First Promotion Dept.;
- » Deputy General Manager, Compliance Control Dept.;
- » Chief Representative, Hanoi Representative Office;
- » Chief Representative, London Representative Office;
- » Deputy General Manager, Agency Marketing Dept.;
- » Manager, New Business Marketing Planning Sect.;

OVERVIEW ON THE CORPORATE GOVERNANCE AT BAOVIET HOLDINGS

EXECUTIVE BOARD



Mr. DO TRUONG MINH

*Member of the Board of Directors,
Chief Executive Officer*

Born in	: 1971
Nationality	: Vietnamese
Qualifica-tion[s]	: Master of Busi-ness Admin-istration [MBA]
Experi-ence[s]	: Over 26 years in insurance area.

Current occupation(s):

- » Member of the Board of Directors of Baoviet Holdings in period 2018- 2023 (since 27/6/2018);
- » Chief Executive Officer of Baoviet Holdings [as of 27/6/2018].

Former occupation(s):

- » Acting Chief Executive Officer of Baoviet Holdings (as of 03/01/2018).
- » Member of the Members' Council; Acting Chief Executive Officer of Baoviet General Insurance Corporation;
- » Chief Operations Officer, Baoviet Holdings.



Mr. NGUYEN XUAN HOA

Chief Accountant

Born in	: 1977
Nationality	: Vietnamese
Qualifica-tion[s]	: Master of Busi-ness Admin-istration [MBA]
Experi-ence[s]	: Over 21 years in finance and ac-counting area.

Current occupation(s):

- » Chief Accountant of Baoviet Holdings (as of 13/01/2016);
- » Member of the Members' Council of Baoviet Insurance Corporation;
- » Head of Board of Supervisor of Baoviet Securities Company [BVSC];
- » Member of Representative Board of BVIF.

Former occupation(s):

- » Deputy Chief Officer of Finance Block, Baoviet Holdings;
- » Head of Financial Division, Planning and Finance Division, Baoviet Holdings;
- » Deputy Head of Planning and Finance Division, Baoviet Holdings.

As at 01/03/2021



Mr. NGUYEN THANH HAI

Director of baoviet training center

Born in	: 1972
Nationality	: Vietnamese
Qualifica-tion[s]	: Master of Busi-ness Admin-istration [MBA]
Experi-ence[s]	: Over 24 years in finance and ac-counting area.

Current occupation(s):

- » Director of Baoviet Training Center (as of 13/01/2016)

Former occupation(s):

- » Chief Accountant of Baoviet Holdings;
- » Vice Director, Director of Financial Planning Division of Baoviet Holdings;
- » Head of Financial & Accounting Department, Baoviet Life Insurance Corporation in Hanoi..



Mr. TRUONG TUAN LAM

Deputy Director of Information Technology Center

Born in	: 1973
Nationality	: Vietnamese
Qualifica-tion[s]	: Master of Eco-nomics
Experi-ence[s]	: Over 25 years of experience in information technology.

Current occupation(s):

- » Deputy Director of Information Technology Center (as of 16/12/2019);
- » Member of the Board of Directors of CMC.

Former occupation(s):

- » Deputy Director of IT Center - Baoviet Holdings
- » Deputy Director of Information Technology - Baoviet Holdings
- » Head of IT Operation and Management Division - Baoviet Holdings
- » Deputy Director of Information Technology - Baoviet Holdings
- » Deputy Director of Information Center - Baoviet Life.

OVERVIEW ON THE CORPORATE GOVERNANCE AT BAOVIET HOLDINGS

SUPERVISORY BOARD



Mr. ONG TIEN HUNG
Head of Supervisory Board

Born in	: 1964
Nationality	: Vietnamese
Qualifica-tion[s]	: Master of Business Administration Certified Accountant, Ministry of Finance.
Experi-ence[s]	: 31 years in finance and accounting

Current occupation(s):

- » Head of Supervisory of BVH tenure 2018- 2023 [since June 29, 2019].

Former Occupation(s):

- » Supervisor of BVH tenure 2018- 2023 [since June 27, 2018];
- » Member of Supervisory Board BVH has a term of 2012-2017 from November 29, 2012;
- » Director of Organization and Personnel Department, Baoviet Insurance Corporation;
- » Head of Department, Director of Internal Control Board and Risk Management, Baoviet Insurance Corporation;
- » Deputy Head of the internal inspection department; Main inspector, Inspector of the Ministry of Finance.



Mr. VU THANH HAI
Supervisor

Born in	: 1983
Nationality	: Vietnamese
Qualifica-tion[s]	: Bachelor of Auditing Certificate of Auditor [CPA], Ministry of Finance
Experi-ence[s]	: 16 years in auditing

Current occupation(s):

- » BVH Supervisor tenure 2018-2023 [since June 29, 2019];
- » Teamleader of Audit for insurance Division, Inspection - Internal Audit, BVH.

Former Occupation(s):

- » Auditor of the Insurance Activities Division, Internal Audit Block, BVH;
- » Auditors, Assistant Auditors VACO Auditing Company Limited.

As at 01/03/2021

CORPORATE GOVERNOR CUM SECRETARY OF BVH



Mrs. TRAN THI PHUONG
Supervisor

Born in	: 1988
Nationality	: Vietnamese
Qualifica-tion[s]	: Bachelor of accounting Certificate of Auditor [CPA], Ministry of Finance
Experi-ence[s]	: 10 years in auditing

Current occupation(s):

- » BVH Supervisor tenure 2018-2023 (since June 27, 2018);
- » Teamleader of Audit for investment Division, Inspection - Internal Audit, BVH.

Former Occupation(s):

- » Auditor of the Investment Activities Division, Internal Audit Block, BVH;
- » Auditors, Assistant Auditors VACO Auditing Company Limited.



Mrs. LUONG THI BICH NGOC
Corporate Governor

Born in	: 1982
Nationality	: Vietnamese
Qualifica-tion[s]	: MSc. Banking and Finance, Bsc. Banking and Finance, Auditor Certificate of the MOF
Experi-ence[s]	: 16 years in finance and corporate secretary

Current occupation(s):

- » The Corporate Governor of BVH cum the Secretary of BVH (from 11/7/2018);
- » Deputy Head of Corporate Secretary Division, BVH.

Former Occupation(s):

- » Head of Corporate Secretary Division, Operations Block, BVH;
- » Deputy Head of Corporate Secretary Division, Operations Block, BVH.

REPORT OF THE BOARD OF DIRECTORS

“ In 2020, the Board of Directors [BOD] promoted its roles in the most efficient manners in the leadership and directions for constructing the objectives, strategies and business plan in 2020 and the strategies for the period of 2016-2020 focusing on the motto “**Learning – Applying – Creating**”; simultaneously strengthened the internal cooperation for maximising the corporate strength of the Group, fostering all solutions to improve the efficiency in corporate management yielding to the implementation of the strategies on development and sustainable growth.”

STRUCTURE OF THE BOARD OF DIRECTORS

LIST OF BOD’S MEMBERS (AS AT 31/12/2020)

No.	Fullname	Title	BOD’s members	Rate of ownership with voteable rights at BVH	Tittles of BOD’s members at other listed companies in Vietnam
1	Mr. Dao Dinh Thi	BOD’s Chairman	Fulltime Executive	24.46% [Representative of State owned capital: 174.119.770 shares Personal ownership: 55.045 shares]	None
2	Mr. Do Truong Minh	BOD’s member	Executive	15.11% [Representative of State owned capital: 112.141.830 shares Personal ownership: 15.000 shares]	None
3	Ms. Than Hien Anh	BOD’s member	Non- executive	6.62% [Representative of State owned capital: 49.062.050 shares Personal ownership: 44.630 shares]	None
4	Ms. Tran Thi Dieu Hang	BOD’s member	Executive	6.61% [Representative of State owned capital: 49.062.050 shares Personal ownership: 0 share]	
5	Mr. Nguyen Xuan Viet	BOD’s member	Non- executive	6.62% [Representative of State owned capital: 49.062.050 shares Personal ownership: 83.835 shares]	
6	Mr. Nguyen Dinh An	BOD’s member	Non- executive	6.62% [Representative of State owned capital: 49.062.050 shares Personal ownership: 83.835 shares]	
7	Mr. Teruo Shimmen	BOD’s member	Non- executive	11.04% [Representative of Sumitomo Life: 81,972,710 shares]	
8	Mr. Kenji Yoneda	BOD’s member	Non- executive	11.04% [Representative of Sumitomo Life: 81,972,710 shares]	



ACTIVITIES OF THE BOD IN 2020

ORGANISE THE AGM AND REPORTED TO AGM REGARDING THE ISSUES UPON THE COMPETENCES OF THE AGM

In 2020, the BOD of Bao Viet Holdings organised 01 annual general meeting of shareholders on 29th June 2020. The AGM discussed and approved of the issues as follows:

1. Report on the business activities in 2019 and the 2020 Business plan of BVH;
2. Approval of the audited consolidated financial report and the separated financial report in 2019 of BVH;
3. BOD's report on the BOD's activities report at the 2020 AGM;
4. Activities report of the Supervisory Board at the 2020 AGM;
5. Remuneration for the BOD and SB for the fiscal year 2019 and the projected budget on the remuneration for the BOD and SB for the fiscal year 2020;
6. Solutions on using the Profits after taxes in 2019 and the usage plan on profits after taxes in 2020 of BVH;
7. Submission on the selection of the independent audit agency for auditing the financial reports in 2021, 2022, 2023 of BVH.

The 2020 AGM of BVH ["AGM"] commenced as stipulated by the law on Enterprise, the Charter of BVH as well as other related law on listed companies. Prior to the AGM, BVH implemented the information disclosure regarding the organization of the AGM; announcement on the finalization of the shareholder list participating in the AGM, meeting invitations, disclosure of the documents submitted to the AGM as stipulated.

According to the regulations of the 2020 AGM, the BOD implemented all the issues approved by the AGM.

REPORT OF THE BOARD OF DIRECTORS

REGULAR BOD MEETING FOR THE IMPLEMENTATION AND THE PROVISION OF THE ORIENTATION FOR DEVELOPMENT OF BAOVIET HOLDINGS

Upon the implementation of the regulations as stipulated by the Law on Enterprise and the Charter of Baoviet Holdings, in 2020, the BOD of Baoviet Holdings maintained the regular meetings quarterly as well as the open meetings in order to discuss, concluded and in-time provided immediate directions on the corporate governance of the Group. The BOD organised 06 [six] meetings including 05 [five] regular meetings and 01 [two] open meetings related to the contents on the organisation of the 2020 AGM and implemented the construction of 2021 business plan for BVH and its Subsidiaries which BVH owns 100% charter capital.

The organisation of BOD's meetings ensured the proper implementation as stipulated by the Charter of BVH and the Law on Enterprise. The BOD's members participated in the BOD's meetings or authorized for BOD's members to attend the meetings and vote in serious manners as stipulated by the Charter of BVH and the regulations on operation of the BOD, specifically as follows:

BOD's meetings in 2020

No.	BOD's members	Tittle	Starting date/no longer being BOD's members	No. of BOD's meeting participated	Rate	Reasons for absence
1	Mr. Dao Dinh Thi	BOD's Chairman	Starting date as BOD's member 23/12/2014	06/06	100%	
2	Mr. Do Truong Minh	BOD's member	Starting date as BOD's member 27/6/2018	06/06	100%	
3	Ms. Than Hien Anh	BOD's member	Starting date as BOD's member 23/12/2014	06/06	100%	
4	Ms Tran Thi Dieu Hang	BOD's member	Starting date as BOD's member 27/6/2018	06/06	100%	
5	Mr. Nguyen Duy Khanh	BOD's member	Starting date as BOD's member 27/6/2018	06/06	100%	
6	Mr. Nguyen Dinh An	BOD's member	Starting date as BOD's member 29/6/2020	03/06	100%	
7	Mr. Kenji Yoneda	BOD's member	Starting date as BOD's member 29/6/2019	06/06	100%	
8	Mr. Teruo Shimmen	BOD's member	Starting date as BOD's member 29/6/2019	06/06	100%	

All of the BOD's meetings focused on solving the key issues related to the directions on organising the 2020 AGM; constructing and implementing the 2020 business plan, the development strategy for the period of 2016-2020 as approved by the AGM; directing closely the implementation of the business plan, implementing the key tasks throughout the Group as well as implementing the resolutions of the 2020 AGM, etc. The resolutions of the BOD agreed that the essential orientations shall assist the BOD to implement the business tasks of the Group effectively.

THE OPINION COLLECTIONS FROM BOD'S MEMBERS IN WRITTEN FORMS IN ORDER TO APPROVE THE DECISIONS UPON THE COMPETENCE OF THE BOD

Aside from the direct BOD's meetings, the BOD approved on all other decisions via the form of opinion collecting from BOD's members in written forms in order to solve the issues upon the competence of the BOD according to the submissions of the CEO and other Committees of the BOD. In 2020, the BOD solved over 110 issues related to the important orientations on corporate governance, completed and issued the regulations on internal corporate governance, investment on HR development, strengthening the managerial positions, orientations on the investment activities across the Group, etc. Directed the adjustment of management structure, closely supervised the

operation of the BOD in the implementation of the resolutions, decisions of the AGM and the BOD. The resolutions and decisions of the BOD have been issued based on such highly responsible spirit, fostering the leadership capability of the BOD's members upon the interests of shareholders as well as the sustainable growth of the Group

Resolutions of the BOD issued in 2020

[Including resolutions approved in the regular BOD' meetings quarterly and via opinion collections in written forms from BOD's members].

No.	Resolution no.	Date of issue	Contents
1.	01/2020/NQ-HĐQT	03/01/2020	Resolution approving re-appointment of Deputy General Director, Chief Accountant of Baoviet Insurance Corporation
2.	02/2020/NQ-HĐQT	03/01/2020	Resolution approving re-appointment of Deputy General Director, Chief Accountant of Baoviet Insurance Corporation
3.	03/2020/NQ-HĐQT	13/01/2020	Resolution to participate in D&O manager liability insurance of Baoviet Group
4.	04/2020/NQ-HĐQT	13/01/2020	Resolution approving Proposal to rearrange and handle housing and land facilities of Baoviet Insurance Corporation according to Decree 167/2017/ND-CP to report to the Ministry of Finance [NEW Version - supplemented by Decree No. document]
5.	05/2020/NQ-HĐQT	14/01/2020	Resolution approving the proposal of a plan to rearrange and handle housing and land facilities of Baoviet Insurance Corporation according to Decree 167/2017/ND-CP to report to the Ministry of Finance
6.	06/2020/NQ-HĐQT	16/01/2020	Resolution Approving the re-appointment to the position of Chief Accountant of Baoviet Life Corporation
7.	07/2020/NQ-HĐQT	16/01/2020	Resolution approving the policy of finalizing the completed bidding package, package 2: Procurement and deployment of hardware equipment for life insurance policy management software - LIPA, under the project "New equipment for management system life insurance contract"
8.	08/2020/NQ-HĐQT	31/01/2020	Resolution Approving the re-appointment of General Director - Legal representative of Baoviet Investment Company Limited [Mr. Nguyen Minh Tuan]
9.	09/2020/NQ-HĐQT	31/01/2020	Resolution on Approval of the Plan to consolidate the organization of the Group's block-level management apparatus and the Plan to arrange and arrange the current personnel into the new organizational structure.
10.	10/2020/NQ-HĐQT	13/2/2020	Resolution approving Baoviet Holdings' interim consolidated financial statements for the nine-month period ended September 30, 2019 in accordance with International Financial Reporting Standards [IFRS]
11.	11/2020/NQ-HĐQT	2/3/2020	RESOLUTION approving the proposal for a plan to rearrange and handle housing facilities of BVNT Corporation according to Decree 167/2017/ND-CP to report to the Ministry of Finance
12.	12/2020/NQ-HĐQT	9/3/2020	RESOLUTION Approving amendments and supplements to the Project on strengthening the organization of the Group's block-level management apparatus and the Plan on personnel arrangement and arrangement according to the new model
13.	13/2020/NQ-HĐQT	10/3/2020	RESOLUTION to approve the final settlement of the salary fund implemented in 2019 of Baoviet Fund Management Co., Ltd
14.	14/2020/NQ-HĐQT	10/3/2020	RESOLUTION to approve the final settlement of the salary fund implemented in 2019 of Baoviet Life Corporation
15.	15/2020/NQ-HĐQT	10/3/2020	RESOLUTION Classification of strategic investment and financial investment
16.	16/2020/NQ-HĐQT	11/3/2020	RESOLUTION Approval of Baoviet Group's 2020 internal audit plan
17.	17/2020/NQ-HĐQT	12/3/2020	RESOLUTION on Baoviet Group's plan to hold the 2020 Annual General Meeting of Shareholders

REPORT OF THE BOARD OF DIRECTORS

No.	Resolution no.	Date of issue	Contents
18.	18/2020/NQ-HĐQT	25/3/2020	RESOLUTION Baoviet Holdings' Board of Directors meeting in the first quarter of 2019
19.	19/2020/NQ-HĐQT	24/03/2020	RESOLUTION Approval of Baoviet Holdings' 2020 Financial Supervision Plan for the Group's invested enterprises
20.	20/2020/NQ-HĐQT	30/03/2020	Approving the policy of adjusting the investment project and the steps taken when adjusting the investment project of the project "Setting up a centralized workstation infrastructure management system"
21.	21/2020/NQ-HĐQT	30/03/2020	RESOLUTION to approve the separate financial statements for the financial year 2019 of the Parent Company of Baoviet Group in accordance with the audited Vietnamese Accounting Standards
22.	22/2020/NQ-HĐQT	30/3/2020	RESOLUTION approving Baoviet Group's 2020 social security funding plan
23.	23/2020/NQ-HĐQT	30/3/2020	RESOLUTION Temporarily finalizing the salary fund implemented in 2019 of Baoviet Investment Company
24.	24/2020/NQ-HĐQT	26/03/2020	RESOLUTION to adjust the plan and finalization of the salary fund implemented in 2019 of Baoviet Insurance Corporation
25.	26/2020/NQ-HĐQT	31/3/2020	RESOLUTION on working regime at the Office during the period of Covid-19 epidemic
26.	27/2020/NQ-HĐQT	07/4/2020	RESOLUTION on changing the time to hold the 2020 Annual General Meeting of Shareholders of Baoviet Group
27.	28/2020/NQ-HĐQT	10/4/2020	RESOLUTION Approving the policy on the list of contracts and transactions between the Corporation and related persons
28.	29/2020/NQ-HĐQT	28/4/2020	RESOLUTION Changing the brand name of Baoviet Tokio Marine Insurance Company Limited (BVTM)
29.	30/2020/NQ-HĐQT	14/5/2020	
30.	31/2020/NQ-HĐQT	18/5/2020	RESOLUTION Plan to hold the 2020 Annual General Meeting of Shareholders of Baoviet Group (June 29, 2020)
31.	32/2020/NQ-HĐQT	19/5/2020	RESOLUTION on the increase of charter capital for Baoviet Life Corporation in the period of 2020 - 2021
32.	33/2020/NQ-HĐQT	21/5/2020	RESOLUTION to approve the final settlement of the salary fund implemented in 2019 of Baoviet Investment Company
33.	34/2020/NQ-HĐQT	22/5/2020	RESOLUTION Approving the plan for distribution of profit after tax in 2019 of subsidiaries in which 100% of charter capital is owned by the Group
34.	35/2020/NQ-HĐQT	1/6/2020	RESOLUTION on approval of Baoviet Group's 2019 Consolidated Financial Statements in accordance with Audited Vietnamese Accounting Standards
35.	36/2020/NQ-HĐQT	09/6/2020	RESOLUTION to change the time limit for increasing charter capital for Baoviet Life Corporation in 2020
36.	37/2020/NQ-HĐQT	19/6/2020	Resolution of the Board of Directors on the agenda and documents of the 2020 Annual General Meeting of Shareholders of BVSC
37.	38A/2020/NQ-HĐQT	19/6/2020	RESOLUTION on Human Resources at Baoviet Securities Joint Stock Company for the term 2020 - 2025
38.	38/2020/NQ-HĐQT	19/6/2020	RESOLUTION Baoviet Holdings Board meeting in the second quarter of 2020 June 19, 2020
39.	39/2020/NQ-HĐQT	29/6/2020	Resolution of the Board of Directors on the plan to hold the 2020 Annual General Meeting of Shareholders of Baoviet Group

No.	Resolution no.	Date of issue	Contents
40.	40/2020/NQ-HĐQT	02/7/2020	RESOLUTION on the meeting of the Board of Directors on June 29, 2020
41.	41/2020/NQ-HĐQT	15/7/2020	RESOLUTION on approval of Baoviet Holdings' Consolidated Financial Statements for the year ended 31 December 2019 in accordance with Audited International Financial Reporting Standards [IFRS]
42.	42/2020/NQ-HĐQT	24/7/2020	Resolution of the Board of Directors on the staffing of the Real Estate Department of Baoviet Group [not to re-appoint the position of Deputy Director of the Real Estate Department for Ms. Nguyen Hong Minh]
43.	43/2020/NQ-HĐQT	24/7/2020	Approval to re-appoint the position of General Director of Baoviet Fund Management Company
44.	44/2020/NQ-HĐQT	28/7/2020	Proposal to expand the scope of activities [addition of health insurance] of Baoviet Life Corporation
45.	45/2020/NQ-HĐQT	28/7/2020	RESOLUTION on the approval of the 2020 salary plan of Baoviet Life Corporation
46.	46/2020/NQ-HĐQT	17/8/2020	RESOLUTION Approving the separate financial statements and the annual consolidated financial statements for the three-month period ended March 31, 2020 of Baoviet Holdings in accordance with the reviewed Vietnamese Accounting Standards.
47.	46A/2020/NQ-HĐQT	10/8/2020	Human Resources Complaint Remuneration and Appointment Committee, Strategy and In-vestment Committee of Baoviet Holdings
48.	47/2020/NQ-HĐQT	18/8/2020	Setting up and using the bonus and welfare fund in 2020 of TDBV
49.	48/2020/NQ-HĐQT	19/8/2020	Social Security funding plan 2020 from Baoviet Group's NPAT
50.	49/2020/NQ-HĐQT	24/8/2020	RESOLUTION to select an independent auditor to audit the financial statements for 2021, 2022, and 2023 of Baoviet Holdings and its subsidiaries.
51.	50/2020/NQ-HĐQT	28/8/2020	RESOLUTION on the assignment of duties to members of the Board of Directors of Baoviet Holdings
52.	51/2020/NQ-HĐQT	03/09/2020	RESOLUTION Approving the separate interim financial statements for the three-month and six-month financial period ended 30 June 2020 of Baoviet Holdings in accordance with the re-viewed Vietnamese Accounting Standards.
53.	52/2020/NQ-HĐQT	04/9/2020	Resolution of the Board of Directors on approv-ing the re-appointment of General Director of Baoviet Life Corporation
54.	53/2020/NQ-HĐQT	09/9/2020	RESOLUTION and minutes of the meeting of the Board of Directors of the third quarter of 2020, the meeting on August 28, 2020 [new version]
55.	54/2020/NQ-HĐQT	11/9/2020	RESOLUTION Approval of Baoviet Holdings' in-terim consolidated financial statements for the three-month and six-month period ended June 30, 2020 in accordance with the reviewed Vi-etnamese Accounting Standards.
56.	55/2020/NQ-HĐQT	11/9/2020	Resolution and minutes of Baoviet Holdings' Board of Directors meeting in September 2020
57.	56/2020/NQ-HĐQT	14/10/2020	RESOLUTION on the settlement of salary fund implemented in 2019 of Baoviet Insurance Corporation
58.	57/2020/NQ-HĐQT	18/09/2020	Resolution of the Board of Directors on ap-ointing a person to assume the prime respon-sibility for performing the work of the Procur-ing Entity for the package "Selection of an in-dependent auditing company to audit the fi-nancial statements for 2021, 2022 and 2023 of Baoviet Holdings" [Mr. Nguyen Xuan Hoa]
59.	58/2020/NQ-HĐQT	29/9/2020	RESOLUTION to approve the consolidated fi-nancial statements for the first quarter of 2020 of Baoviet Holdings in accordance with Interna-tional Financial Reporting Standards [IFRS] which have been reviewed
60.	59/2020/NQ-HĐQT	06/10/2020	Resolution of the Board of Directors on Ap-proval of the salary plan in 2020 of Baoviet Insurance Corporation

REPORT OF THE BOARD OF DIRECTORS

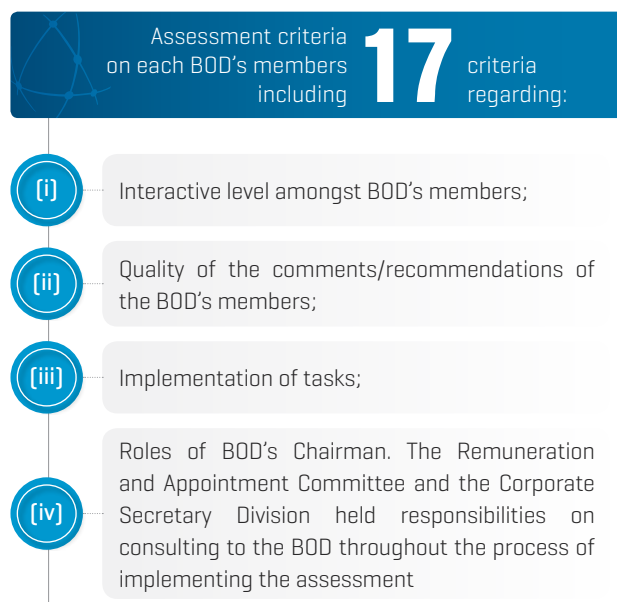
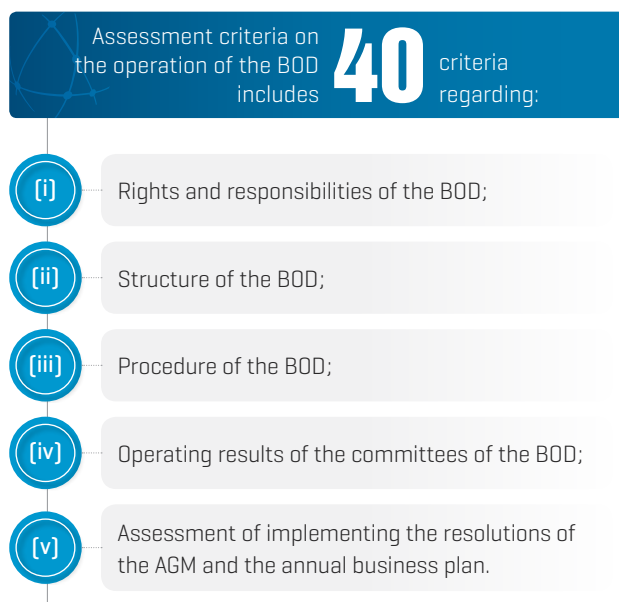
No.	Resolution no.	Date of issue	Contents
61.	60/2020/NQ-HĐQT	07/10/2020	RESOLUTION on approving the policy of imple-menting the Agreement on technical support and capacity transfer between Baoviet Group, Baoviet Life Corporation and Sumitomo Life Insurance Company phase 8
62.	61/2020/NQ-HĐQT	22/10/2020	RESOLUTION Approving the plan to pay divi-dends for the fiscal year 2019 of Baoviet Hold-ings
63.	62/2020/NQ-HĐQT	06/11/2020	Resolution of the Board of Directors on staffing work at Baoviet Group's Office [Ms. Le Thi Thanh Chau]
64.	63/2020/NQ-HĐQT	13/11/2020	RESOLUTION on the approval of the 2020 salary plan of Baoviet Fund Management Company Limited
65.	64/2020/NQ-HĐQT	06/11/2020	RESOLUTION approving the extension of office lease contract at Baoviet Building 233 Dong Khoi between Baoviet Group and Baoviet In-vestment One Member Co., Ltd.
66.	65/2020/NQ-HĐQT	18/11/2020	RESOLUTION approving the policy of ad-justing the implementation progress of the International Finance Tower (IFT) construction investment project
67.	66/2020/NQ-HĐQT	18/11/2020	Resolution approving a number of contents related to the construction investment project of Office Building - Head office at 07 Ly Thuong Kiet Street, Hoan Kiem District, Hanoi City
68.	67/2020/NQ-HĐQT	19/11/2020	RESOLUTION on the approval of the 2020 salary plan fund of Baoviet Investment Company
69.	68/2020/NQ-HĐQT	07/12/2020	RESOLUTION to use services of Baoviet Securi-ties Joint Stock Company [transactions with related persons]
70.	69/2020/NQ-HĐQT	07/12/2020	RESOLUTION Baoviet Holdings Board meeting in the fourth quarter of 2020
71.	70/2020/NQ-HĐQT	14/12/2020	RESOLUTION on the approval of re-appointment to the position of Chief Accountant of Baoviet Insurance Corporation
72.	71/2020/NQ-HĐQT	22/12/2020	RESOLUTION to evaluate the performance of the Board of Directors and members of the Board of Directors in 2020
73.	72/2020/NQ-HĐQT	24/12/2020	RESOLUTION to approve the semi-annual con-solidated financial statements for the six-month period ended June 30, 2020 of Baoviet Holdings in accordance with the reviewed In-ternational Financial Reporting Standards [IFRS]
74.	73/2020/NQ-HĐQT	28/12/2020	Resolution of the Board of Directors on Adjust-ing the method of determining the average salary in 2020 of the General Manager of the Corporation who is the representative of state capital at the Group [BVNT]
75.	74/2020/NQ-HĐQT	28/12/2020	Resolution of the Board of Directors on Adjust-ing the method of determining the average salary in 2020 of the General Manager who is the representative of state capital at the Group [BHBV]
76.	75/2020/NQ-HĐQT	28/12/2020	Resolution of the Board of Directors on Adjust-ing the method of determining the average salary in 2020 of the full-time Company Man-ager who is the representative of state capital at the Group [QLQ]
77.	76/2020/NQ-HĐQT	30/12/2020	Resolution to approve the vision to 2030, stra-tégic goals for the period 2021-2025 of BHBV Financial Group; strategic goals for the period of 2021-2025 of CTM and CTC's CTC
78.	77/2020/NQ-HĐQT	31/12/2020	Resolution to the meeting of the Board of Di-rectors of Baoviet Holdings in December 2020
79.	78/2020/NQ-HĐQT	31/12/2020	Resolution of the Board of Directors on the operation program of the Board of Directors of Baoviet Group in 2021





THE IMPLEMENTATION ON ASSESSING THE OPERATION OF THE BOD AND OF THE BOD'S MEMBERS AND OTHER COMMITTEES OF THE BOD IN 2020 ACCORDING TO THE GOOD PRACTICES ON CORPORATE GOVERNANCE WORLDWIDE AND REGIONALLY

In order to improve the assessment activities of the BOD according to the good practices on corporate governance worldwide and regionally, in 2020, the BOD implemented the regulations on operation of the BOD, completed the assessment activities on the procedures and specific assessment criteria regarding the operation of the BOD, of each BOD's members and the committees of the BOD, specifically as follows:




The above assessment criteria were constructed based on the references of the standards at Part E – Responsibilities of the BOD in the Question set level 1 – Corporate Governance scorecard for ASEAN regional enterprises, Regulations on corporate governance of OECD and referential standards on assessing the operation of the BOD and of the BOD's members in developed countries worldwide.

REPORT OF THE BOARD OF DIRECTORS

In Dec 2020, the BOD implemented the assessment results on the operation of the BOD in 2019, the committees of the BOD and of the BOD's members with the results specifically as follows:

RESULTS ON THE ASSESSMENT OF THE OPERATION OF THE BOD AND OF THE COMMITTEE OF THE BOD

Assessed results on each BOD's members


Based on 13 criteria on **3** issues

(i)

Interactive level amongst BOD's members;














(ii)

Quality of the comments/recommendations of the BOD's members;

(iii)

Implementation of tasks; the BOD's members have self-assessed the performance of their duties, and cross-assessed the activities of other BOD's members.

 Weak
  To be improved
  Average
  Good
  Very good

1	Rights and responsibilities of the BOD	4,5		» The independence between BOD members and BOM and influential shareholders
2	Members and structure of the BOD	4,7		» Supplement the independent BOD's members as stipulated by the regulations on the listed companies
3	Procedure of BOD	4,6		
	3.1. Participation in BOD's meetings	4,6		
	3.2. Access to information	4,6		
	3.3. Opinion collections in written forms	4,3		
	3.4. Appoint and re-elect the BOD (if any)	4,7		
4	Performance of Committees under BOD	4,4		
				» Members of the Remuneration and Appointment
	4.1. Remuneration and Nomination Committee	4,3		» Committee are majorly independent members i.e. over 50% Chairman of the Remuneration and Appointment Committee is independent member.
				» The Audit Committee includes NED with majority of BOD members as independent.
	4.2. Audit Committee	4,2		» Chairman of the Audit Committee is an independent BOD's member.
	4.3. The Strategy & Investment Committee	4,6		
	4.4. The Assets-Liabilities Committee [ALCO]	4,5		
5	Assessed the implementation of the AGM's resolutions and the annual business plan	4,5		

Result: 09/09 BOD's members were 4.4 to 4.8 point (maximum is 5 point) at the rate of "VERY GOOD" and "GOOD".

GENERAL COMMENTS ON THE ASSESSMENT RESULTS REGARDING THE OPERATION OF THE BOD, AND OF THE BOD'S MEMBERS AND THE COMMITTEES OF THE BOD

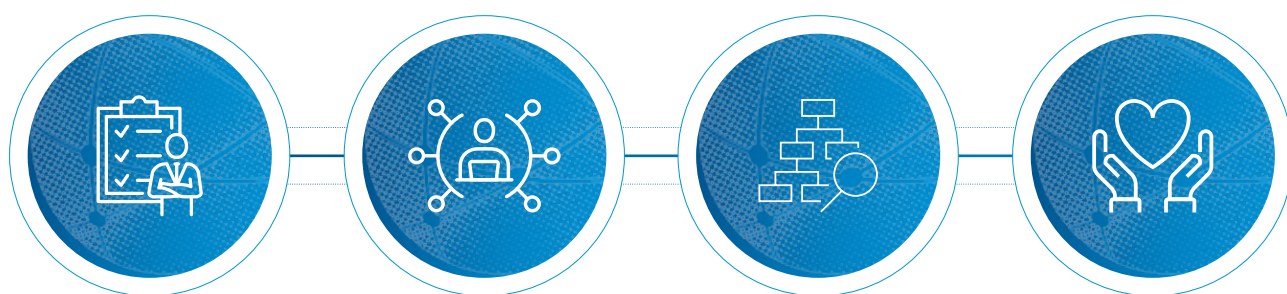
1. The BOD fostered the roles and responsibilities in the corporate governance, ensuring the organization structure as stipulated by the Law on Enterprise and the Charter of BVH.
2. The BOD implemented properly and completed the resolutions of the 2018 AGM and the 2019 Business plan.
3. The committees of the BOD contributed significantly in consulting to the BOD regarding issues upon the competence of the Committees such as strategy, investment, appointment of senior staff, remuneration and bonuses, audit and management of assets and liabilities, etc.
4. BOD's members had very good rate of information sharing, proactively provided the assessment, analysis in depth regarding issues upon the competence of the BOD, implemented the responsibilities in such honest, careful manners for the most benefits of shareholders and of BVH.
5. BOD's Chairman fostered the roles in implementing effectively the operation of the BOD, encouraging the BOD's members in providing opinions and other contents upon the competence of the BOD; ensuring the construction of operation plan of the BOD prior to the fiscal year and submitting the meeting materials for opinions from BOD's members at least 05 days prior to the meeting date.

In order to strengthen the responsibilities of the BOD, to comply with the standards regarding the responsibilities of the BOD at the ASEAN corporate governance scorecard, the BOD needs to continue to strengthen the tasks as follows:

1. Continue to strengthen the marketing on the mission/vision of the Group, consider the business strategy annually to adjust with new changes;
2. Consider to supplement the regulations on the organization of the meeting amongst non-executive BOD's members without the presence of the executive members in the regulations on corporate governance/Regulations on operation of the BOD;
3. Strengthen the independence amongst BOD's members with the BOM and big shareholders of the Group via the vote of independent BOD's members participating in the BOD, and to participate in the activities of the committees of the BOD;
4. Continue to improve the quality of reports, consultancy to the BOD regarding issues upon the competence and responsibilities of the Committees of the BOD;
5. Strengthen the information sharing amongst BOD's members via the provision, update on information regarding the business of the Group, the market status as well as the opportunities on business development; encouraging BOD's members to provide assessment, in-depth assessment on the issues upon the competence of the BOD, providing practical and feasible recommendations on issues in the agenda for the BOD to discuss and to decide.

ORIENTATIONS ON THE OPERATION OF THE BOD IN 2021

📖 In 2021, the BOD shall continue to maintain the meeting regime quarterly as stipulated and to organise the meeting upon the form of opinion collection in written form from BOD's members in order to implement the 2021 AGM's resolutions, to implement the issues regarding the corporate governance and to direct the implementation of key tasks in 2021 across the Group, specifically as follows:



Implement the Resolutions of the 2020 AGM, focusing on completing the business plan in 2020 and to closely align to complete the Strategy for the period of 2016-2020, construct the strategy for the period of 2021 - 2025, visions to 2030;

Continue to foster the built-in values over the past years, fiercely implement the business solutions with the motto "the new Normal, the new Mindsets" in 2021, focusing on the issues as follows:

Improve the capability in corporate governance base on the application of the best Practices in order to ensure the ultimate exploitation on the efficiency, creating sustainable values in the long run, as well as attracting investment capital into the business;

Cooperate with the State managerial agencies in order to construct the legal platform, develop the market, develop new products, continue to focus on the implementation of the social welfare related activities; community support upon the direction of the Communist Party and of the Government, being the pioneer enterprise in the acts of environmental protection, yielding towards the implementation of the sustainable development strategy of BVH.



(i)

Modernise the customer communication system based on IT and online platforms. Research, apply, learn to own the high technology, create differences on services and products. Digital transformation in the corporate governance activities, management;

(ii)

Continue to implement the Planning of senior HR; Implement the internal HR rotation; exploit the current resources; Implement the evaluation of working performance based on clear KPIs;

(iii)

Divisify products and distribution channels, expand networks, provide professional services, create differences.

AFFIRMING THE VIETNAMESE BRAND



USD MILLION



According to the list of Top 50 most valuable company brands in Vietnam
announced by Brand Finance

REPORT OF THE COMMITTEES OF THE BOD





REPORT OF THE AUDIT COMMITTEE

The Audit Committee [AC] is an agency within the corporate governance structure of Baoviet Holdings [BVH] since the decision on establishment of BVH in 2008. In 2015, the functions, responsibilities and organisational structure of the AC have been revised in order to keep its relevance to the actual operation of BVH, to foster the efficiency, effectiveness of the operation of the Committee. Therefore, the AC has functions of consultancy and assistance to the BOD in terms of:

1.

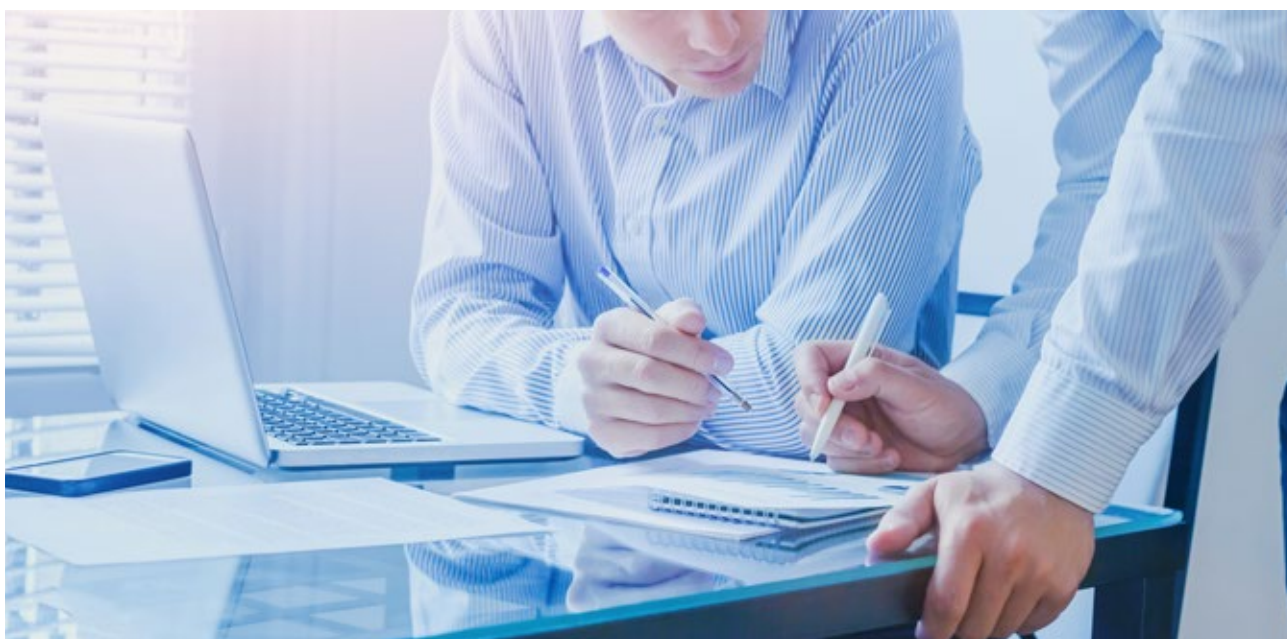
Ensuring the internal audit system and complying the law in such efficient manners via the internal audit activities.

2.

Ensuring the sufficient requirements on the external financial reports [including the applicable requirements for the listing onto the security market according to the law and the Charter of BVH] via the assessment of the audited financial reports [or revision].

The AC has main responsibilities as follows:

- » Management in terms of profession, specialization on the activities of the Internal Audit Block [IAB], including: the construction of the plan on auditing strategy, the annual audit plan; professional issues related to the IAB in the report on the auditing results; Inspections and supervision of the internal audit plan, calculation of the effectiveness of the internal audit activities; Consideration of key results from the internal audit activities and feedbacks from the CEO, Chiefs for each Blocks of BVH and the CEO of the Subsidiaries with 100% charter capital owned by BVH.
- » Recommendations to the BOD and the CEO of BVH in order to ensure the IAB having sufficient resources for organizing the implementation of auditing activities.
- » Assessment of separated and consolidated audited financial reports of BVH annually and half-year periods regarding the compliance of the auditing standards, regulations on the listed and requirements of the law related to the financial reports to submit to the BOD of BVH. The implementation of coordinating the Supervisory Board of BVH regarding the tasks related to the construction of the reports on finance and independent auditing.



REPORT OF THE COMMITTEES OF THE BOD

STRUCTURE OF THE AUDIT COMMITTEE

“ In 2020, the Audit Committee continues the operation with the structure of 01 Chairwoman and 02 members, in which the Chairwoman of the Audit Committee is a BOD's member, 01 member as the Deputy Chief on Internal Audit of BVH, 01 member as BOD's member, representing the strategic partner i.e. Sumitomo Life. The members of the Audit Committee have long-time experience in the fields of auditing, finance, insurance and investment.”

HR of the Audit Committee up to 31/12/2020

MS. TRAN THI DIEU HANG

BOD's member, Chairwoman

Nationality: Vietnamese

Professional level: MsC. Business Management

Experience: 25 years in the fields of insurance, audit

Current positions:

- » BOD's member of Baoviet Holdings for the term of 2018-2023 [since 27/6/2018];
- » Chairwoman of the Audit Committee of BVH;
- » Head of Inspection – Internal Audit of BVH;
- » Chairwoman of the Member's Council of BVGI.

MR. NGUYEN QUANG VINH

Member

Nationality: Vietnamese

Professional level: MsC. Economics

Experience: 31 years in the fields of financial inspection, audit and insurance

Current positions:

- » Deputy Head of Inspection – Internal Audit of BVH;
- » Executive member of the Audit Committee of BVH.

MR. TERUO SHIMMEN

Member

Nationality: Japanese

Professional level: BsC. International Research

Experience: 29 years in the field of insurance

Current positions:

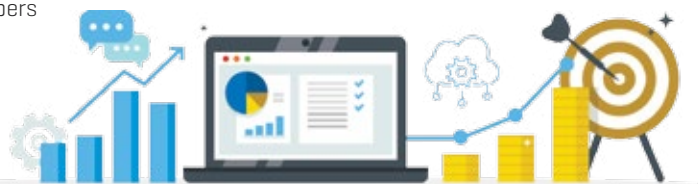
- » BOD's member of Baoviet Holdings for the term of 2018-2023 [since 29/6/2020];
- » Member of the Member's Council of BVL;
- » Member of the Audit Committee, member of the Strategy & Investment Committee.



ACTIVITIES OF THE AUDIT COMMITTEE IN 2020

In 2020, the Audit Committee implemented the key tasks according to its functions and scopes as follows:

- » Participated in directing the construction of the internal audit plan as well as the professional tasks of the internal audit block in order to ensure the quality, progress and completion of 100% plan in 2020 as approved by the BOD; directed the internal audit Block to implement 37 audit sessions, including 15 sessions at Subsidiaries of BVGI; 14 sessions at Subsidiaries of BVL, 01 audit session at the headquarter of BVL; 07 audit sessions on the investment activities. All of the auditing sessions have in time identified the weaknesses in the implementation of the internal regulations of BVH; Regulations and professional procedure of the Subsidiaries, providing relevant recommendations. Besides, the committee provided recommendations on the implementation of the regulations of the Government in the business field, assisting the Subsidiaries to strengthen the audit tasks as stipulated by the Law. Upon the approval of the audit results, the BOD and CEO have acted in time in order to foster the corporate governance and improving the management efficiency.
- » Review of financial reports: In 2020, the Audit Committee cooperated with the Supervisory Board, Ernst & Young ["EY"] independent audit company and the financial department of the Subsidiaries, company members regarding the financial reports in 2020, in order to ensure such reports to comply with the accounting standards, financial information disclosure regime for listed company. Besides, the Audit Committee proceeded the evaluation/consultancy to the BOD for approval of the VAS audited financial reports of the Parent company and the consolidated reports of BVH in 2020 according to VAS and IFRS.
- » The Audit Committee provided opinions regarding the reports/ submissions of the Audit Block in order to improve the operating quality of the Block; simultaneously participated in the recommendation and report to the BOD/ CEO in the follow-up completion of organizing the operation mechanism of the Internal Audit Block.
- » Implemented the cooperation between the Audit Committee and other departments of the Parent company and its Subsidiaries; providing opinions to the meeting of RMC, ALCO and other tasks upon request of the BOD.
- » In order to fulfill the above tasks, Audit Committee has hold meetings, discussions, comments on periodic reports as well as reports of the Committee before submitting to the BOD.



DIRECTION IN 2021

In 2021, upon the solid foundation of strong experience in domestic and overseas flat-forms on the fields of audit, finance, insurance and investment, the Audit Committee continue to implement the consulting function to the BOD with the purposes as follows:

1. Ensure the efficiency of the supervisory system;
2. Direct the professional tasks of the Internal Audit Block to ensure the completion of the 2020 business plan assigned by the BOD;
3. Implement the tasks related to the financial reports and organised the independent audit;
4. Directed to ensure the quality in the task of internal audit i.e. review, update the stipulated documents; procedure in order to ensure the compliance to the law and the regulations of BVH;
5. Foster the cooperation between the Supervisory Board and other functional agencies of BVH and its Subsidiaries.

The Audit Committee continue to excel in completing the operation plan in 2021 in order to strengthen the roles of the Audit Committee in the consultancy to ensure the efficiency, risk control, improvement of corporate governance; contribution to meet the business targets in 2021 of BVH.

REPORT OF THE COMMITTEES OF THE BOD



OPERATION OF THE REMUNERATION AND APPOINTMENT COMMITTEE

FUNCTIONS AND RESPONSIBILITIES

The Remuneration and Appointment Committee [RAC] is a body of the corporate governance system of Baoviet Holdings, established upon the decision of the BOD. The main functions of the Committees are as follows:

- » Consult, suggest to the BOD regarding the planning on the strategy development of HR, especially the strategy development of the senior HR resources of BVH;
- » Recommend to the BOD on the consideration, approval of the fundamental issues regarding:
- » Models on the organizational structure and the model on the corporate governance;
- » Policies on the management of labour and salary of BVH;
- » Policies on the staff management of BVH;
- » Issues related to the salary, remuneration, planning, and appointment of staff, HR strengthening upon the direction of BOD, etc.

MEMBERS OF THE REMUNERATION AND APPOINTMENT COMMITTEE

Upon the directions of the Committee's Chairman, the RAC implemented well the functions on assisting the BOD in completing the model on the corporate governance, drafting the development strategy on the HR resources as well as other policies on HR, salary, ensuring the benefits of the management staff and the employees.

HR of the RAC up to 31/12/ 2020:

Mr. NGUYEN XUAN VIET
BOD'S member, Chairman

Nationality: Vietnamese

Qualification: BSc. Economics;
Engineer in Manufacturing Technology

Experience: 26 years (from 1994);

Current positions

- » Chairman of Vietnam Insurance Associations
- » BOD's member of BVH;
- » CEO of BVGI.

Mrs. THAN HIEN ANH
Member

Nationality: Vietnamese

Qualification:
MsC. Business Management

Experience: over 20 years in the fields
of finance – insurance

Current positions

- » BOD's member of BVH;
- » Chairwoman of Member's Council
of BVL

Mr. PHI TRONG THAO
Executive member

Nationality: Vietnamese

Qualification: PHd. Economics
Management and National economic
planning

Experience: 38 years in the fields of
insurance, education and training;

Current positions

- » Executive member of RAC of BVH.



ACTIVITIES OF THE COMMITTEE IN 2020

In 2020, the RAC organized 03 direct meetings with the contents as follows:

1. Evaluate the work in 2020 and the implementation plan in 2020;
2. Delegate tasks to members;
3. Discuss on the directions to draft the regulations of BVH in the field of HR management.

Besides, the RAC proceeded to organized 25 meetings in the form of opinion collection in order to evaluate, review the recommendations of BVH and its Subsidiaries with 100% charter capital owned by BVH in order to propose to the BOD for consideration and decision upon the issues related to the field of senior HR management as follows:

- » Consolidate the organization of the block-level management apparatus of Baoviet Group and the plan to arrange and arrange temporary personnel according to the new organizational structure model.
- » Amending and supplementing the Regulation on functions, tasks and organizational structure of the Committee of Natural Resources and Environment according to the new organizational model.
- » The settlement of salary fund in 2019 and labor and salary plan in 2020 of the Group and companies with 100% equity of the Group.
- » The appointment and re-appointment of the Group's Managers shall be decided by the Board of Directors.
- » The consolidation of personnel of the Committees assisting the Board of Directors.
- » Regarding the approval of the planning of management positions at the Group in the period of 2020 - 2025.
- » On the evaluation of the performance of the Board of Directors of Baoviet Holdings and the members of the Board of Directors in 2020.
- » The adjustment to the method of determining the average salary in 2020 of the full-time manager of the subsidiary is the representative of state capital at the Group.
- » Regarding the promulgation of the salary payment regulation of Baoviet Group [6th amendment].



DIRECTIONS IN 2021

In 2021, the RAC continues to review the implementation of the Development strategy for the period of 2016 - 2020, participates in the drafting of the business strategy for the period of 2021 - 2025, especially consulting to the BOD regarding the policies on the HR management within the competence of BVH, improving the efficiency of the central corporate governance in the 4.0 technological revolution.

The RAC continues to implement its roles in consultancy, assistance to the BOD in completing the policy regimes, procedures, regulations related to the management of senior HR, especially upon the new management structure applied at BVH and its 100% owned Subsidiaries i.e. BVGI, BVL, BVF, BVI.

Besides, the RAC has been consulting to the BOD regarding the supplement of the independent BOD's member[s]; strengthening the corporate governance system of BVH, focusing on the internal audit management model, risk management model to align with the updated law i.e. Decree No. 05.

Simultaneously, the RAC contributed to the implementation of the regulations of the Secretariat and of the Government regarding the implementation of the political documents of the 8th Plenum.

REPORT OF THE COMMITTEES OF THE BOD



OPERATION OF THE STRATEGY AND INVESTMENT COMMITTEE



FUNCTIONS AND RESPONSIBILITIES

The Strategy and Investment Committee ["SIC"] is a body of the management structure of BVH, established upon the decision of the BOD. The main functions of the Committee are to assist the BOD of BVH in the process of approving the consultancy and recommendation regarding the contents related to the fields of strategy and investment, specifically as follows:

- » Consult, recommend regarding the issues on strategy and investment as well as the business strategy of BVH and its Subsidiaries;
- » Consult, recommend regarding issues on the strategic investment, drafting the policies and principles on short-term, mid-term and long term investment, strategy and policies on investment risk management, research, revise and evaluate the investment portfolio upon the competence of the BOD.

MEMBERS OF SIC

The SIC in 2020 operated with 01 Chairman – being a BOD's member of BVH as well as member of the MC, Ceo of BVF, 01 member as representative of Sumitomo Life; 01 member as the Chief Accountant of BVH. The members shows deep knowledge and wide experiences in constructing and managing strategies; implementing investment projects, improving the consultancy roles of the Committee to the BOD in the BOD's decisions related to the Strategic development and investment related activities of BVH.

HR of the SIC up to 31/12/2020

Mr. NGUYEN DINH AN
BOD'S member, Chairman

Nationality: Vietnamese

Qualification:
MSc.;

Experience: 15 years in investment and fund management

Current positions:

- » BOD's member of BVH for the term 2018 – 2023 (from 29/6/2020);
- » Member of the MC, CEO of BVF;
- » BOD's member of the National Reinsurance Ltd.;
- » BOD's member of BVH.

Mr. NGUYEN XUAN HOA
Chief accountant member

Nationality: Vietnamese

Qualification:
MSc.

Experience: 21 years in finance accounting

Current positions:

- » Chief accountant cum. Director of Finance division cum. Director of Accounting division;
- » Member of the SIC;
- » Member of the MC of BVGI;
- » Head of the supervisory board of BVSC;
- » Chairman of the MC of BVAL;
- » Member of the Representative Board of BVIF.

Mr. TERUO SHIMMEN
Executive member

Nationality: Japanese

Qualification:
BSc. International research;

Experience: 29 years in insurance.

Current positions:

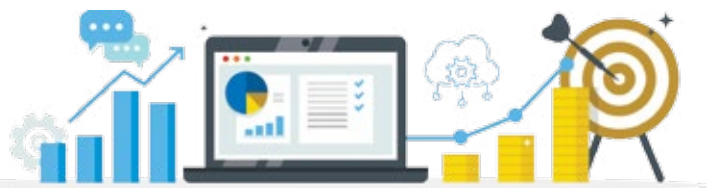
- » Member of the MC at BVL;
- » Member of the Audit Committee of BVH cum. Member of the SIC;
- » Member of the MC of BVL;
- » Head of representative office of SML in Hanoi.



ACTIVITIES OF THE COMMITTEE IN 2020

In 2020, the SIC organized 13 meetings upon the form of opinion collection regarding the contents as follows:

1. The construction of the Development and Business Strategies i.e. visions to 2030, overall strategic objectives of the Finance – Insurance Group of Baoviet for the period of 2021 – 2025;
2. The Capital Strategy of BVH and its Subsidiaries i.e. the directions on the purchase of the fund shares of BVH and the increase of charter capital of BVL;
3. The business plan and the investment plan regarding the procurement of fixed assets, fundamental construction, real estate and IT;
4. The supervision and provision of opinions regarding the investment activities regarding the postponement of the sale of BVIF; TSCTA phase 8;
5. The supervision and provision of opinions regarding the investment management i.e. Regulation on the investment and asset management of IT of BVH; Revision of the regulation on ALCO of BVH



ORIENTATIONS ON THE OPERATION IN 2021

Upon the role of consultancy and recommendation to the BOD regarding the issues related to the strategy and investment, in 2021, the SIC shall continue to proactively consult in the drafting and the implementation of the Strategy plan for the period of 2021 – 2025, visions to 2030 of BVH and its Subsidiaries; simultaneously to provide opinions and the consultancy on the strategic investments of BVH upon the delegation from the BOD as stipulated by the law and the internal regulations of BVH.



REPORT OF THE COMMITTEES OF THE BOD



OPERATION OF THE ASSETS-LIABILITIES COMMITTEE [“ALCO”]

FUNCTIONS AND RESPONSIBILITIES

The ALCO committee has the functions on consulting and revising to the BOD regarding the contents as follows:

The ALCO committee implements the rights and responsibilities as follows:

1. Evaluate, review the business performance, financial results and the business development, management and development of capital and assets of BVH and its Subsidiaries;
 2. Evaluate and recommend on the policies, solutions to effectively manage the mechanism, balance and the speed of growth of the assets and liabilities of BVH and of BVH regarding its Subsidiaries with the purpose of using effectively the financial resources and ensuring the solvency ratios;
 3. Monitor the external environment and determine the impacts upon the profits, the balance sheets and the solvency ratios according to the hypothesis;
 4. Evaluate and provide the solutions to implement the risk management on the impact possibilities to the balance sheets and the business performance of BVH and its Subsidiaries.
1. Recommend on the policies, strategies and plan on the management of assets and liabilities, risk management related to the assets and liabilities for various periods of time;
 2. Consider, evaluate and recommend on the solutions to ensure the mechanism of asset and liabilities and the balance of growth rate of the balance sheets regarding the plan, the business development strategy, and the scope of charter capital;
 3. Consider, evaluate and recommend on the efficiency of using assets and liabilities in order to utilise the profits and to balance the risks of BVH and its Subsidiaries;
 4. Evaluate the solvency upon the actual statistics, as stipulated by BVH and the law [if any], the position for safe capital, the balance between assets and liabilities of BVH and its Subsidiaries;
 3. Evaluate and recommend on the solutions to risk management potentially having impacts on the business performance and the balance sheets. The recommendations on investment limit, yields, risk limits and other indices for BVH and its Subsidiaries.



MEMBERS OF THE ALCO COMMITTEE

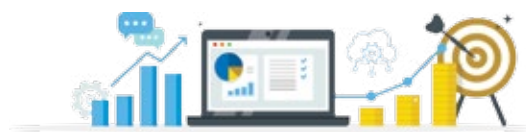
The ALCO committee includes: the CEO of BVH as the Chairman of the Committee, COF/DCOF of BVH as the standing member and the Secretary Board with 03 members. The remaining members come from the Block/Division of BVH, representatives from Subsidiaries, including 02 representatives from each Subsidiaries [Chairman of the Member's Council/ BOD and CEO of Subsidiaries].

ACTIVITIES OF THE ALCO COMMITTEE IN 2020

In 2020, in order to evaluate the impacts on the business performance of BVH and its Subsidiaries, the ALCO committee organized the regular meetings with the contents specifically as follows:

1. **Reports of the Finance Division with the contents as follows:**
 - » Financial performance, relevance of assets and liabilities;
 - » The status of capital usage, capital demand;
 - » Solvency and liquidity risks.
2. Summarise the main issues of each Subsidiaries.

In 2020, the ALCO committee started to construct and to transfer the database to implement the ALCO reports throughout the Group via Power BI aside from the reporting system maintenance according to the old format.



ORIENTATIONS ON THE OPERATION IN 2021

In 2021, the ALCO committee yields to focus on improving the efficiency of the assets-liability management of BVH and its Subsidiaries, via the evaluation of the market impacts, solvency risks and other risks potentially affecting the relevance between assets and liabilities; propose the recommendations to improve the capital usage as well as proving the management information in-time and in-depth, specifically as follows:

1. Strengthen the evaluation, management, adjustment of assets and liabilities of BVH and its Subsidiaries qualitatively and quantitatively;
2. Related Blocks/ divisions should have frequent discussions, synergize to implement the evaluation and recommendations regarding the policies, strategies and management plan on assets and liabilities of BVH and its Subsidiaries for various periods of time; upon such evaluation, to update on the changes in the macro economies as well as the business environment and the actual business performance of the Group.
3. Evaluate, review the influential factors and propose the recommendations on the solutions to ensure the relevant mechanism of assets and liabilities, to balance the growth rate of assets from the balance sheets in order to ensure the responsibilities of customers, being relevant to the plan, and the sustainable development plan of the Group;
4. Diversify the means of communications to discuss, provide opinions via email as well as the application of IT such as online chat, workplace, etc. continue and foster the application of Power BI into the business activities such as tracking, analyzing, evaluating and structing the ALCO reports.

REPORT OF THE COMMITTEES OF THE BOD



CORPORATE GOVERNANCE OFFICERS OF BVH [CGO]

FUNCTIONS AND RESPONSIBILITIES

According to the Law on Enterprise, the Charter of BVH, the regulations on corporate governance of BVH, BOD appointed the corporate governance officer[s] as stipulated. As at 31/12/2020, the corporate governance officer is the leader of the General Affairs Office of BVH with wide experience in finance, investment, consultancy and proposal to the BOD regarding the activities of the BOD as well as the corporate governance related activities.

HR OF THE CGO

According to the Law on Enterprise, the Charter of BVH, the regulations on corporate governance of BVH, BOD appointed the corporate governance officer[s] as stipulated. As at 31/12/2020, the corporate governance officer is the leader of the General Affairs Office of BVH with wide experience in finance, investment, consultancy and proposal to the BOD regarding the activities of the BOD as well as the corporate governance related activities.

HR of the CGO as at 31/12/2020

Mrs. LUONG THI BICH NGOC

corporate governor cum secretary of BVH [general cg]

Year of birth: 1982

Nationality: Vietnamese

Qualification:

MSc. Banking and Finance, Bsc. Banking and Finance, Auditor Certificate of the MOF

Experience: 16 years in finance and corporate secretary.

Current positions:

- » The CG of BVH cum the secretary of BVH [from 11/7/2018];
- » Deputy Head of General Affairs Office.

Past experiences:

- » Head, Deputy Head of Corporate Secretary Division; Deputy Head of General Affairs Office;
- » Officer of the Investment Division/Project Investment/ strategic investment of BVH;
- » Auditor at ATC Ltd.



ACTIVITIES OF CGOS IN 2020

In 2020, the CGOs of BVH implemented the responsibilities as stipulated according to the functions and responsibilities and upon the direction, request of the BOD, BOD's Chairman, specifically as follows:

1. Consulted to the BOD of BVH regarding the organization of the 2020 AGM as stipulated and other related tasks between BVH and the shareholders of BVH;
2. Prepared the meetings of the BOD, the Supervisory Board and the 2020 AGM upon the request of the BOD and the Supervisory Board, ensuring the relevance to the operation plan of the BOD and the Supervisory Board in 2020 and to comply with the law, the Charter of BVH;
3. Participated and recorded, drafted the meeting minutes of the BOD, the Supervisory Board and the 2020 AGM of BVH;
4. Consulted on the procedures to draft the resolutions of the BOD, of the AGM as stipulated by the law; coordinated to implement, foster the implementation of the resolutions, decisions, official announcements, conclusions of the BOD; of the AGM to ensure the deadlines as stipulated;
5. Provided the financial information, copies of meeting minutes of the BOD and other information of the BOD's members and the members of the Supervisory Board;
6. Supervised and reported to the BOD on the operation of the company information disclosure;
7. Researched, proposed to the BOD regarding training programmes for BOD's members and the members of the Supervisory Board;
8. Implemented the filing activities, data confidentiality, document issuance of the BOD and other documents as stipulated;
9. Consulted to the BOD, SB regarding the revision, supplement of the internal corporate governance related documents to align with the law related to the operation of BVH;
10. Implemented other tasks upon the directions of the BOD.

ORIENTATIONS ON THE OPERATION IN 2021



With the consultation role to the BOD regarding the issues related to the operation of the BOD, in 2021, the CGOs shall continue to proactively consults in the organization of the BOD meetings quarterly, the meetings of the Supervisory Board, the organization of the 2021 AGM and other contents related to the functions and responsibilities of the CGs as well as upon the directions of the BOD.

SUPERVISORY BOARD REPORT

“Protecting the rights and interests of shareholders and investors is an extremely important task of the Supervisory Board. Determining its responsibility, the Supervisory Board has constantly improved its activities to meet the expectations of shareholders and investors.”



RIGHTS AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

The Supervisory Board [SB] is a body of the corporate governance structure, voted by the AGM, the operation of the SB comply with the regulations as stipulated by the law, the Charter of BVH and the related regulations, and internal rules.

According to the Law on Enterprise and the Charter of BVH, the SB have rights and responsibilities as follows:

1. Implement the supervision on the BOD, CEO and other management titles in the corporate governance and management of Baoviet Holdings;
2. Implement the supervision on the financial performance of Baoviet Holdings, review the relevance, legality, honesty and carefulness in the corporate governance and the management of the business activities; the systematization, unification and relevance of the accounting activities, statistics and the drafting of the financial reports;
3. Review the sufficiency, legality and honesty of the reports on the business performance, annual and half-year financial reports of Baoviet Holdings;
4. Appraise the completeness, legitimacy and truthfulness of the Group's annual and six-monthly business and financial statements; Annual and six-month management evaluation reports of the Board of Directors and submission of appraisal reports at the Annual General Meeting of Shareholders;
5. Review, inspect and evaluate the effectiveness and efficiency of the internal audit system, the risk management system in order to provide the early and in-time warning to Baoviet Holdings;
6. Recommend to the BOD or the AGM regarding the solutions on the revision and supplement, renovation of the management organization, the supervision and management of the business performance of Baoviet Holdings;
7. Have rights to participate and provide opinions in the meetings of the AGM, the BOD and other meetings of the Company;
8. Recommend and propose to the AGM for approval on the organization of the independent audit implementing the financial reports of Baoviet Holdings.

HR OF THE SUPERVISORY BOARD

- The Supervisory Board has 03 Supervisors, in which the Head of the Supervisory Board works full-time and 02 part-time Supervisors. The Supervisors are all qualified and meet the standards and conditions of the Supervisors in accordance with the Enterprise Law 2014 and the Holdings' Charter [currently all Supervisors are auditors or accountants]. ; The head of the Supervisory Board is a professional accountant]. The Supervisors all operate independently, do not hold managerial positions at the Group, do not work in the Accounting department of the Holdings or any independent auditors audit the financial statements of the Holdings.



HR of the Supervisory Board in 2020:

No.	Fullname	Titles	Dated voted to participate in the SB	Rate of ownership at BVH
1	Mr. Ong Tien Hung	Head of Supervisory Board	29/11/2012: voted to be SM 27/06/2018: voted to be SM 29/06/2019: voted to be Head of SB	0.01% [67,239 shares]
2	Ms. Tran Thi Phuong	Member	27/06/2018: voted to be SM	0.00% [1,500 shares]
3	Mr. Vu Thanh Hai	Member	29/06/2019: voted to be SM	0.00% [480 shares]

PERFORMANCE RESULTS OF THE SUPERVISORY BOARD

On the basis of defined rights and obligations and the operation plan of the Supervisory Board approved by the 2020 Annual General Meeting of Shareholders of Baoviet Group, the activities of the Supervisory Board in 2020 have achieved the following results:

Meetings of the Supervisory Board

The Supervisory Board held 03 regular meetings with the following main contents:

Date of meeting	Contents	No. of SB participated	Rate
10/01/2020	<ul style="list-style-type: none"> » Approving the Report and evaluating the performance of the Supervisory Board in the third and fourth quarters of 2019. » Key tasks of the Supervisory Board in the first and second quarters of 2020. 	3/3	100%
24/06/2020	<ul style="list-style-type: none"> » Approving the Report and evaluating the performance of the Supervisory Board in the first and second quarters of 2020 and the key tasks of the Supervisory Board in the third and fourth quarters of 2020. » Approving the draft Report of the Supervisory Board to submit to the 2020 Annual General Meeting of Baoviet Holdings. » Approval of the draft Report of the Annual General Meeting of Shareholders 2020 on the policy of choosing an independent auditing company to audit the financial statements of the Corporation in 2021, 2022, and 2023. » Approving the content of the Supervisory Board's participation in the Governance Report of the listed companies, the 2019 Sustainability Report, and Annual Report of the Group [the part related to the operation of the Supervisory Board]. » Approving the Official Letter to the Board of Directors on some comments and evaluations of the Supervisory Board on the Draft Consolidated Financial Statements for 2019 of Baoviet Holdings. » Appraise separate financial statements and consolidated financial statements in 2019 according to VAS and send an official letter to the Board of Directors of the Group 	3/3	100%
18/12/2020	<ul style="list-style-type: none"> » Approving the Operational Plan of the Supervisory Board between the two Annual General Meeting of Shareholders [GMS] in 2020 - 2021; » Appraise the Group's separate financial statements and semi-annual consolidated financial statements for 2020 according to VAS and send an official letter to the Group's Board of Directors. » Approving the report on the operation results of Baoviet Holdings' Supervisory Board in the third and fourth quarters of 2020; » Key tasks of the Supervisory Board in the first and second quarters of 2021; » Approving the plan to amend the Draft Regulation on operation of the Baoviet Holdings' Supervisory Board (5th amendment and supplement to be consistent with the Enterprise Law 2020). 	3/3	100%

In the meetings, the Supervisors all participate fully and work with a high sense of responsibility. The organization of meetings and issuance of documents of the Supervisory Board were carried out in accordance with the provisions of the Enterprise Law, the Charter of Baoviet Holdings and the Regulation on Organization and Operation of the Supervisory Board.

Besides, in order to carry out the work of the Supervisory Board, in addition to the face-to-face meetings, the Head of the Supervisory Board organized to collect opinions of the Supervisors via email with the following main contents:

No.	Date	Contents
1	27/08/2020	Opinions of the Supervisory Board on the Group's 2020 interim financial statements with some suggestions and recommendations.
2	09/09/2020	Opinion of the Supervisory Board on the Group's interim financial statements for 2020.
3	21/09/2020	Giving opinions on the establishment of debt settlement council at VNS, VFC.
4	22/09/2020	Giving opinions on approving the Plan for selecting contractors to audit financial statements for 2021, 2022, 2023.
5	20/10/2020	Giving opinions on approving the Proposal of the Procuring Entity on the Bidding Documents for the bidding package to select the Auditing Company for the 2021, 2022, 2023 financial statements.
6		Some other regular affairs the Supervisory Board needs to consult in accordance with the provisions of the Charter and Operational Regulations of the Supervisory Board of the Holdings.

SUPERVISION OF THE GROUP MANAGEMENT BY THE BOD



The year 2020 is a year when the Group faces many difficulties [in addition to fierce competition in the market, also facing the outbreak of the Covid-19 pandemic] which greatly affects the Group's overall business activities. However, under the close, timely and drastic leadership and direction of the Board of Directors, CEO and other Managers successfully implemented the 2020 Business Plan. Specifically [according to the previous financial report data]. Review]: Consolidated revenue of the whole Group in 2020 is estimated at 109% of the year plan, up 9.2% over the same period in 2019; Consolidated profit (after tax) is estimated at 135.1% of the year plan, up 28.3% over the same period in 2019. Total revenue of the Parent company is estimated at 94.8% of the year plan, down 9.8% compared to 2019 performance; profit after that reached 101.1% of the year plan, down 6.7% over the same period in 2019.

The Group's subsidiaries, according to estimated reports, have successfully completed the assigned business plan. In which: Baoviet Insurance Corporation completed 106.9 % of the revenue plan, reached 100.6% of the profit plan, continued to affirm the No. 1 position in terms of revenue in the non-life insurance market. Baoviet Life Corporation completed 107.6% of the revenue plan, reached 95.1% of the profit plan, continuing to affirm the No. 1 position in the life insurance market in terms of revenue.

In 2020, the Board of Directors held 06 regular meetings, in addition to promptly issuing resolutions and decisions, the Board of Directors actively collected written opinions of the members of the Board of Directors. In 2020, the Board of Directors issued 78 Resolutions, 116 Decisions to promptly direct production and business activities, consolidate the organizational apparatus under a new model at the Parent Company...; The Board of Directors successfully organized the 2020 Annual General Meeting of Shareholders and directed the Executive Board to implement the resolutions of the Annual General Meeting of Shareholders; decided on the tasks under the authority of the Board of Directors. In the meetings of the Board of Directors in particular and the activities of the Board of Directors in general, the members of the Board of Directors participated fully, worked with a high sense of responsibility, and promoted the experience and leadership capacity of each member of the Board of Directors. The Board of Directors has operated in accordance with the jurisdiction and duties specified in the Holdings Charter. Resolutions and decisions in governance and administration issued by the Board of Directors are in accordance with actual conditions, meet the requirements of governance and business development needs of the Group, and ensure legal rights and interests of shareholders are properly and fully implemented.

SUPERVISORY BOARD REPORT

SUPERVISION OF THE BVH'S CEO

In 2020, under the close and timely direction of the Board of Directors, the General Director and other Managers have made great efforts in leading and directing regularly and promptly in setting and implementing business solutions in the spirit of initiative and creativity, overcoming difficulties, determined to successfully implement the business plan for 2020 approved by the 2020 Annual General Meeting of Shareholders and the resolutions and decisions of the Board of Directors. Specifically:



- Timely plan and organize the strict implementation of Covid-19 prevention and control throughout the Group, thereby minimizing the negative impact of the pandemic on the Group's business activities and subsidiaries.
- Directing and successfully completing the business plan in 2020 for the Parent Company and the whole Group in accordance with the Resolution of the Annual General Meeting of Shareholders.
- Deploying and consolidating the Holdings' organizational structure according to the plan. Reviewed, amended, supplemented and issued full functions and tasks of newly established units or units with adjusted organizational model.
- Directing and organizing the review, amendment and supplementation of the Charter, internal management regulations of the Holdings... to be consistent with the changes of the new Enterprise Law effective from January 1, 2021 and relevant laws.
- Directing and organizing the implementation of the construction and temporary handover of the business plan in 2021; Adopting a vision to 2030, strategic goals for the period 2021-2025 of Baoviet Finance and Insurance Group; strategic goals for the period of 2021-2025 of the Parent Company and its subsidiaries of Baoviet Holdings...

During the management process, the CEO has complied with the governance decentralization in the Charter, Governance Regulations, internal regulations of the Group as well as resolutions and decisions of the Board of Directors. In 2020, the Group has implemented the business plan with the following main targets *[according to the data of the pre-reviewed financial statements]*:

No.	Targets [VND Billion]	2020 plan	2020 Estimates	
1	Total revenue	1,488	1,410	94.8%
2	PAT	1,000	1,012	101.1%
3	ROE [%]	13.5	13.6	100.74%

In 2020, BVH and its subsidiaries have focused on digital transformation, accelerating the progress of key information technology projects and advanced modern IT applications for business activities, administration, such as:



Continue to implement Baoviet Holdings' synergy project to promote the existing strengths of Baoviet Finance - Insurance Group. Enhance modernizing image and brand. Launched more breakthrough new products [BHBV, BVL, BVF, BVSC] to match distribution channels, improve service quality to meet increasing and diversified requirements of customers.

SUPERVISION ON THE PROGRESS OF ORGANISING THE 2020 ANNUAL GENERAL SHAREHOLDERS' MEETING AND THE APPROVAL OF THE RESOLUTIONS OF THE 2020 ANNUAL GENERAL SHAREHOLDERS' MEETING OF BAOVIET HOLDINGS

Throughout the supervision, the SB realized that the organization of the AGM meeting and the approval of the resolutions of the 2020 AGM of Baoviet Holdings complied fully as stipulated by the law and the Charter of Baoviet Holdings.

SUPERVISORY BOARD REPORT

SUPERVISION ON THE IMPLEMENTATION OF THE 2020 BVH ANNUAL GENERAL SHAREHOLDERS' MEETING RESOLUTION

Baoviet Holdings implemented the resolutions of the 2020 AGM with the contents as follows:



In 2020, BVH implemented the business targets approved by the 2020 AGM with the contents as mentioned above.



BVH has completed the 2019 fiscal year dividend payment at the rate of 8% [VND800/share] based on the charter capital of VND 7,423,227,640,000 with the total amount paid is VND 593,858,211,200 and use the profit after tax of the 2019 fiscal year to set aside provision funds as stipulated in accordance with Resolution No. 01/2020/NQ-ĐHĐCĐ-TĐBV dated 29th June, 2020 approved by the 2020 Annual General Meeting of Shareholders.

ASSESSMENT OF FINANCIAL STATEMENTS AND BUSINESS PERFORMANCE REPORT

- » In 2020, the Supervisory Board regularly discussed and coordinated well with the Finance Department, Accounting Department, independent auditors and related departments to appraise the preparation and audit of the Parent Company's separate financial statements and Consolidated financial statements of the whole Group in 2019 and semi-annual 2020.
- » Through the appraisal of separate financial statements, the Group's semi-annual consolidated financial statements for 2020 were reviewed and audited by the independent auditing firm Ernst & Young Vietnam [EY Vietnam], the Supervisory Board found: 1) The separate and semi-annual financial statements for 2020 have been prepared on the basis of selecting suitable accounting policies and then applying them consistently, and making judgments and estimates that are reasonable, prudent and in accordance

with the regulations, the Accounting System and the Vietnamese Accounting Standards; 2) The separate financial statements and the semi-annual consolidated financial statements for 2020 have clearly presented information about events in the first 6 months of fiscal year 2020 in accordance with Vietnamese Accounting Standards and Accounting System; 3) The separate semi-annual financial statements for 2020 have been reviewed by EY Vietnam and there is no exception from the audit, only the consolidated semi-annual financial statements have the exception of an independent auditor [incomplete information on the semi-annual financial statements of 2020 has not been provided by an associate company]; 4) The Supervisory Board agreed on the figures presented in the Holdings' separate financial statements and semi-annual consolidated financial statements for 2020 which were reviewed by EY Vietnam.

OTHER ACTIVITIES OF THE SUPERVISORY BOARD

In addition to the activities mentioned above, the Supervisory Board and the Supervisors conducted other activities such as:



1.

Attend and supervise the organization procedure of Board of Directors meetings.



2.

Report on monitoring and evaluation of the management of the Board of Directors, CEO, report on the operation of the Supervisory Board between the two 2019 - 2020 Annual General Meetings to submit to the 2020 Annual General Meeting of Shareholders.



3.

Submitting to the 2020 Annual General Meeting of Shareholders on the policy of selecting an independent auditing company and at the same time coordinating with the Executive Board to organize a bidding to complete the selection of an independent auditing company to audit the financial statements of Baoviet Holdings in 2021, 2022, 2023.



4.

Monitor the content, scope and progress of the review and audit of the financial statements in 2020 according to the audit service provision contract signed with EY Vietnam.



5.

Consult with leaders of the Holdings in a number of management and operating activities.

COOPERATION OF THE SUPERVISORY BOARD

- » The Supervisory Board with the Board of Directors, the CEO and other Managers have maintained a close working relationship and coordination upon the principle of maximizing the legitimate interests of BVH and shareholders, as stipulated by the law, the Charter of BVH and internal regulations.
- » In order to perform its duties well, the Supervisory Board regularly communicates with functional divisions: Audit Committee, Divisions/Centers/Inspection - Internal Audit of BVH to timely grasp information on the management and administration of the Board of Directors and the CEO.

DIRECTIONS ON THE OPERATION OF THE SUPERVISORY BOARD IN 2021

In order to complete its roles, responsibilities, as well as improving the capacity in corporate governance, management and the transparency for the legal, maximum benefits of BVH and its shareholders, the SB will focus on the implementation of the contents as follows:



1.

Implement the functions and responsibilities as stipulated by the law, the charter of BVH and the regulation on the operation and organisation of the SB and other internal regulations of BVH, in which fostering the supervision on the financial performance of BVH;

2.

Research, update in time the new policies, supervise, recommend, propose for revision, supplement regarding irrelevant matters in order to ensure the sufficient compliance, in time regulations as stipulated by the law and to improve the efficiency of the internal audit system;

3.

Cooperate with the BOD, CEO and other Blocks, Divisions of BVH to keep updated on the information, provide opinions in order to serve better in the act of corporate governance of BVH.



Upon the tasks given by shareholders, with the young senior leaders gifted with high qualifications, capabilities in corporate governance and management as well as the commitment and creativity at work, in 2020, upon the close directions from the BOD and the proactivity and fierceness of the CEO, Baoviet Holdings completed the business targets assigned by the AGM. Based upon the foundation and the directions on **“Solidarity - Sharing - Synergy - Innovation - Pioneer”**, in 2020, with the slogan **“Learning - Application - Creativity”**, the SB believes that the BOD, the CEO and the Board of Management shall lead Baoviet Holdings to complete all the targets and plans approved by the 2021 AGM.



REMUNERATION POLICY FOR THE BOD, THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD IN 2020



WAGE REGIME

Salaries of full-time Board members and Supervisory Board are determined in accordance with the Government's Decree No. 53/2016 / ND-CP of June 13, 2016. Accordingly, the salary is linked to the level of accomplishment of the Baoviet's production and business targets.



AWARD POLICY FOR THE BOD, THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

Award budget of members of the Board of Directors and the Supervisory Board were extracted from the profit after tax of the company based on the results of the 2018 business plan that approved by the General Meeting of Shareholders in Decision No. 01/2020/NQ-DHĐCĐ-TĐBV dated on June 29, 2020, that equal to 648,188,000 dong [0.06% of profit after tax].





ALLOWANCES OF THE MEMBERS OF THE BOARD OF DIRECTORS, SUPERVISORY BOARD AND MANAGEMENT BOARD

1.

Use of car of Baoviet Holdings

- Members of the Board of Directors, Controllers and the Executive Board may use company's cars to perform the management, administration, inspection and supervision of Baoviet's business activities according to their powers and responsibilities of each member respectively.
- Full-time members of the Board of Directors, Head of the Supervisory Board are equipped with Taxi cards and / or granted Taxi technology accounts to serve business travel according to Baoviet's prescribed norms.

2.

Use of telephone

- Baoviet equips a mobile phone up to 01 time for a period of 02 consecutive years for members of the Board of Directors and the Supervisory Board;
- Baoviet pays mobile phone charges and assigns fixed telephone charges at private houses to the full-time members of the Board of Directors and the Supervisory Board according to our regulations.

3.

Social insurance, health insurance and other types of insurance

- In addition to participating in compulsory social insurance, members of the Board of Directors and Supervisory Board can also participate in Health Insurance, Cancer Insurance, An Phat Tron Doi Insurance, Huu Tri Vung Nghiep Insurance and An Nghiep Thanh Cong Insurance.

4.

Periodic health check regime

- Members of the Board of Directors and the Board of Supervisors received annual health checks at high quality medical hospitals in Vietnam and were paid at the actual cost incurred.

5.

Business allowance

- Members of the Board of Directors and Head of Supervisory Board are allowed to use business-class air tickets and stay at hotels [domestic and foreign] according to the 5-star hotel standard at work places or contracted under business trips according to the prescribed rate Baoviet's regulations.
- Supervisors are allowed to use the general airline ticket class and be paid for room charges according to the actual arising or contracting trips but not exceeding Baoviet's prescribed level.

In addition to the expenses mentioned above, members of the Board of Directors and the Supervisory Board are on business trips and are entitled to additional accommodation allowances to offset other expenses incurred.

REMUNERATION POLICY FOR THE BOD, THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD IN 2020



PRINCIPLES OF REMUNERATION

Payment of monthly remuneration to non-specialized members of the Board of Directors and the Supervisory Board shall comply with the Resolution of the Annual General Meeting of Shareholders of Baoviet Holdings.

The remuneration fund in 2020 for non-specialized members of the Board of Directors and the Supervisory Board of Baoviet approved by the Annual General Meeting of Shareholders in 2020 is as follows:

REMUNERATION

1.

Remuneration for the BOD members: VND20 million/person/month.

2.

Remuneration for the Supervisory Board members: VND10 million/person/month.

Pursuant to Decree No. 53/2016/ND-CP regulations on management of employees, salaries, remuneration and bonuses of joint-stock Companies, the actual compensation budget was determined based on the number of single-office holding managers and the working time of each person. Besides, the maximum compensation budget of multiple-office holding managers shall not exceed 20% that of single-office holding managers.



THE ACTUAL REMUNERATION IN 2020

The actual compensation budget is 1,754,413,793 dong that determined based on the number of single-office holding managers in 2020 and the working time of each person:

THE ACTUAL COMPENSATION BUDGET

1.

The actual compensation budget for BOD: 1,514,413,793 dong;

2.

The actual compensation budget for Control Board: 240,000,000 dong.

REMUNERATION PAID TO PART-TIME BOD MEMBERS AND SUPERVISORY BOARD MEMBERS IN 2020

No.	Full name	BOD members and Supervisory Board	Actual remuneration (dong)
1	Do Truong Minh	Member of the BOD	228,000,000
2	Teruo Shimmen	Member of the BOD	228,000,000
3	Kenji Yoneda	Member of the BOD	228,000,000
4	Than Hien Anh	Member of the BOD	228,000,000
5	Tran Thi Dieu Hang	Member of the BOD	228,000,000
6	Nguyen Xuan Viet	Member of the BOD	228,000,000
7	Nguyen Minh Hoang	Member of the BOD	32,413,793
8	Nguyen Dinh An	Member of the BOD	114,000,000
9	Vu Thanh Hai	Member of Supervisory Board	120,000,000
10	Tran Thi Phuong	Member of Supervisory Board	120,000,000
TOTAL			1,754,413,793



POLICY OF SHAREHOLDER RELATIONS

“ Protection of rights and interests of shareholders and investors is one of the core issues integrated in Baoviet’s corporate governance. As a listed enterprise with nearly 10,000 shareholders, Baoviet has always directed its shareholder relations activities towards protecting and fully exercising shareholders’ rights, complying with the law, and ensuring information disclosure, transparency and equal treatment of shareholders.”



ENSURE THE BENEFITS AND MAINTAIN EQUAL TREATMENT FOR SHAREHOLDERS

“ The adoption of policies to ensure the benefits of shareholders and maintain equal treatment for majority and minority shareholders remains Baoviet’s focus, with a view to make sure that shareholders have equal access to information, including dividend payout schedule and ratio, public offering, invitation to the Annual General Meeting of Shareholders (AGM) and ad-hoc shareholder meetings, and facilitate shareholders’ exercise of their voting rights...” ”

STREAMLINE THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (AGM) ORGANIZATION PROCESSES IN COMPLIANCE WITH LEGAL REGULATIONS AND INTERNATIONAL BEST PRACTICE

On the basis of the prevailing legal regulations and international best practice of corporate governance such as Asean Corporate Governance Scorecard, OECD and IFC Corporate Governance Principles, Baoviet continued to streamline the processes and procedures of organizing and voting at the AGM, selecting a convenient meeting venue and time, publishing the AGM invitations in three successive issues of a national newspaper, posting a full set of meeting materials on the company website as prescribed by the laws 21 days prior to meeting date,

encouraging shareholders to access these documents in order to assist with their discussion and voting at the AGM.

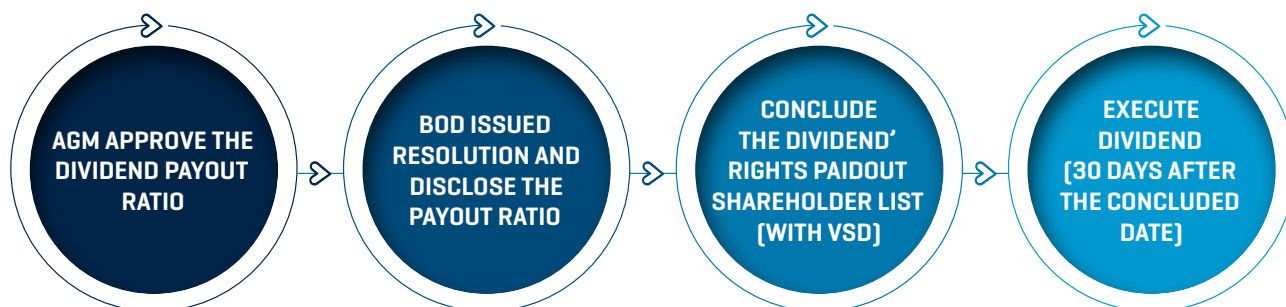
Baoviet also encourages shareholders to be fully aware of their rights, including the rights to vote, receive dividends, nominate another shareholder to the Board of Directors and Supervisory Board, approve annual financial statements, and access to Baoviet business operations’ information.

MAINTAIN A STABLE POLICY OF PAYING ANNUAL DIVIDEND IN CASH



Baoviet understands it well that one of the shareholders’ crucial rights is to receive dividend. Thanks to maintaining a stable policy of paying dividend in cash since public listing, Baoviet aims to guarantee periodic dividend payout to bring a steady income to shareholders. In 2020, Baoviet set aside VND600 billion for dividend payout, making the total dividend paid to shareholders increase to over VND9,000 billion since our initial public offering.

DIVIDEND PAYMENT PROCESS AT BAOVIET HOLDINGS



In addition, Baoviet has standardized the process of paying dividends with simple procedures, using a professional securities company to pay dividends to shareholders who have not deposited, facilitate shareholders to receive cash directly or receiving via bank transfer with simple procedures.

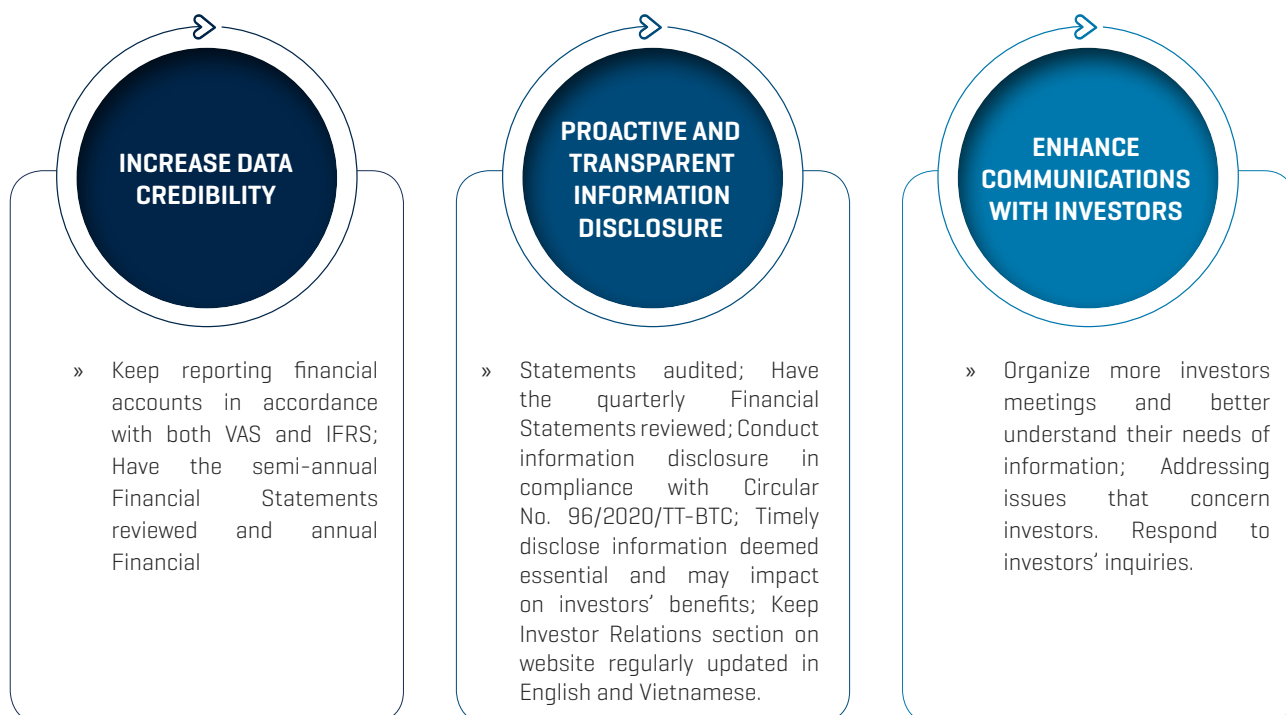
INCREASE INFORMATION TRANSPARENCY, AND CREDIBILITY OF INFORMATION DISCLOSED TO THE MARKET

With a view to provide a greater financial reporting credibility, Baoviet annually reports financial accounts in accordance with the Vietnam Accounting Standards [VAS] and International Financial Reporting Standards [IFRS]. While complying with the regulatory requirements to have the semi-annual Financial Statements reviewed and annual Financial Statements audited, Baoviet also conducted review for the quarterly

Financial Statements to ensure the credibility of the disclosed financial information.

While having its financial information audited as most enterprises nowadays do, Baoviet is a pioneer in conducting independent audit for non-financial information to increase the information credibility as it is guaranteed by Internal Audit Block.

INVESTOR RELATIONS INITIATIVES IN 2020 TO INCREASE INFORMATION TRANSPARENCY AND CREDIBILITY



By fully meeting the critical requirements of effective information disclosure and enforcement of shareholder relations policies, business results grew steadily, taking the leading position in the life and non-life insurance market in Vietnam, BVH continues to be voted into the Top 50 best listed companies [Forbes 50] and Baoviet brand value is valued at USD 267 million, double in value compared to 2018, contributing to enhance the brand reputation of BVH stock.

POLICY OF SHAREHOLDER RELATIONS

DIVERSIFY INFORMATION SHARING CHANNELS FOR SHAREHOLDERS AND INVESTORS

Information is the basis of all investment decisions thus Baoviet strives to diversify and improve sharing information channels, enabling shareholders and investors fully and timely access to information related to our development strategy, business performance, and corporate governance...

In addition to regulatory information disclosure as per Circular No. 96/2020/TT-BTC, Baoviet proactively and timely discloses information that is deemed essential and may affect investors' benefits, announces the launching of new products and services, the progress of the cooperation with strategic investor, aiming to allow investors to timely absorb the information related to Baoviet's business operations.

The maintenance of the bilingual Vietnamese - English Investors News (IR Newsletter) with analytical information about the specific business targets of Baoviet's business activities has received positive feedbacks from investors and analysts because of the close-up view of business operations in the Baoviet Holdings - parent company and its subsidiaries.



2021 ORIENTATION

For 2021, Baoviet plans to increase the effectiveness and professionalism of Investor Relations function, with a focus on:

1.

Meet more investors to better understand their needs, seek opportunities to cooperate with more Vietnamese and international investors;

2.

Refine Investor Relations section on website to make it more userfriendly and easier to navigate;

3.

Continue to disclose information in English and Vietnamese for all materials published on Baoviet Holdings website;

4.

Improve quantity and quality of analysis reports regarding BVH conducted by domestic and regional top financial institutions.



POLICY OF SHAREHOLDER RELATIONS

TRANSACTIONS WITH RELATED STAKEHOLDERS

In 2020, Baoviet Holdings proceeded the transactions with the related parties including the Subsidiaries of BVH via the investment activities, and the provision/ receive of services. The information regarding the transactions is listed as follows:

Name of organization / individual	Relation to the Company	NSH Certificate Number*, date of issue, place of issue of NSH
Ministry of Finance	Major Shareholders	
Sumitomo Life Insurance	Major Shareholders	
Baoviet General Insurance Corporation	Subsidiary	45/GPĐC15/KDBH issued on March 29, 2019 by the Ministry of Finance
Baoviet Life Corporation	Subsidiary	46/GPĐC9/KDBH issued on April 24, 2019 in Hanoi by the Ministry of Finance
Baoviet Fund Management Company	Subsidiary	04/GPĐC-UBCK issued on June 1, 2017 in Hanoi by the State Securities Commission
Baoviet Securities Joint Stock	Subsidiary	36/GPHĐKD Issued on 02/08/2017 by the State Securities Commission
Baoviet Value Investment Fund (BVIF)	Subsidiary	
Au Viet Baoviet Company Limited	Subsidiary	

Note: The data in the above table is aggregated for the purpose of preparing and publishing the Report on Corporate Governance in 2020 as of December 31, 2020.



Head office address / Contact address	Amount of transaction [VND]	Notes
No. 28 Tran Hung Dao, Hoan Kiem, Hanoi	[386,007,840,000]	BVH paid dividends in 2019
7-18-24, Tsukiji, Chuo-ku, Tokyo, 104-8430, Japan	577,039,680	Office rental revenue
	[131,156,336,800]	BVH paid dividends in 2019
	309,140,523	IT service revenue
	60,707,599,174	Office rental and car park revenue
	[6,283,601,336]	Management expenses of the building and marketing consulting expenses
	[6,115,261,350]	Energy expenses
	[4,005,250,930]	Cost of repairing other properties and services
No. 104 Tran Hung Dao, Hoan Kiem, Hanoi	48,405,000,000	Profit transferred to BVH
	83,640,766,969	IT service revenue
	193,756,828	Training services revenue
	66,339,414	Cost allocation on floors 1-72 Tran Hung Dao office
	2,714,445,574	Cost allocation of billboards
	2,216,255,584	Office rental revenue
37 th Floor, Keangnam Hanoi Landmark Tower, Pham Hung, Tu Liem, Hanoi	520,160,000,000	Profit transferred to BVH
	177,820,913,902	IT service revenue
	2,756,801,672	Training services revenue
	66,339,414	Cost allocation on floors 1-72 Tran Hung Dao office
	2,714,445,574	Cost allocation of billboards
	[850,000,000,000]	The Group transferred money to increase its capital contribution
6 th floor, Baoviet building, No. 72 Tran Hung Dao, Hoan Kiem, Hanoi	30,435,000,000	Profit transferred to BVH
	1,591,180,753	IT service revenue
	12,000,000	Training services revenue
No. 72 Tran Hung Dao, Hoan Kiem, Hanoi	3,045,329,432	IT service revenue
	16,000,000	Training services revenue
	43,281,193,000	Dividends in 2019
	[2,095,449,270]	Consulting and depository expenses
	0	No transaction occurs
	0	No transaction occurs

INFORMATION ON INTERNAL OWNER'S OWNERSHIP AND STOCK TRADE OF INSIDE PEOPLE

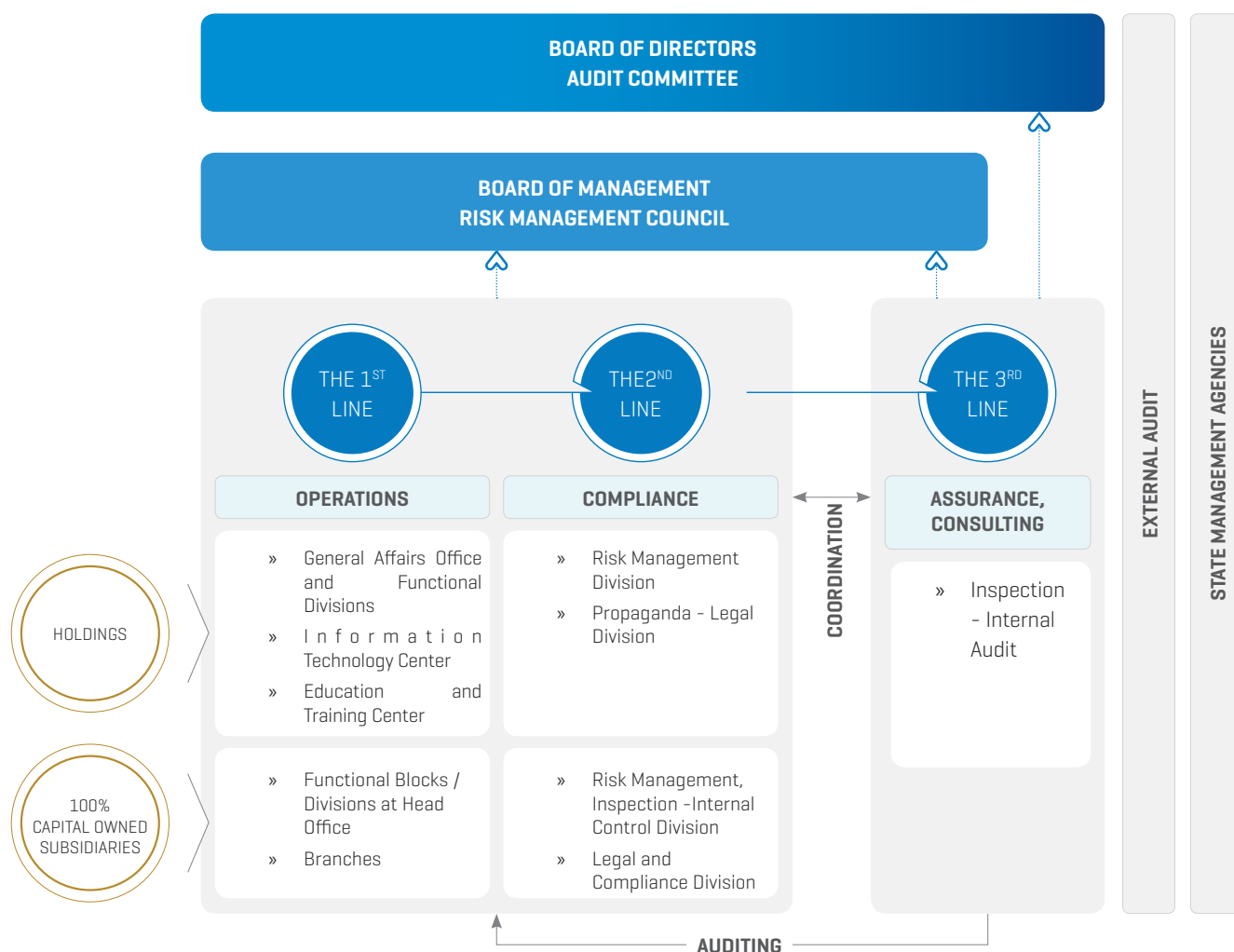
In 2020, BVH did not have any share transactions by the internal personal, including BOD's members, the Supervisory Board, the Board of Management, Chief Accountant, the Authorised person for information disclosure, corporate secretary, the corporate governance officer, big shareholders and the related people to the above. The information on the ownership of the internal shareholders in 2020 is presented as follows:

Limited for transfer shares Free for transfer shares

No.	Fullname Organisation/ individual	Position title at the Company (if any)/ Relationship	End of term owned share rate	End of term owned shares	Note
I THE BOARD OF DIRECTORS					
1	Mr. Dao Dinh Thi	Chairman	174,174,815	23.46%	Represented ownership: 174,119,770 Private ownership: 55,045
2	Mr. Do Truong Minh	BOD's member, CEO	112,156,830	15.11%	Represented ownership: 112,141,830 Private ownership: 15,000
3	Mr. Kenji Yoneda	BOD's member	81,972,711	11.04%	Represented ownership of SML: 81,972,711 Private ownership: 0
4	Mr. Teruo Shimmen	BOD's member	81,972,710	11.04%	Represented ownership of SML: 81,972,710 Private ownership: 0
5	Mrs. Than Hien Anh	BOD's member	49,096,953	6.61%	Represented ownership: 49,062,050 Private ownership: 34,903
6	Mr. Nguyen Xuan Viet	BOD's member	49,146,005	6.62%	Represented ownership: 49,062,050 Private ownership: 83,955
7	Mrs. Tran Thi Dieu Hang	BOD's member, Head of Audit - Internal Audit	49,062,050	6.61%	Represented ownership: 49,062,050 Private ownership: 0
8	Mr. Nguyen Dinh An	BOD's member	49,072,010	6.61%	Represented ownership: 49,062,050 Private ownership: 9,960
II SUPERVISORY BOARD					
1	Mr. Ong Tien Hung	Head	67,239	0.01%	Private ownership
2	Mr. Vu Thanh Hai	Member	480	0.00%	Private ownership
3	Mrs. Tran Thi Phuong	Member	1,500	0.00%	Private ownership
III MEMBER OF THE BOM, CHIEF ACCOUNTANT AND THE AUTHORIZED PERSON FOR INFORMATION DISCLOSURE					
1	Mr. Nguyen Xuan Hoa	Chief Accountant cum. Head of Accounting Division	40,314	0.01%	Private ownership
IV COMPANY SECRETARY CUM PERSON IN CHARGE OF CORPORATE GOVERNANCE					
1	Mrs. Luong Thi Bich Ngoc	Person in charge of Corporate Governance	98,800	0.01%	Private ownership

THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

Baoviet Holdings employs the “3 lines of defense” framework in ensuring the effectiveness and coherence of its internal control and risk management process:



The 1st line of defense includes front offices and business units. Their key responsibilities are to identify, assess, prevent, report and monitor risks emerging from day-to-day business process and other processes; safeguard their operations through self assessment of their risk management and control measures' effectiveness.

The internal control, risk management and legal & compliance functions fit in the 2nd line of defense with responsibilities to build up policies and process regarding risk management and compliance; provide independent and objective feedback and recommendations towards the 1st line; manage risks by establishing the risk appetite, risk limits, procedures/ instructions, monitoring, delivering early warnings, managing risk portfolio; monitor and investigate compliance through the compliance framework and dashboard.

The 3rd line of defense is the Inspection - Internal Audit function, which reports functionally to the Board of Directors. The internal audit is designed to provide independent and objective assurance and consulting on the 1st and 2nd line to support them to improve the risk management and internal control process, as such to support the Board of Directors and the Board of Management to enhance the Group's corporate governance and safeguard assets, reputation and sustainability.

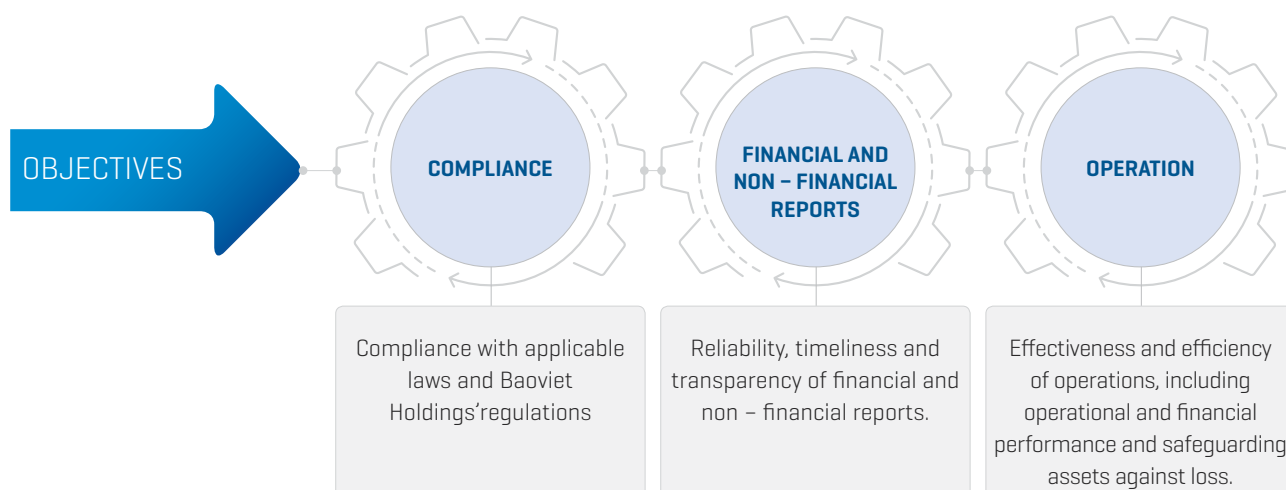
The Inspection - Internal Audit, internal control, risk management, and legal & compliance functions at Baoviet Holdings and its subsidiaries act as active assistants to the Board of Directors, Member Council and Board of Management in ensuring the effectiveness of the Internal Control system across the Group.

THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

INTERNAL CONTROL SYSTEM

DEFINITION

In accordance with the Governance Regulation of Baoviet Holdings, Internal Control is a process issued by and taken effect in Baoviet Holdings, designed and maintained to provide reasonable assurance regarding the achievement of organization's objectives.



MAIN COMPONENTS OF BAOVIET HOLDINGS' INTERNAL CONTROL SYSTEM AND ASSESSMENT BY THE INSPECTION - INTERNAL AUDIT

The Inspection - Internal Audit assesses the effectiveness of Baoviet Holdings's Internal Control System at all levels based on 17 principles supporting 05 components under COSO 2013 Framework.

[The below table represents the evaluating methodology of Baoviet Holdings' Inspection - Internal Audit. The assessment results are illustrative only.]

✓ Effective ○ Potential improvement sections ○ Exist / effective

Components and Principle		The Inspection - Internal Audit's assessment		
Principles	Description control at Baoviet Holdings	Control existence	Control effectiveness	Conclusion
Control environment				
1. Baoviet Holdings [BVH] demonstrates a commitment to integrity and ethical values.	Issue Code of ethics.	✓	✓	○
2. The Board of Directors demonstrates independence from management and exercises oversight of the development and performance of internal control.	Clearly and coherently defines the internal control accountabilities of individuals and departments in Governance and other related regulations and processes issued by Baoviet Holdings.	✓	✓	○
3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.		✓	✓	○

Components and Principle		The Inspection - Internal Audit's assessment		
Principles	Description control at Baoviet Holdings	Control existence	Control effectiveness	Conclusion
4. BVH demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.	Issue and execute consistently regulations on recruitment, training, appointment, staff rotation, remuneration & compensation, performance management...			
5. BVH holds individuals accountable for their internal control responsibilities in the pursuit of objectives.	Refer to Principle 2 and 3.			
Risk assessment				
6. BVH specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.	Baoviet Holdings has formulated the risk management strategy and set an unified annual risk management objectives for the Holdings and all subsidiaries in order to support the risk identification, assessment, mitigation as well as the alignment between objectives and risks at all levels (i.e. strategic, annual, corporate, subsidiary, department, process, individual).			
7. BVH identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.	<p>The risk management regulations have been issued to identify, control, and report on major risks, including insurance risk, operational risk, market risk, credit risk, liquidity risk, reputation risk, strategic risk, sustainability risk.</p> <p>The risk management regulations clearly define the risk management organizational structure, authorities and responsibilities at all levels; ways to identify major risks and risk management standards in the business performance of Baoviet Holdings and subsidiaries.</p> <p>Issue risk management policy, risk appetite and limits for each period.</p>			
8. BVH considers the potential for fraud in assessing risks to the achievement of objectives.	Fraudulent risk is among types of risk identified and assessed in the Risk Management Regulation, Risk Management Policy.			
9. BVH identifies and assesses changes that could significantly impact the system of internal control.	Risk related issues (such external factors as policies, mechanism, politics...) are included in the Board of Management reports as well as thoroughly analysed, assessed and resolved at quarterly meetings of the Risk Management Committee (RMC) and Assets - Liabilities Management Committee (ALCO).			
Control activity				
10. BVH selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	Control measures are established, applied in all activities, at all levels and are integrated in all business processes as well as daily operations.			
11. BVH selects and develops general control activities over technology to support the achievement of objectives.	Main control types include: Directive control, Preventive control, Detective control, Manual control, Automatic control; among which automatic control via the IT system plays an important role in mitigating errors and human's impact on control efficiency.			
12. BVH deploys control activities through policies that establish what is expected and procedures that put policies into action.	Main control measures include: performance appraisal for the Board of Management, for each department and division; examination and approval; Key Performance Indicators (KPIs) analysis.			

THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

✓ Effective
 ○ Potential improvement sections
 ○ Exist / effective

Components and Principle		The Inspection - Internal Audit's assessment		
Principles	Description control at Baoviet Holdings	Control existence	Control effectiveness	Conclusion
Information and communication				
13. BVH obtains or generates and uses relevant, quality information to support the functioning of internal control.	External information which relates to or may impact Baoviet Holdings is regularly collected, compiled, analyzed, assessed, and handled by Branding - Communications Division.	✓	✓	○
14. BVH internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.	The Board of Management of Baoviet Holdings builds a social network [workplace] across the Group which ensures essential information to be clearly communicated in a timely, clear and effective manner to stakeholders at all levels.	✓	✓	○
15. BVH communicates with external parties regarding matters affecting the functioning of internal control.	The authorized information disclosure officer is in charge of releasing Baoviet Holdings' information to customers, partners, shareholders, government authorities.	✓	✓	○
Monitoring				
		Ongoing monitoring: the division manager checks and monitors the internal control execution of his/her staff in their daily work.		
16. BVH selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.	Develop and go-live applications for real-time financial and investment reports to regularly monitor the business and investment performance of the Holdings and subsidiaries to support the Board of management in decision making.	✓	✓	○
		Independent/periodic monitoring: the periodic monitoring is implemented by the Audit Committee. The Audit Committee provides the Board of Directors with assessments on the comprehensiveness and efficiency of the internal control system of Holdings' the Inspection - Internal Audit and subsidiaries' inspection divisions and external auditors.		
17. BVH evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Board of Directors, as appropriate.		✓	✓	○



INTERNAL AUDIT ACTIVITIES

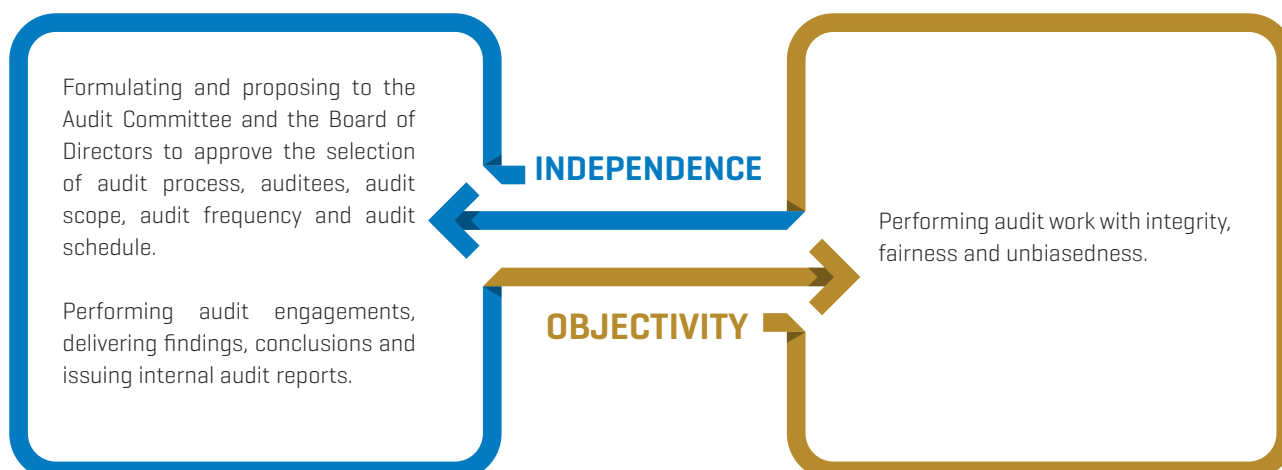
“ In 2020, Baoviet Holdings’ Inspection - Internal Audit continued to focus on restructuring and reviewing its internal regulations and actual activities to ensure the conformity with Vietnamese law and adaptation under impacts of the Covid-19 pandemic. Simultaneously, the effectiveness of its recommendations has been further enhanced through strengthening the roles and responsibilities of the heads of audited entities in implementing such recommendations.”

FUNCTIONS AND RESPONSIBILITIES

To provide the Audit Committee, the Board of Directors and Chief Executive Officer with independent and objective evaluations on the appropriateness, effectiveness and efficiency of Internal Control, Risk Management and Corporate Governance processes of auditees basing on assurance and consulting activities in order to help the Group accomplish its objectives.

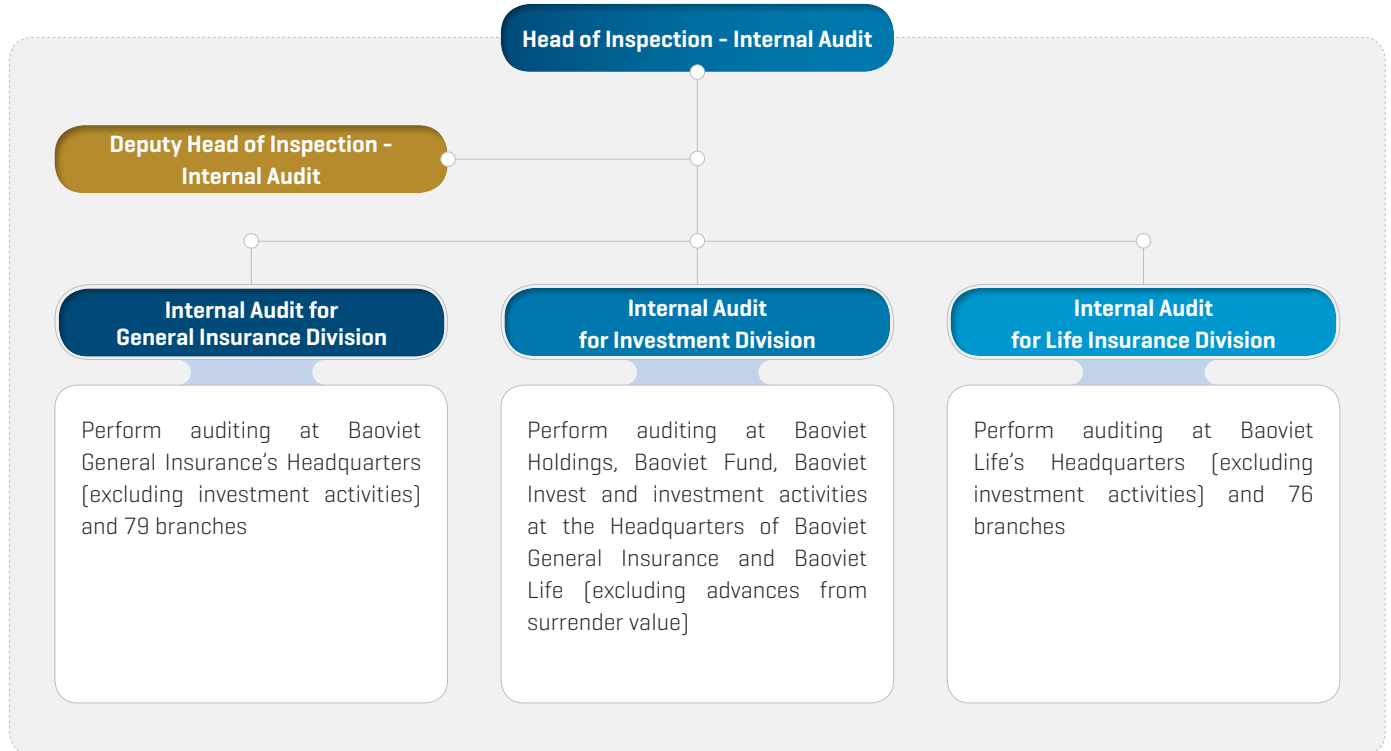


OPERATING PRINCIPLES



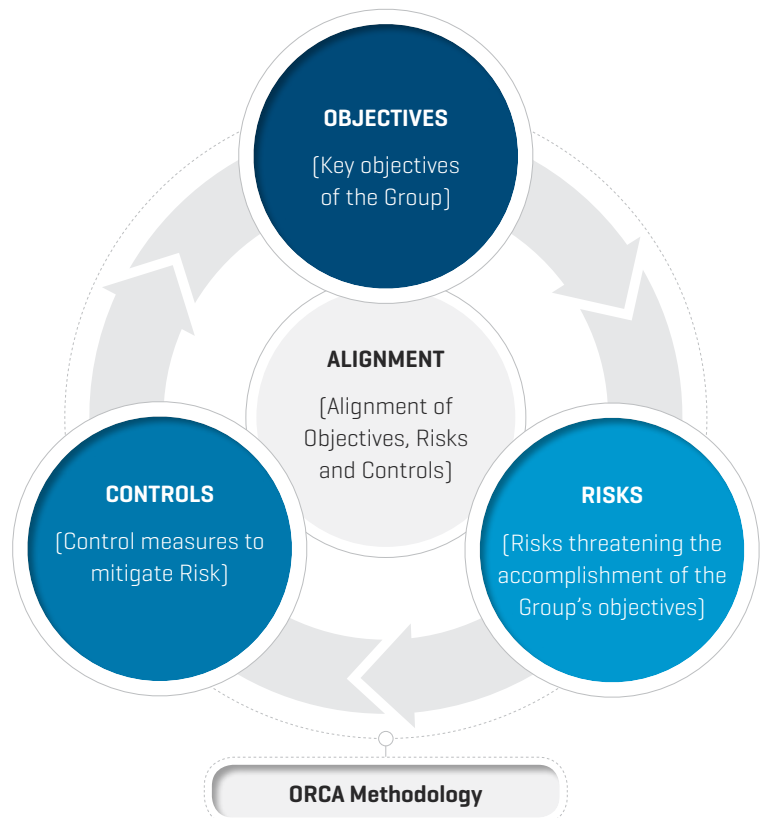
THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

ORGANIZATIONAL STRUCTURE

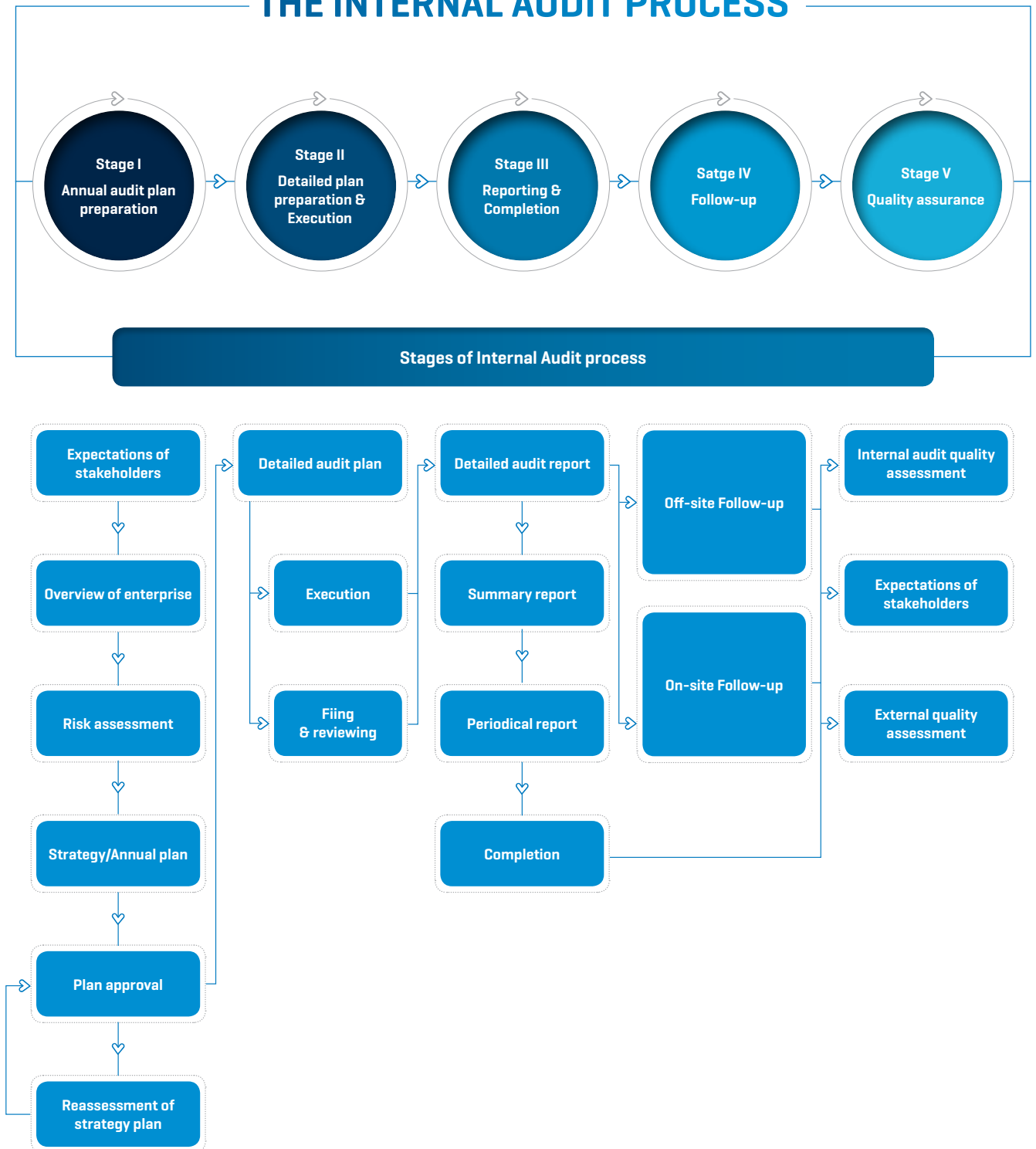


APPROACH

Baoviet Holdings' Inspection - Internal Audit adopts a risk-based approach [ORCA] to conduct its auditing activity, which means the Inspection - Internal Audit bases on the risk assessment results to determine audit objectives, auditees, audit scopes and methodologies.



THE INTERNAL AUDIT PROCESS



THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

STANDARDS IMPLEMENTATION

Baoviet Holdings' Inspection - Internal Audit is organised and operated in line with Vietnamese law, the international standards and practices which are consistent with the International Professional Practices Framework - IPPF of The Institute of Internal Auditors - IIA.

Most of the internal audit standards stipulated in Circular No. 08/2021/TT-BTC dated 25/01/2021 have been implemented by the Inspection - Internal Audit of Baoviet Holdings. The below table illustrates the implementation of a number of such standards:

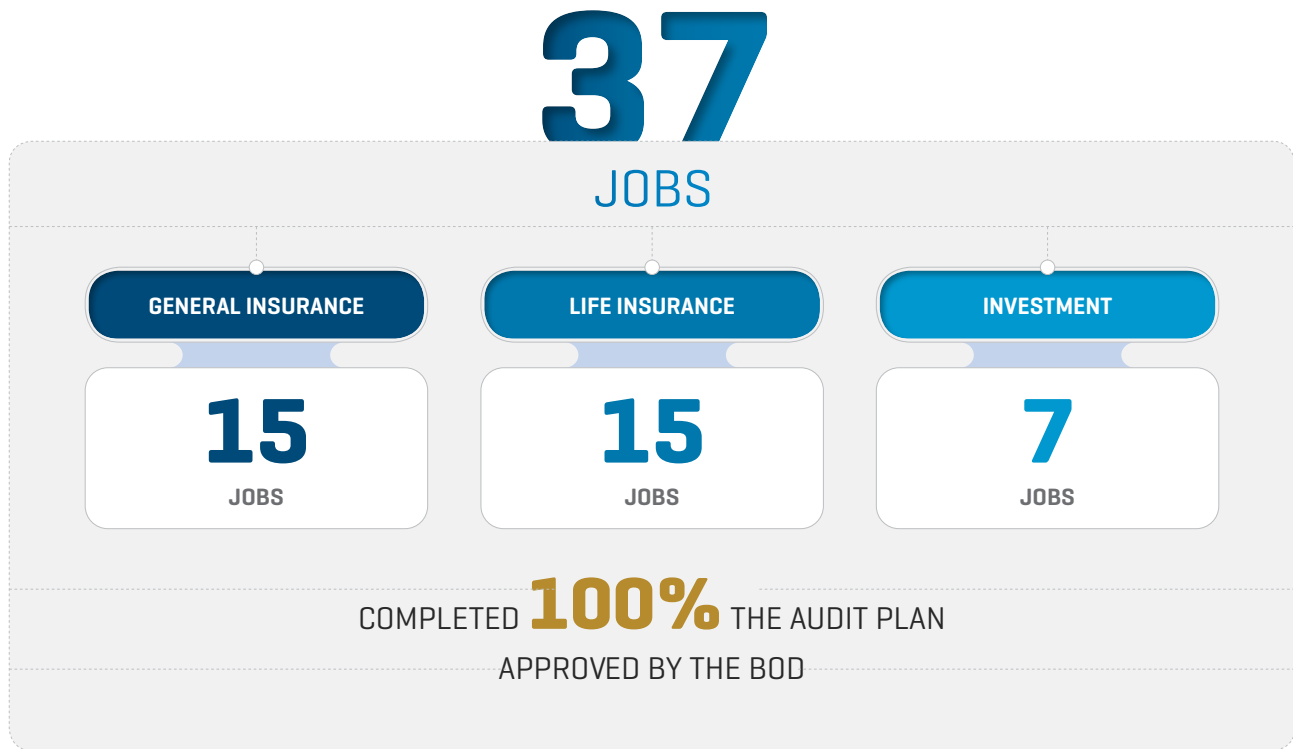


Standard No	Standard title	Standard execution
1000	Purpose, authority and responsibility	<p>The charter of Baoviet Holdings' Inspection - Internal Audit, which is approved by the Board of Directors, clearly sets its position, function, responsibilities, authority, audit population, audit scopes, operating principles (independence and objectivity), reporting lines, standards.</p>
1110	Organisational independence	<p>Head of Inspection - Internal Audit and other management positions in the Inspection - Internal Audit are appointed and dismissed by the Board of Directors.</p> <p>Head of Inspection - Internal Audit reports functionally to the highest governing level of the Holdings - the Board of Directors.</p> <p>The audit, budget and resources plans of the Inspection - Internal Audit are approved by the Board of Directors.</p>
1120	Individual objectivity	<p>The individual objectivity of internal auditors is clearly stated in the Charter of the Inspection - Internal Audit approved by the Board of Directors and the Code of Ethics approved by the Audit Committee.</p> <p>The individual objectivity of internal auditors are assured and strictly monitored by continuously training auditors to improve awareness and assigning members of each engagement.</p>

Standard No.	Standard title	Standard execution
1210	Proficiency	<p>The professional learning map of the Inspection - Internal Audit is drawn up and deployed based on the IIA's Global Internal Audit Competency Framework.</p> <p>Training forms for internal auditors:</p> <ul style="list-style-type: none"> • Training according to the Holdings' general learning map; • Regular training one by one on the job; • Professional update training is delivered by reputable advisors and lecturers from the Big 4 accounting firms; • Training through professional certificates [CIA, ANZIIF, LOMA, ACCA, CPIA, CPA Vietnam...]; • Self-training on emerging risks as well as emerging trends relating to internal control, risk management, corporate governance, internal auditing are continuously updated.
1300	The Quality Assurance and Improvement Program	<p>Ongoing internal assessments are implemented through examining auditee satisfaction after each engagement.</p> <p>Periodic internal assessments are implemented through reviewing and reporting performance results to the Audit Committee and the Board of Directors on a quarterly basis.</p>
2010	Planning	<p>Annual audit plans and detailed audit plans [for each engagement] are developed based on the results of general risk assessment and detailed risk assessment of each audited entity, which are closely linked with the Holdings' and the audited entities' medium and long-term development strategy, annual business plan, and significant risk portfolio.</p>
2050	Coordinating with internal and external assurance providers	<p>The regulation of coordination between the Inspection - Internal Audit and other internal assurance functions within the Holdings [including Supervisory Board, Risk Management Division, Legal & Compliance Division at the Holdings, Inspection - Internal Control functions in wholly owned subsidiaries and Supervisors of the Holdings at wholly owned subsidiaries] has been issued and implemented.</p> <p>The Inspection - Internal Audit communicates with the external auditor of the Holdings.</p>
2060	Reporting to Senior Management and the Board	<p>Audit reports are distributed to the Board of Directors, the Audit Committee and CEO.</p> <p>Quarterly, Head of Inspection - Internal Audit reports to the Board of Directors, the Audit Committee and CEO on the internal audit performance at the Board of Directors meetings.</p> <p>Resource limits affecting the Inspection - Internal Audit's activities are reported to the Audit Committee and the Board of Directors.</p>

THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

THE INTERNAL AUDIT ACTIVITY PERFORMANCE IN 2020



“ In 2020, facing the complicated Covid-19 pandemic and the need to integrate with the global trend, Baoviet Holdings’ Inspection - Internal Audit has implemented remote [online] audits. Thanks to this method, the Inspection - Internal Audit has completed 100% of the audit plan approved by the Board of Directors with quality assurance and time & cost savings. ”



Save time and cost



Suitable in the epidemic situation and adapting to the trend of digitizing internal audit activities



Effective application of information technology in audit activities

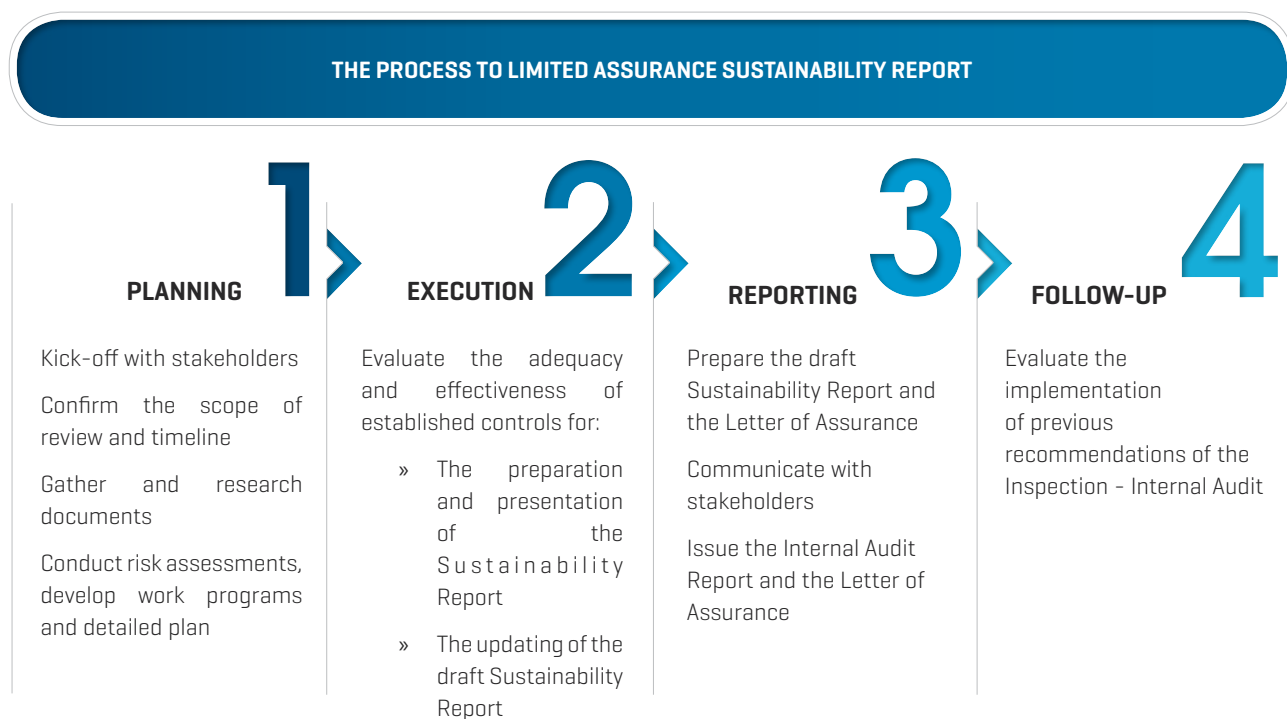
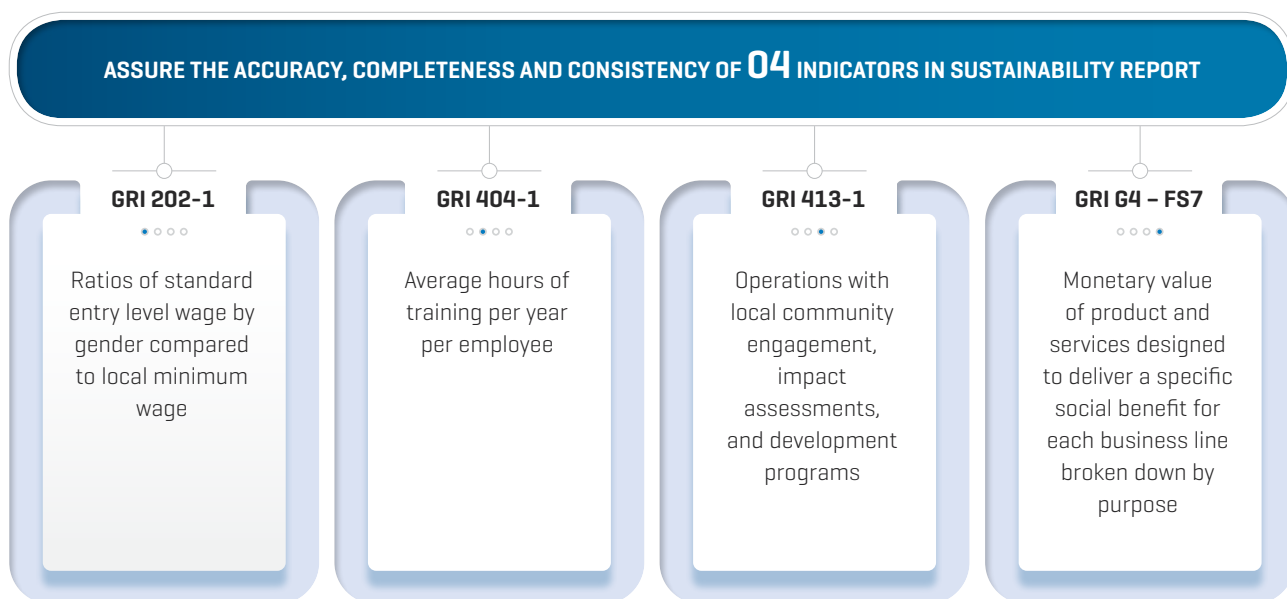


The team of auditors is improved in quality thus ensuring the requirements of audit activities

2020 is the fourth consecutive year the Inspection - Internal Audit has provided limited assurance for Baoviet Holdings' Sustainability Report in line with the GRI standards.

The Inspection - Internal Audit has proposed independent and objective assessment of the accuracy, completeness and consistency of the data in the Sustainability Report, thus presenting the gravity and high commitment of the Holdings' leaders to sustainable development.

The Inspection - Internal Audit applied the revision method based on Standard 3000 – Service Contracts in addition to the auditing services and reviewing of past financial information [issued with Circular 66/2015/TT-BTC dated 8 May 2015 by the Ministry of Finance] combined using the GRI standards to provide opinions and recommendations to improve the quality of the Sustainability Report.



THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

The below table illustrates some of the risks that can occur during the preparation of a Sustainability Report and some of the key risk control measures:

Description of Risk	Description of Control
The collection of information and data	
The information and data of the Sustainability Report's indicators have not been collected in a full and timely manner.	The Sustainability Report team is established with all relevant departments and staffs of the Holdings and its subsidiaries, in which key members are responsible for coordinating the whole reporting process.
The control and synthesis of information and data	
The collected information and data have not been reviewed to assure the accuracy and consistency before presenting in the Sustainability Report.	Key members review the collected information and data on the completeness, mechanical accuracy [horizontal plus, vertical plus, percentage], comparability [compare the current year with the last year to identify major or unusual fluctuations], consistency [with information and data that have been reported to the outside].
The preparation and presentation of the Sustainability Report	
The information and data of the Sustainability Report are incomplete, inaccurate, inconsistent, or unclear.	<ol style="list-style-type: none"> 1. Key members research, promulgate and guide other members how to present each content and each indicator of the Sustainability Report. 2. Key members review the whole Sustainability Report to ensure the completeness, accuracy, consistency and clarity of the information and data.

The consulting role of the Inspection - Internal Audit has also been enhanced through participation in the review process of existing documents, processes and regulations of the State and Baoviet Holdings.

Circular guiding the investment of state capital in enterprises, management and usage of capital and assets in enterprises
Regulation on organization and operation of Internal Audit of BVSC
...

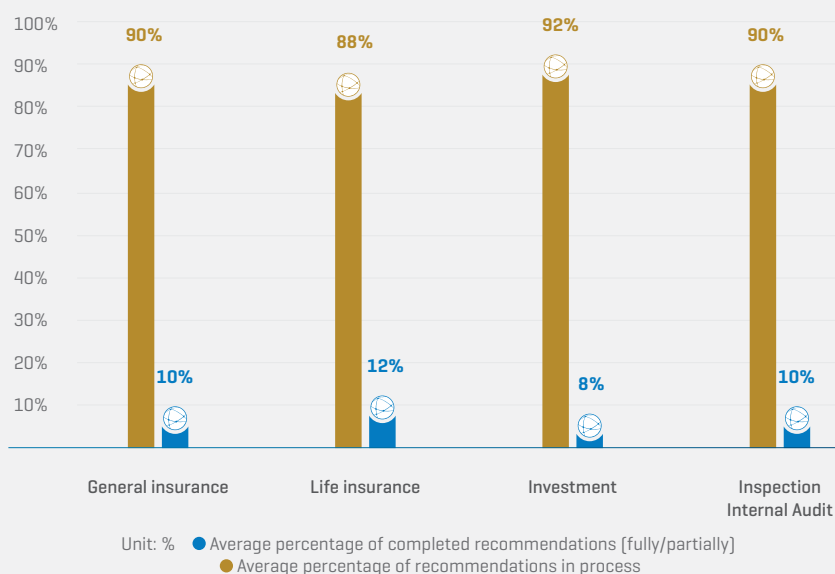
**DOZENS OF
DOCUMENTS
HAVE BEEN
REVIEWED WITH
PARTICIPATION OF
THE INSPECTION -
INTERNAL AUDIT**

Regulation on compliance
Regulation on contractor selection
Regulation on investment and management of Information Technology assets
...

Implementation status of audit recommendations:

90%

of the Inspection - Internal Audit's recommendations have been fully or partially completed, which contributed in the prevention/mitigation of risks threatening the accomplishment of the entities' objectives



PROFESSIONAL CERTIFICATES

(Number of auditors having completed and been studying certificates)

05



06



03



03



02



02



THE INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT ACTIVITIES

OBJECTIVES FOR 2021

COMPLETE THE 2021 AUDIT
PLAN APPROVED BY THE
BOARD OF DIRECTORS

CONTINUE TO
PARTICIPATE IN THE
REVIEW PROCESS OF
EXISTING DOCUMENTS AS
REQUIRED

CONTINUE TO INNOVATE,
IMPROVE AUDIT QUALITY



RISK MANAGEMENT

In 2020, Baoviet Holdings continues to implement risk management strategies and policies; risk appetite statement and key risk limits; apply procedures regarding to international practices; enhance the awareness and setting the risk management culture, proactively considering risk factors in business activities; appropriate using the resources and focus on solutions to improve the effectiveness of the enterprise risk management system.



Outstanding results in 2020

- (1) Develop the Risk management strategy for the 2021-2025 period, review the Risk management policy, Risk appetite statement and Key risk limits; Make monthly/quarterly/yearly risk reports.
- (2) Organize periodically RMC meetings at Baoviet Holdings and Subsidiaries
- (3) Amendment and supplement: Baoviet Holdings' Risk management regulation; Decision to establish Risk Management Council of Baoviet Holdings; Risk appetite statement and Key risk limits; Regulations of Baoviet Holdings on grading, classification and determination of deposit investment limits for commercial banks and financial companies; Regulations on Risk management in corporate bond investment.
- (4) Assessing the impact of the Covid-19 pandemic on the Baoviet Holdings and subsidiaries business; build case scenarios to minimize adverse impacts, improve business efficiency in the whole system.
- (5) Supporting Baoviet Holdings' subsidiaries to develop and complete regulations on risk management and review risk management policies and risk appetite.

THE RISK MANAGEMENT

“ In 2020, the Risk Management Council [RMC] of Baoviet Holdings and its subsidiaries held full meetings to evaluate and monitor the implementation of risk management in whole Baoviet Group, continue to improve the legal framework on risk management, identify key risks that need to be focused on management, strengthen policies, measures and models to assess and reduce risks in an overall way, ensuring all risks are managed in a timely and effective manner. ”

In the RMC meetings, the issues are discussed and resolved in the RMC meetings, including:

1. Update regulations on risk management, discuss on strategic contents, such as: Risk management policy, Risk appetite statement and the key Risk limits...
2. Review, analyse, evaluate all the risks and propose appropriate control measures such as insurance risks, credit risks, operating risks, liquidity risk, market risk and other significant risks.

Risk control was implemented via the strong coordination amongst the RMC and other Committees, Blocks, Centres, and Departments of Baoviet Holdings as well as amongst Baoviet Holdings and subsidiaries.

1. Coordinate with Strategy and Investment Committee to share information, data, and provide recommendations and solutions related to risk management in strategic and investment field of Baoviet Holdings;
2. Coordinate with Audit Committee to review material potential risks, especially those related to the compliance of policies, standards, procedures and legal regulations in order to promptly provide relevant solutions; coordinate to develop the risk indicators;
3. Coordinate with Assets-Liabilities Committee [ALCO] to exchange information on risks related to the balance of assets and liabilities at the RMC meetings. Representatives from the RMC shall be invited to the periodical meetings of ALCO to provide opinions and recommendations on related risks.





INSURANCE RISK MANAGEMENT

“ The insurance activities are carried out by Baoviet Life [BVL] and Baoviet General Insurance [BVGI] - subsidiaries of Baoviet Holdings. Insurance is one of the core businesses. ”

Life insurance

Insurance risk management is always focused on all aspects of business operations of Baoviet Life. Baoviet Life uses several methods to assess and monitor insurance risk exposures. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability and actuary are applied to the pricing and list of the types of insurance products that can be provided, such as:

- » Baoviet Life has introduced and implemented strict regulations and processes on product design and management; monitor implementation experience; periodically assess sales and profit of products; scenario analysis; timely improve products, re-charge when reality is different from the assumption.
- » Set up insurance underwriting limits, procedures for approving transactions related to new premium or transactions exceeding the limits issued specifically and strictly.
- » Diversify products and services and determine the principles of pricing, reinsurance and

diversification principles of risk sharing.

General insurance

Insurance risk management activities of Baoviet General Insurance includes application of strict control procedures such as: risk assessment in underwriting, reinsurance, loss assessment, compensation settlement, calculating, analyzing experience rates [according to historical data] and periodically reviewing and evaluating the effectiveness of insurance products to adjust the premium rate, adjust coverage... ensure loss rates in acceptable levels.

Baoviet General Insurance applies risk transfer solutions to share risks with other insurers through coinsurance, reinsurance and risk sharing with the insured itself and deductible applied. The reinsurance program of these factors is built based on relevant legal requirements, financial capacity, business strategy, solvency margin requirements, risk portfolio, loss portfolio... of Baoviet General Insurance.



CREDIT RISK MANAGEMENT



Manage credit risk of term deposit investment

The Holdings issued Decision 1018/2020/QĐ-TĐBV dated 03 August 2020 on Regulation on evaluating, categorizing and setting up the credit limit for commercial banks and financial companies [2nd amendment, supplement]. These limits are periodically reviewed. The implementation of deposit limit permits The Holdings not only to mitigate credit risk but also to reflect the economic situation, macro policies and regulatory requirements.

Credit risk are reported and evaluated in risk monthly report to ensure timely response to any deterioration in the credit quality of the counterparty.

Manage credit risk of bond investment

In Bond investment, credit risk arises mainly from corporate bond portfolio. Government bond accounts mainly in bond portfolio (79.4%) so the risk of bond investment is considered fairly low.

The Holdings has established annual plan, approved limit for each type of bonds matching with investment strategy and asset - liability structure, issued Regulation on risk management of corporate bond investment [1st amendment, supplement] accompanied by the Decision 1129/2020/QĐ-TĐBV as at 27 August 2020 in order to manage tightly financial and non-financial positions and movements of collateral assets.

Manage insurance credit risk

Credit risk in insurance activities mainly arises at Baoviet General Insurance. In order to manage this risk, Baoviet General Insurance has issued regulations, guidelines and required related parties to strictly comply with regulations on insurance debt.

In order to manage credit risk for reinsurance recipients, the reinsurance ceding is only carried out for reinsurance companies that meet the criteria for rating assessment according to current regulations.

Manage credit risk from margin activity

Credit risk from margin activity occurs when customers are unable to fully pay principal and interest of the loan even when all of their stocks served as collateral assets have been sold. BVSC continues to maintain risk governance policies that have proven effectiveness:

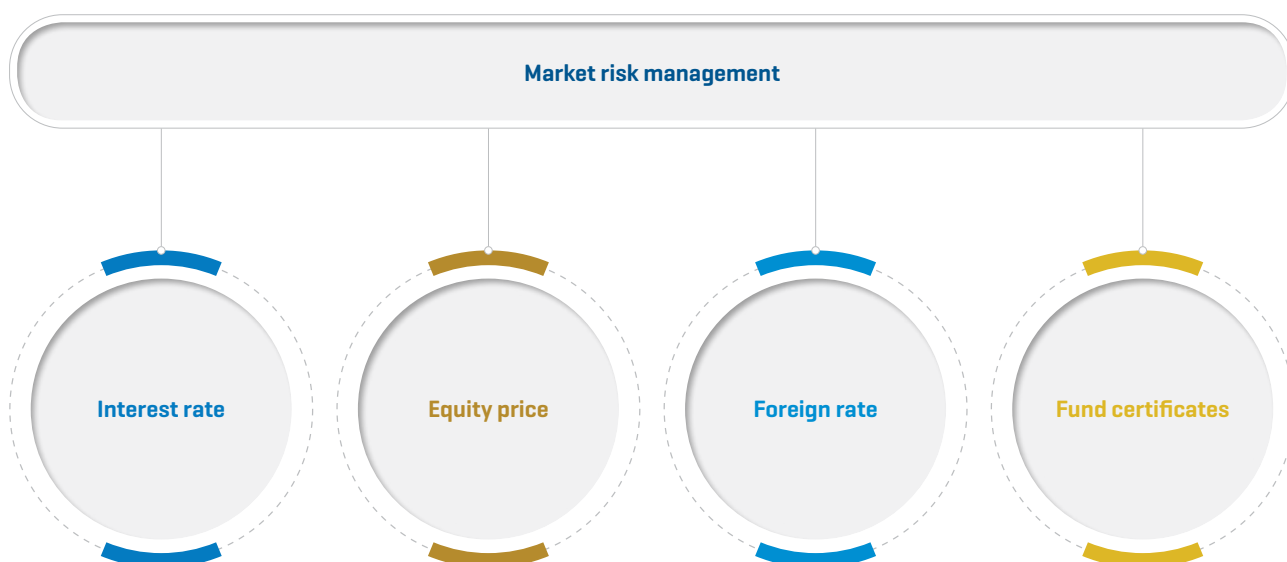
- Perform customers' credit rating and classification to grant deposit limits in accordance with customers' financial capacity and collateral assets. BVSC also periodically reviews customers with accumulation risk in compliance with risk limits of BVSC.
- Select stock portfolios qualified for margin transactions in accordance with the regulations of the State Securities Commission and Stock Exchanges. Regularly update stock information in the market to provide early warnings of stocks with signs of illiquidity or market price downtrend.
- Set up a set of safe margin ratios. Accordingly, early alert customers about the status of their loan and request for additional margin. Handle collateral assets to preserve capital safety of BVSC during margin transactions

Credit risk of margin activities during the year is rated at medium.





MARKET RISK MANAGEMENT



Interest rate risk

Deposit and Bond portfolios of Baoviet Holdings and subsidiaries are exposed to the risk of interest rate fluctuation. These movements in interest rate have affected on the business performance of insurance subsidiaries, the fair value of portfolio, interest income and reinvestment.. Bond and deposit investments account for a significant portion of the financial investment portfolio, and are appropriately held to meet future payables.



In 2020, government bond interest rates and bank deposit rates tend to decrease.

For products in Life Insurance business, interest rate risk related to traditional policies can be mitigated through sharing of returns with policyholders under the discretionary participation mechanism.

In additions, Baoviet Holdings has always focused in forecasting the market interest rates and reporting them periodically to support timely management and investment decisions.

Currently, Baoviet Holdings has managed this risk by Duration and PV01 tool to evaluate sensitivity of interest rate on term deposit and bonds...

Baoviet Holdings has periodically reviewed and selected an investment strategy and appropriate reinvestment duration to mitigate interest risk while maintaining the profitability and liquidity of Baoviet Holdings and subsidiaries.



Equity price risk

Baoviet Holdings has invested in listed and non-listed equities. Listed equities are directly exposed to risk of price fluctuations, while the value of unlisted stocks can also move adversely if the market conditions and company's performance deteriorate. Investments are diversified by sectors and the equities are kept at a relatively low proportion in investment portfolio.

Baoviet Holdings manages equity price risk by setting limits for investing in one industry, one company or Baoviet Holdings of companies; analysing systematic risk to investment portfolios when the market fluctuates significantly. As at 31 December 2020, proportion of equity is 1.9% of the Baoviet Holdings' financial investment portfolio.

Baoviet Holdings uses Value at risk ('VaR') tool to monitor and limit listed equity price risk. VaR is a method which estimates the maximum losses can occur when there are fluctuations in the market price of a certain period of time [1 day, 1 week, 1 month, 1 year], with a given confidence level [95%].

Moreover, Baoviet Holdings also uses stress-testing method to evaluate the potential impacts on investment portfolio under certain scenarios. Those scenarios are updated and reported in monthly risk report.

For the non-listed stocks, Baoviet Holdings uses the basic analysing methods, monitors and supervises financial and non-financial performance of companies which Baoviet Holdings invested through capital representatives.

The information of non-listed equities has been updated periodically in the monthly risk report that helps Board of management to make timely decisions

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in exchange rates. Fluctuations in exchange rates between VND and other currencies in which Baoviet Holdings conducts business may affect its financial condition and business performance. Subsidiary that have the highest impact due to foreign currency risk are Baoviet General Insurance, although the total exposure is not significant.

A part of Baoviet General Insurance's reinsurance liability is denominated in USD, liabilities are offset and only paid differential amount. Thus, its impact to profit of Baoviet General Insurance is immaterial.

Fund certificates

The volatility of price of Baoviet Holdings' fund certificates has reviewed, controlled and assessed regularly by Baoviet Fund [BVF]. The Net Asset Value [NAV] per fund unit may increase or decrease, depending on the total assets and the total liabilities. This risk stems from the price reduction of securities, such as bonds, listed and unlisted securities in the Fund portfolio investment.

Baoviet Fund's investment is carried out through a rigorous appraisal process, following on the fund's objectives to grab the opportunities in high-yield, high-growth investment at the acceptable risk. Moreover, Baoviet Fund has monitored closely the changes and trends of the economic factors as well as performance and future prospects to design appropriate investment strategies.



LIQUIDITY RISK MANAGEMENT

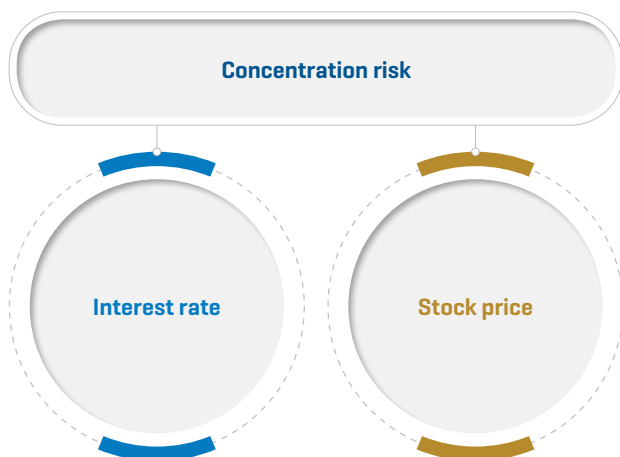
Baoviet Holdings and Subsidiaries balance financial resources in accordance with their solvency at an appropriate level, daily operation requirement and compliance with regulations. To prevent and mitigate this risk, Baoviet Holdings has analysed the remaining duration of financial liabilities and anticipated cash flow, historical liquidity requirement to recognize the fluctuations and influent factors. Baoviet Holdings' liquidity position is regularly monitored, and is reported to the Asset-Liability Committee [ALCO].

The solvency ratios of the Baoviet Life and Baoviet General Insurance are based on regulations promulgated in Circular No. 50/2017/TT-BTC dated the 15th May 2017 and Circular No.01/2019/TT-BTC dated the 2nd January 2019 by the Ministry of Finance. Baoviet Life and Baoviet General Insurance has always maintained appropriate liquidity position to ensure compliance with regulatory capital requirements and fulfill financial commitments.





CONCENTRATION RISK MANAGEMENT



Concentration risk can arise from insurance business and financial investment activities. Measure, monitor and manage concentration risk:

- » Concentration risk measured by asset structure, total investment value, premium revenue, value of payment/compensation by customer, location and or business sector.
- » Concentration risk is monitored by reporting to Executive Board and RMC.
- » Concentration risk is managed by investment limits, functional process, decentralization procedures for making decision.

Manage the concentration risk from insurance business

At Baoviet Insurance, the concentration risk can arise from insurance types such as freight insurance, shipping insurance, aviation insurance, petroleum insurance, property insurance, human insurance, technical insurance ... Therefore, besides the concentration risk in the same category, Baoviet Insurance also faces concentration of risks e.g. combination of vessel and cargo insurance, asset and human insurance, etc. Baoviet Insurance has regulations on concentration risks management and purchase the reinsurance contracts to limit liability when the insurance event occurs.

At Baoviet Life, the underwriting strategy is designed to ensure that insured risks are well diversified in terms of the type and insured benefits. Insurance underwriting is largely achieved through diversification across industry sectors and geography, the health and occupational characteristics of people working in each sector. The actual compensation cases and the process of evaluating insurance products, the claim payment process is regularly reviewed. Underwriting limits are implemented to ensure appropriate risk selection criteria. For example, Baoviet Life has the right not to renew individual policies with high risks, impose deductibles and has the right to reject the payment of fraudulent claims.

Manage concentration risk from financial investment

In order to mitigate the concentration risk from financial investment, Baoviet Holding' investment strategy based on principle of investment portfolio diversification:

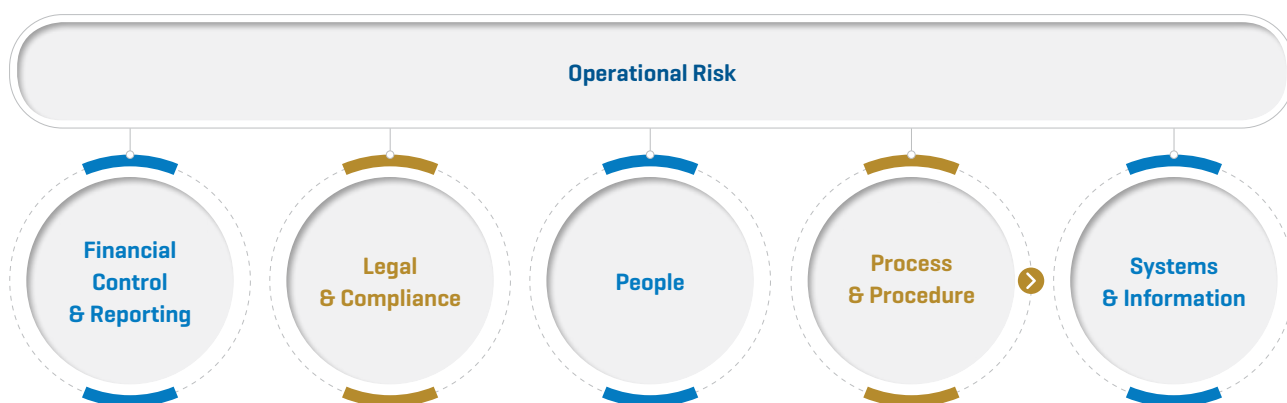
- » Diversify with a variety of assets [eg: investing in stock, bond, deposit, fund certificate...];
- » Diversify with one asset [eg: investing in bond including: government bonds, corporate bonds or local government bonds...];
- » Diversification of industry: expanding the scope of investment in companies, areas without cross-ownership;
- » Diversification by market capitalization: allocate investment assets in stocks of different company.





OPERATIONAL RISK MANAGEMENT

Operational risks are reported in risk dashboards at periodic Risk Management Council of Baoviet Holdings and subsidiaries. Each subordinate operational risk is clearly defined and assessed. Critical risks are analyzed then appropriate actions are carried out to minimize loss from those risks.



The 4.0 technology revolution leads to severe competition in the field of financial services. Financial technology services are increasingly expanding and developing, causing profound changes in the financial sector. Many new forms of financial investment have many potential risks; Enterprises are always faced with data security risks.

Baoviet Holdings has focused on investing in technology platform, applying information technology according to international standards, ensuring synchronization, modernity, efficiency, security, deploying solutions and appropriate strategy, keeping up with the development trend of Vietnam and the world.



REPUTATION RISK MANAGEMENT

Baoviet Holdings manages reputational risks by monitoring attitudes and reactions of stakeholders including authorities, customers, media agencies, press and employees to the Group's reputation and brand;

Review and adjust internal regulations to ensure compliance with the law and business practice; develop measures to manage and control the safety of IT systems.

Training and communication for staff and leaders in the Holdings on crisis handling communication and thematic training courses on reputation risk management.



STRATEGIC RISK MANAGEMENT

Baoviet Holdings manages strategic risks through measuring and monitoring financial and non-financial indicators, strategy implementation results; scenario analysis of fluctuations in macroeconomic factors and internal factors to promptly review and adjust appropriate strategies.

Risk management orientation in 2021

Strengthen corporate and support between Holdings and subsidiaries to enhance effectiveness of risk management framework.

Continue to maintain and improve the effectiveness of RMC meeting of Holdings and subsidiaries; improve the effectiveness of information exchange, coordination between the three layers of defense.

Use qualitative and quantitative method to identify, assess and mitigate risks; improving overall risk management ability to support insurance, investment and financial service effectively.

Improve the quality of risk report in order to advise the Executive Board to make decisions; to ensure that the key risks are managed and responded promptly.

Enhance risk management for the information technology system at Baoviet Holdings and subsidiaries; continue to implement the information security solution and improve the safety of the system, monitor and alert the risk to customers, staff and related functions.

Perform rehearsals of hypothetical situations in the event of an IT system failure.

RISK MANAGEMENT PLAN IN 2021

1. Implement the Risk management strategy 2021-2025; Risk management policy, Risk appetite statement and the key risk limits.
2. Organize periodically RMC meetings at Baoviet Holdings and Subsidiaries as planned.
3. Improve risk management structure in subsidiaries with 100% of charter capital owned by Baoviet Holdings.
4. Review risk management models, focus on managing key risks; Issue risk management report.
5. Organize internal training courses, intensive training on risk management at subsidiaries in which 100% charter capital is owned by Baoviet Holdings.



LEGAL AND COMPLIANCE

Legal and compliance function has been put in place at Baoviet Holdings promptly upon the equitization of Vietnam Insurance Corporation in 2007. Legal and compliance plays a crucial part in optimizing internal control system as it shapes and sets up a framework for enterprises to control and minimize possible risks during the implementation and management of all business operations.



Legal and Compliance Division has the role of ensuring that all management and business activities of Baoviet Holdings strictly in accordance with the legal regulations, thereby reducing legal risks and protecting legitimate interests of Baoviet Holdings. At the same time with the current technology 4.0 trend, the guarantee of not violating the laws is not enough, so Legal and Compliance Division also needs to provide the most appropriate or best solutions in dealing with specific legal cases.

In 2020, implementing the policy of restructuring the organization of the block-level management apparatus of Baoviet Holdings in accordance with the direction of the Baoviet Holdings' Party Committee, the Legal and Compliance Division received new functions and tasks is Party's propaganda and mass mobilization activities, under which the Legal and Compliance Division changed its name to the Propaganda and Legal Division. Propaganda and Legal Division has the role of building, communicating culture of legal compliance, compliance with the Party and State's regulations throughout Baoviet's system.

DUTIES AND RESPONSIBILITIES

Pursuant to the Project on strengthening the organization of the block-level management apparatus issued together with the Decision No. 287/2020/QĐ-HĐQT dated March 9, 2020 of the Board of Directors of Baoviet Holdings; Decision No. 322/2020/QĐ-HĐQT dated March 19, 2020 of the Board of Directors of Baoviet Holdings on the consolidation of the block-level management apparatus of Baoviet Holdings, General Director of Baoviet Holdings issued Decision No. 908/2020/QĐ-TĐBV dated July 13, 2020 on stipulating the functions, tasks, powers, organizational structure, according to which, the Propaganda and Legal Division has the main functions and duties following as:

1

THE PARTY'S PROPAGANDA AND MASS MOBILIZATION WORK

Advising, assisting the Party Committee of Baoviet Holdings, which is directly and regularly the Standing Committee and Standing Members of the Party Committee on propaganda and mass mobilization of the Party; at the same time, perform professional tasks on propaganda and mass mobilization of Baoviet Holdings' Party Committee.

2

LEGAL ACTIVITIES

- » Chairing, coordinating with relevant departments to elaborate, amend, supplement Charter of Baoviet Holdings; regulations and instructions of Baoviet Holdings regarding the functions and duties of the Propaganda and Legal Division; evaluating legally all internal normative documents of Baoviet before submitting to Chief Executive Officer, Board of Directors for issuance.
- » Advising the BOD, CEO and Centers/Branches/Offices/Functional Departments on legal issues arising in the process of management, administration and business of the Holdings in the fields of investment, real estate, bidding and other business activities of the Holdings.
- » Chairing or/and coordinating in drafting important contract forms related to the management and business activities of Baoviet Holdings; participating in negotiating, signing contracts and/or giving legal opinions on transactions drafted by subsidiaries of the Holdings before submitting to Management.
- » Preside over the appraisal and submit to the Chief Executive Officer and/or the Board of Directors of the Holdings for the Charter and internal regulations and regulations of the Baoviet Holdings' subsidiaries with 100% charter capital owned by Baoviet Holdings, subsidiaries owned by the Baoviet Holdings with less than 100% of charter capital, enterprises and investment funds with investment capital of the Group related to Baoviet Holdings' internal regulations and legal regulations.
- » Chairing and coordinating with relevant departments to comment on draft legal documents sent by agencies and organizations; summarize and evaluate the laws related to the Baoviet Holding's business areas.
- » Coordinating with mass organizations of Baoviet Holdings to disseminate and propagate the law, charter, internal rules and regulations of the enterprise to employees.
- » In participating in resolving disputes, complaints, proceedings or in advising legal consultant to participate in the proceedings being the authorized representative of Baoviet Holdings to protect the legitimate rights and interests of Baoviet Holdings.
- » Building a professional, qualified and experienced legal apparatus and staff to meet the requirements of Baoviet Holdings and its subsidiaries of the Baoviet Finance and Insurance Group.

3

COMPLIANCE ACTIVITIES

- » Building, submitting to Chief Executive Officer, Board of Directors in order to issue the provisions on compliance activities of Baoviet Holdings.
- » Organizing the implementation of regulations, policies, mechanisms, compliance plans of Baoviet Holdings.
- » Monitoring, urging, communicating the implementation of laws, charters, internal regulations and rules of Baoviet Holdings.
- » Building, submit to competent authorities for promulgation and organize the implementation of Baoviet Holdings' internal regulations and legal regulations related to prevention and combat of money laundering.
- » Coordinating to organize training for employees on legal compliance.
- » Contact point to perform tasks related to ISO and 5S of Baoviet Holdings.



2020 LEGAL AND COMPLIANCE ACTIVITIES

With the aforesaid duties and responsibilities, in 2020 Legal and Compliance Division has fulfilled the key legal and compliance tasks as follow:

1

IN RESPECT OF LEGAL WORKS

- » Acting as a contact point regarding the draft or review of legality approximately 60 documents and transactions, some of which are important documents such as Baoviet Holdings' Charter, Subsidiaries' Company Charter, Investment Regulation, Capital Representative Regulation, Risk Management Regulations Investment and Information Technology Asset Management Regulation and other policies and regulations... and 27 ISO processes governing key business lines across the group, contribute to the completion of legal procedures for corporate governance, management, and business operations. Baoviet Holdings has been awarded with ISO 1910:2015 Certificate [annual assessment and monitoring], 5S Certification...
- » Giving legal advisory for Holdings Senior Management, Centers/Branches/Offices/Functional Departments on solving legal issues arising in the management, administration and business process of the group in the fields of investment and real estate, bidding activities, and other business activities of Baoviet Holdings.
- » Supporting legally, co-operating with the Centers/Branches/Offices/Functional Departments of Baoviet Holdings to settle requirements of work, legal issues; ensuring timely the rights and interests of the Holdings according to functions of Legal and Compliance Division; contributing to reduce the cost of hiring legal consultants in 2020.
- » Reviewing the Holdings' contracts and transactions to minimize financial risks such as administrative fines and contract violations.
- » Researching on new legal regulations and policies in order to give legal advisory for Holdings Senior Management, Centers/Branches/Offices/Functional Departments in relation with any arising issues.

2

IN RESPECT OF COMPLIANCE WORKS

- » Building and summing the 2019 compliance plan of Baoviet Holdings; guiding the formulation and issuance of the 2019 compliance plan for subsidiaries.
- » Continuing to amend the Compliance Regulation to ensure the suitability with compliance implementation at Baoviet Holdings in the present and in the next years on the basis of changes in the organizational model of Baoviet Holdings in accordance with the provisions of the Enterprise Law 2020.
- » Building directive documents of Baoviet Holdings and its subsidiaries on developing, implementing an annual compliance plan and other related work.
- » Keeping communicating, training and applying regulations on conduct and professional ethics in the Group based on the Code of Conduct and professional ethics.
- » Issuing legal news and communicating to Baoviet Holdings' employees through Workplace.



2021 PRIORITIES

IN 2021, PROPAGANDA AND LEGAL DIVISION WILL FOCUS ON THE FOLLOWING TASKS



Continuing to coordinate with the Centers/Branches/Office/ Functional Departments of Baoviet Holdings in updating and issuing many important internal documents such as the Investment Regulation, Capital Representative Regulation...



Coordinating with Baoviet Holdings' subsidiaries with 100% charter capital owned by Baoviet Holdings in updating, amending and issuing their Statutes.



Timely updating new regulations and policies to advise Holdings Senior Management, Center/Branch/Office/Functional Department before legal issues arise; conducting legal training.



Advising, assisting the Party Committee of Baoviet Holdings, which is directly and regularly the Standing Committee, the Standing Committee of the Party Committee on propaganda and mass mobilization of the Party; at the same time, performing professional tasks on propaganda and mass mobilization of Baoviet Holdings' Party Committee.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020



As one of the major listed companies in Vietnam, Baoviet Holdings determines that building a strong governance structure on the basis of applying international practices is an important factor for sustainable development in the region. long-term. Accordingly, Baoviet has gradually applied good corporate governance standards in the world such as the OECD Code of Corporate Governance and the Asean Governance Scorecard in improving the effectiveness of the corporate governance system at Baoviet. Vietnam.e effectiveness of the corporate governance system at Baoviet. Vietnam.

ASSESSMENT OF BOD MEMBER, REPRESENTATIVE OF SUMITOMOLIFE ON THE CORPORATE GOVERNANCE OF BAOVIET HOLDINGS



“ As a BOD member and representatives of Sumitomo Life, the foreign strategic partner at BVH, one of our top interests is corporate governance system of BVH. From our point of view, corporate governance system of BVH has been steadily improving to meet the international standards over the years. ”

Ông KENJI YONEDA - Thành viên HĐQT Tập đoàn Bảo Việt

We admire and appreciate the efforts of Chairman, CEO and all members in developing BVH as one of the best financial institutions in the region not only in terms of its business performance but also in terms of its internal control and governance system. In the point of corporate governance, risk management and compliance, our assessments are as follows:

Corporate governance

BVH has been operating in compliance with the regulation on information disclosure and transparency. For example, agendas of AGMs, meeting minutes and resolutions have been disclosed bilingually in both Vietnamese and English on the website. It has made the foreign stakeholders catch up the information easier. We recognize that BVH has consistently been meeting international standards on ensuring shareholders' rights.

Furthermore, BVH has been making efforts to educate the members of BOD and secretary division through the training and coaching courses on the corporate governance and ASEAN Corporate Governance Scorecard. With using the scorecard, BVH has been able to find deficiencies and improve them every year since 2017. We believe those efforts have definitely improved the corporate governance of BVH and BVH will make further development in corporate governance through such PDCA cycle.

Risk management and compliance

Recently, BVH has revised regulatory systems of internal governance mechanism to improve the management of potential risks in daily business operations.

For example, BVH has been steadily improving the compliance framework at whole group in accordance with international standards.

In accordance with these internal governance mechanisms, the risk management and compliance system of BVH is continuously strengthened. We are pleased with these accomplishments and expect further improvement in the future.

Sumitomo Life has been supporting BVH in these area with providing our knowledge and experience, and will continue to support BVH's initiatives to become a company globally acclaimed with the good corporate governance.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

ASSESSMENT ON THE CORPORATE GOVERNANCE OF BAOVIET HOLDINGS ACCORDING TO ASEAN CORPORATE GOVERNANCE SCORECARD

Assessment on the corporate governance of Baoviet Holdings according to the ACGS

While conducting corporate governance assessment according to standards at the ASEAN Corporate Governance Scorecard (ACGS), Baoviet has always been ranked among the group of leading listed companies with practical corporate governance. Under the direction and direction of the Board of Directors, in recent years, Baoviet proactively adopts the international and regional best corporate governance practices to improve Baoviet's practical corporate governance; Build a system of analysis and corporate governance according to

the business lines in the hope that the system can support the improvements of the practices on corporate governance in Vietnam; Support the management agencies in identifying the strengths and weaknesses of the regulations and practical corporate governance, thereafter proposing the relevant revolutionary solutions; Evaluate the progress of corporate governance throughout the years; improve the awareness and knowledge of good practices on corporate governance of Baoviet's employees across the network of Baoviet.

General assessment on the corporate governance practices of BVH in 2020

🛡️ Good practices 🟡 Bad practices, areas for improvements





Criteria	Assessment Result	Explanation
IN RESPECT OF RIGHTS OF SHAREHOLDERS		
Right of shareholders	🛡️	Shareholders have the right to participate in the amendments of the Holdings' charter, the issuance of additional shares, the nomination of BOD members and inspectors and approval on the matters under the AGM's authority.
Voting in absentia	🛡️	Based on the documents disclosed on BVH's website, shareholders can vote in absentia and send those votes to the BVH before the commencement of the AGM. Such votes are considered valid and counted in the number of votes for/against/abstained at the meeting.
Dividend payout	🛡️	Ensuring the dividend payout within 30 days after AGM's approval.
Provision of GMS's notifications and documents	🛡️	Provide the rationale and adequate information for each agenda item which require shareholders' approval in the notice of AGM.
Nominate and vote for BOD candidate	🛡️	Giving the equal rights for shareholders regardless of major or minor shareholders to nominate the candidate and vote for BOD members at the GMS.
Attendance of BOD, BOM, SB, and shareholders	🛡️	AGM Minutes were comprehensive and contained the attendance of BOD, BOM, SB. BVH also encourages the attendance of shareholders especially institutional shareholders.
Disclosure of GSM's Resolutions and meeting minutes	🛡️	<ul style="list-style-type: none"> Resolutions and Meeting Minutes of AGM are disclosed publicly and promptly within 24 hours after AGM in both English and Vietnamese version; Meeting minutes recorded all questions of shareholders and answers of the Chairing Board in the discussion session. Voting results were released together with the AGM Resolutions and Meeting Minutes.
Deadline for disclosure of AGM's notices and documents	🟡	The notices and materials of AGM were not disclosed at least 21 days before the meeting.



Criteria	Assessment Result	Explanation
IN RESPECT OF EQUITABLE TREATMENT OF SHAREHOLDERS		
Meeting's notice and documents	🛡️	<ul style="list-style-type: none"> Disclosed meeting's notice and related documents in both English and Vietnamese version on BVH's website; Provide shareholders with the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM.
Information Disclosure of BOD candidate's profile, dividend payout policy	🛡️	Fully disclose the profiles of candidates for BOD members, and dividend payout policy in AGM's documents and Annual Reports.
Quality and time for disclosure of English version of AGM's documents	🛡️	Fully disclose all AGM documents in English, and release the English version of those documents on the same date as the local language version.
RPTs of BOD members and senior manages	🛡️	Do not having policy requiring a committee of independent BOD members to review significant related party transactions (RPTs) to determine whether they are in the best interests of the company and shareholders.
	🛡️	Do not have a policy requiring board members to abstain from participating in the board discussion on a particular agenda when they are conflicted.
	🛡️	Regulate the policy in its Charter and Corporate Governance Regulation requiring BOD members to disclose their interest in transactions and any other conflicts of interest.
IN RESPECT OF ROLE OF STAKEHOLDERS		
Sustainability Report	🛡️	BVH has been the first company in Vietnam that implemented the audit for the Sustainability Report 2015 and continue to implement the audit for the Sustainability Report in 2016, 2020 by the Internal Audit Block of BVH.
Interaction with communities, corporate social responsibilities & policy for employees	🛡️	<ul style="list-style-type: none"> BVH disclosed policies and practices for interaction with the communities, environmentally-friendly value chain, and corporate social responsibilities. Disclosed policies and practices in dealing with customers' health and safety, as well as policies on the health, safety, and welfare, training programmes for employees.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

Criteria	Assessment Result	Explanation
IN RESPECT OF ROLE OF STAKEHOLDERS		
Contact details for shareholders' complaints	✓	Provide contact details via the BVH's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights.
Whistle-blowing system	✓	Formulated, issued and disclosed on BVH's website regarding the Code of Conduct, Regulation on Anti Money Laundering in order to direct the corporate culture and prevent the illegal or unethical behavior. The Human Resource Division of Operations Block is responsible for receiving complaints about these behaviors.
Supplier selection, anti-corruption, and creditors' rights	✓	Formulated and disclosed in the Annual Sustainability Report.
Long-term incentives for employees	✓	Implemented ESOP in the first quarter in 2018.
IN RESPECT OF DISCLOSURE AND TRANSPARENCY		
Annual Report	✓	<ul style="list-style-type: none"> Good quality of Annual Report: Annual Report of BVH has been always in top ten best Annual Reports in Vietnam out of almost 600 companies listed on the HNX and HSX that took part in the Annual Report contest. BVH also received awards from the League of American Communications Professionals (LACP) in the Annual Report Competition. Provided detailed information of subsidiaries, associates, joint ventures in the Annual Report and website. Clearly identified the information of shareholders, the ownership structure, subsidiaries, associates, joint ventures, financial and non-financial performance indicators in the Annual Report. Quality of the Annual Report: Provided detailed information of BVH, got rewards in the competition of Annual Report and Sustainability Report domestically and internationally.
Disclosure of RPTs and insider trading	✓	Released the detailed information of material/significant RPTs and the trading of the BVH's shares by insiders in the financial statements and Corporate Governance Report in the Annual Report.
Website	✓	<ul style="list-style-type: none"> Published the information in both English and Vietnamese version. Provided shareholders, domestic and foreign investors with the information on the business operations, financial statements and downloadable annual reports, notices and meeting minutes of AGM, BVH's CG documents (Charter, Code of CG, Code of Conduct and Business Ethics).
Press conferences and media briefings	✓	Have organized press conferences and media briefings to disclose material information
Analyst's meeting	✓	Organized 2 analyst's meeting in 2020 (in June and November) to discuss and listen to the opinion of analysts regarding the market and business operations of BVH

Criteria	Assessment Result	Explanation
 IN RESPECT OF RESPONSIBILITIES OF THE BOARD		
Definition of BOD responsibilities and CG policy		Disclosed in the BVH's Charter and the Corporate Governance Regulation.
Directorships of BVH's BOD member at other PLCs in Vietnam		<ul style="list-style-type: none"> Set a limit of five directorships that an individual BOD member may hold simultaneously in other PLCs in the BVH's Code of CG, and did not have any BOD members who serve on more than two boards of PLCs outside of BaoViet.
BOD Meeting		<ul style="list-style-type: none"> Organized six (06) meetings in 2020. Documents for BOD meetings were provided to the Board members at least five business days in advance of the BOD meetings. Disclosed information on the attendance of board members to BOD meeting.
Independence of the BOD		<ul style="list-style-type: none"> Limited presence of independent directors on BOD: The BOD only had one independent member out of eleven members compared to the requirement of the ACGS that the independent BOD member should account for at least 50% of the BOD. The Chairman is not independent BOD member. Did not organize a meeting for only non-executive BOD members during the year without any executives present.
Competence of BOD Committee		<ul style="list-style-type: none"> Established Committee of the BOD according to recommendations of ACGS [including Remuneration and Nomination Committee, Audit Committee], established Internal Audit Block. Terms of references and operating activities of BOD's Committee were disclosed in the Annual Report.
		<ul style="list-style-type: none"> Limited presence or no presence of independent BOD member in the BOD Committees. The Chairman of BOD's Committee is not independent BOD member. The Committees rarely made direct meetings but only collecting members' opinion via written form or email.
BOD Appraisal and Committee Appraisal		<ul style="list-style-type: none"> Remuneration and Nomination Committee evaluated the BOD's performance, the Committee's performance and each BOD member's performance from 2016 according to criteria approved by the BOD in the BOD's operating regulation. Assessment results were published on the Annual Report.
BOD's Training and succession planning		<ul style="list-style-type: none"> Lack of information about succession planning for CEO and key senior managers; Not formulate the orientation programs and education activities designed for new and current BOD members.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

RECOMMENDATIONS FOR IMPROVEMENT OF BVH'S CORPORATE GOVERNANCE

With an aim of being pioneer to apply and step by step approaching the regional and international corporate governance standards, BaoViet needs to implement the following works in the future:

SHORT-TERM PLAN

improve benchmark relating to "Disclosure and Transparency" and enhance the "Rights of Stakeholders" as following:



Continue to improve BVH's website to keep updated and disclose information for shareholders, customers, investors domestically and internationally to be easier to approach.

In respect of the documents for the meeting of GSM: disclose the meeting notification and related meeting documents 21 days prior to the date of the GSM's meeting in order for the shareholders to have enough time to consider and decide the voting on the meeting agenda.



Research to formulate the whistle-blowing system/policy of BVH in addition to the general terms regulated in the Code of Conduct and Business Ethics of BaoViet.



Build up the succession planning, orientation programs and training courses for new BOD member and incumbent BOD member in order to ensure the successors team holding the managerial positions of BaoViet.



Continue to comply with the disclosure and transparency regulations according to Circular 155/2015/TT-BTC and benchmarks at the ACGS; try to implement better than the regulations in Circular 155/2015/TT-BTC in order to provide domestic and foreign shareholders and investors with sufficient information.



MEDIUM AND LONG-TERM PLAN

enhance the responsibility of the BOD

1

Build up a detailed roadmap to approach requirements relating to the independent BOD member ratio in the BOD according to the ACGS and the Law of Vietnam.



Enhance the participation of independent BOD members in the BOD's Committees to improve the performance of the Committee in advising and consulting to the BOD; strengthen the independence of the BOD's Committee.

2



Research to formulate regulations regarding related party transactions in order to protect the legal rights and interests of BVH as following:

3

- A policy requiring a committee of independent directors to review material/significant related party transaction to determine whether they are in the best interests of the company and shareholders.
- A policy covering the review and approval of material/significant related party transactions.
- A policy requiring board members to abstain from participating in the BOD meeting on a particular agenda when they are conflicted.



Consider to hire an independent third party to evaluate the performance of the BOD, of member of the BOD and BOD's Committee according to the best international corporate governance.

4



In respect of BOD meeting and participating BOD meeting:

5

- Organize open meeting for the BOD in addition to quarterly meeting in order to discuss important agenda regarding business orientation and key initiatives [at least 6 times per year];
- Consider to require a minimum quorum of at least 2/3 for BOD decisions;
- A policy of which the non-executive BOD member meet separately at least once during the year without any executive BOD member present in order to evaluate all aspects of business management of the Company.



Consider to hire an independent third party to evaluate and consult the activities of the internal audit, risk management and compliance of Baoviet, especially for the risk appetite framework and compliance in order to have the verification/statement of the third party on the adequacy of the company's internal controls/risk management systems.

6



7

Continue to enhance the role of internal audit, risk management and compliance in the internal corporate governance framework of BVH in order to (i) ensure the performance and adequacy of the risk management and internal audit system, (ii) contribute to improve the corporate governance practices and (iii) strengthen the line of defense to preserve the investment capital and to create sustainable value in long-term for shareholders.



ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

ASSESSMENT ON THE CORPORATE GOVERNANCE PRACTICES OF BAOVIET HOLDINGS ACCORDING TO THE ASEAN CORPORATE GOVERNANCE SCORECARD

🛡 Implemented the practice[s] well












🟡 Have not implemented the practice[s] fully

🔴 Have not implemented the practice[s]



🟡 There are no case in Baoviet

PART A – RIGHT OF SHAREHOLDERS

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
A.1	Basic Shareholder Rights		
A.1.1	Does the company pay [interim and final/annual] dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days?	🛡	
A.2	Right to participate in decisions concerning fundamental corporate changes.		
Do shareholders have the right to participate in:			
A.2.1	Amendments to the company's constitution?	🛡	
A.2.2	The authorisation of additional shares?	🛡	Regulated in the Charter of BVH
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	🛡	
A3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.		
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	🛡	Stated in the AGM's Agenda and content
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	🛡	Regulated in the Charter of BVH
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	🛡	Clearly regulated in the BOD member's election regulation
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the start of meeting?	🛡	Disclosed in the meeting documents prior to the date of AGM's meeting and before the opening session of AGM's meeting.
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions and the questions raised by shareholders and answers given recorded?	🛡	<ul style="list-style-type: none"> Baoviet recorded and disclosed questions and answers in the discussion session in the meeting minutes of the AGM. Disclosed the meeting minutes in English version
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	🛡	Fully disclosed those contents in the Resolutions of AGM.













Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?		Disclosed those contents in the meeting minutes of AGM.
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?		Disclosed those contents in the meeting minutes of AGM.
A.3.9	Does the company allow voting in absentia?		Regulated in the Charter and Regulations on organizing the meeting of the GSM.
A.3.10	Did the company vote by poll [as opposed to by show of hands] for all resolutions at the most recent AGM?		Announced in the Regulations on organizing the AGM.
A.3.11	Does the company disclose that it has appointed an independent party [scrutineers/inspectors] to count and/or validate the votes at the AGM?		Announced at the AGM, recorded in the meeting minutes of the AGM.
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?		
A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?		Baoviet has announced the meeting invitation, authorization documents, agenda and related content of the 2020 Annual General Meeting of Shareholders to ensure 21 days prior to AGM.
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?		<ul style="list-style-type: none"> Meeting documents of Baoviet provided shareholders with sufficient information and explanation for each agenda item which require shareholders' approval. Disclosed meeting documents in English version.
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?		<p>Shareholders have the opportunity to ask questions to the BOD, including issues regarding the annual independent audit, suggest/place items on the agenda of the AGM, and raise the solutions.</p> <p>Recorded in the meeting minutes of AGM.</p>
A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner.		
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?		There is no case in Baoviet
A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.		
A.5.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?		Baoviet disclosed clearly this content in Annual Report [Investor Relation, Policy to encourage shareholders to carry out their rights, to attend and vote at the GSM's meeting].

PART B – EQUITABLE TREATMENT OF SHAREHOLDERS

B.1	Shares and voting rights		
B.1.1	Do the company's ordinary or common shares have one vote for one share?		
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares [e.g. through the company website / reports/ the stock exchange/ the regulator's website]?		Baoviet clearly disclosed that the Company has only ordinary share in the notification letter for record date, in financial statement and annual report.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

PART B – EQUITABLE TREATMENT OF SHAREHOLDERS

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
B.2	Notice of AGM		
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?		
B.2.2	Are the company's notices of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?		Fully implemented since the 2016 AGM.
Does the notice of AGM/circulars have the following details:			
B.2.3	Are the profiles of directors/commissioners [at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies] in seeking election/re-election included?		Baoviet disclosed the profiles of BOD candidates.
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		Baoviet implemented this standard according to the submission to the AGM to approve the list of independent auditors.
B.2.5	Were the proxy documents made easily available?		Those documents were enclosed in the meeting notification sent to the shareholders and uploaded to BVH's website.
B.3	Insider trading and abusive self-dealing should be prohibited		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?		Regulated in the Corporate Governance Regulation and Code of Conduct and Business Ethics of BVH.
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?		Baoviet followed this criteria according to the provisions in Circular 96/2020/TT-BTC.
B.4	Related party transactions by directors and key executives.		
B.4.1	Does the company have a policy requiring directors / commissioners to disclose their interest in transactions and any other conflicts of interest?		Regulated in the Charter and Corporate Governance Regulation of BVH.
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/ significant RPTs to determine whether they are in the best interests of the company and shareholders?		Baoviet should consider the addition of this provision in the Corporate Governance Regulation or the BOD Regulation in compliance with this standard.
B.4.3	Does the company have a policy requiring board members [directors/commissioners] to abstain from participating in the board discussion on a particular agenda when they are conflicted?		Regulated in the Charter and Corporate Governance Regulation of BVH.
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		Regulated in the Charter and Corporate Governance Regulation of BVH.







Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
B.5	Protecting minority shareholders from abusive actions		
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	🛡️	Baoviet disclosed the policy of ensuring the equitable treatment and transparency in RPTs in annual report.
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	🛡️	Baoviet clearly state this content in the RPTs in the annual report.

PART C – ROLE OF STAKEHOLDERS

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
Does the company disclose a policy and practices that address:			
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	🛡️	Baoviet disclosed this policy in the annual report and sustainability report.
C.1.2	Supplier/contractor selection procedures?	🛡️	Baoviet implemented well this standard and disclosed in the sustainability report.
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	🛡️	Baoviet disclosed this policy in the annual report and sustainability report.
C.1.4	The company's efforts to interact with the communities in which they operate?	🛡️	Baoviet disclosed its strategy and policy regarding this content in the sustainability report.
C.1.5	The company's anti-corruption programmes and procedures?	🛡️	Baoviet issued the Code of conduct and the regulation on the anti money laundering. Published the English version of this document on BVH's website.
C.1.6	How creditors' rights are safeguarded?	🛡️	Baoviet use the equity for business operations.
C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	🛡️	Baoviet disclosed this policy in the annual report and sustainability report.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

PART C – ROLE OF STAKEHOLDERS







Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.		
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?		Baoviet provided contact details of investor relations unit in the annual report and on BVH's website.
C.3	Performance-enhancing mechanisms for employee participation should be permitted to develop.		
C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?		Baoviet clearly stated in the annual report and sustainability report.
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?		
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		Baoviet implemented ESOP for employees in the first quarter of 2018.
C.4	Stakeholders including individual employee and their representative bodies should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.		
C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report?		Regulations in the Code of Conduct and professional ethics. Uploaded English and Vietnamese versions of the Code of Conduct and Professional Ethics on the Company's website.
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?		It is necessary to develop specific procedures and policies to protect whistleblowers.

PART D – DISCLOSURE AND TRANSPARENCY

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
D.1	Transparent ownership structure		
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	✓	Baoviet clearly disclosed in the annual report, half-year and annual corporate governance report in compliance with the law.
D.1.2	Does the company disclose the direct and indirect [deemed] shareholdings of major and/or substantial shareholders?	✓	
D.1.3	Does the company disclose the direct and indirect [deemed] shareholdings of directors [commissioners]?	✓	
D.1.4	Does the company disclose the direct and indirect [deemed] shareholdings of senior management?	✓	Baoviet clearly disclosed in the annual report, half-year and annual corporate governance report in compliance with the law.
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles [SPEs]/ [SPVs]?	✓	
D.2	Quality of Annual Report		
	Does the company's annual report disclose the following items:		
D.2.1	Corporate objectives	✓	Baoviet clearly disclosed in the annual report.
D.2.2	Financial performance indicators	✓	
D.2.3	Non-financial performance indicators	✓	
D.2.4	Dividend policy	✓	
D.2.5	Biographical details [at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies] of all directors/ commissioners	✓	
D.2.6	Attendance details of each director/commissioner in all directors/commissioners meetings held during the year	✓	Baoviet disclose in the Corporate Governance report in annual report.
D.2.7	Total remuneration of each member of the board of directors/commissioners	✓	
	Corporate Governance Confirmation Statement		
D.2.8	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	✓	Baoviet disclose a statement confirming the Holdings' full compliance with the corporate governance regulation in the Corporate Governance report in annual report.
D.3	Disclosure of related party transactions [RPTs]		
D.3.1	Does the company disclose its policy covering the review and approval of material RPTs?	✓	Baoviet clearly disclosed this content in related party transaction report in the annual report.
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	✓	
D.4	Directors and commissioners dealings in the shares of the company		
D.4.1	Does the company disclose trading in the company's shares by insiders?	✓	Baoviet clearly disclosed in the annual report and the regular corporate governance report in accordance with the law.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

PART D – DISCLOSURE AND TRANSPARENCY










Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
D.5	External Auditor and Auditor Report		
	Where the same audit firm is engaged for both audit and non-audit services		
D.5.1	Are the audit and non-audit fees disclosed?		
D.5.2	Does the non-audit fee exceed the audit fees?		Baoviet do not have the non-audit fee.
D.6	Medium of communications		
	Does the company use the following modes of communication?		
D.6.1	Quarterly reporting		Baoviet fully disclosed this content.
D.6.2	Company website		Baoviet developed English version of BVH's website in parallel with Vietnamese content.
D.6.3	Analyst's briefing		Organized 2 analyst's meeting in 2020.
D.6.4	Media briefings /press conferences		Baoviet promoted its business on mass media.
D.7	Timely filing/release of annual/financial reports		
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?		Baoviet publishes the report within 100 days from the end of the financial year.
D.7.2	Is the annual report released within 120 days from the financial year end?		Baoviet publishes the report within 110 days from the end of the financial year.
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?		
D.8	Company website		
	Does the company have a website disclosing up-to-date information on the following:		
D.8.1	Financial statements/reports (latest quarterly)		
D.8.2	Materials provided in briefings to analysts and media		
D.8.3	Downloadable annual report		
D.8.4	Notice of AGM and/or EGM		Fully disclosed this information and keep it updated.
D.8.5	Minutes of AGM and/or EGM		
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)		
D.9	Investor relations		
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?		Baoviet disclosed in the annual report and BVH's website.









PART E – RESPONSIBILITIES OF THE BOARD

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
E.1	Board Duties and Responsibilities		
	Clearly defined board responsibilities and corporate governance policy		
E.1.1	Does the company disclose its corporate governance policy / board charter?		Baoviet disclosed the Corporate Governance Regulation on BVH's website in English and Vietnamese version.
E.1.2	Are the types of decisions requiring board of directors/ commissioners' approval disclosed?		Resolutions of the BOD were disclosed in compliance with the Law and reported at the Corporate Governance Report and Annual Report.
E.1.3	Are the roles and responsibilities of the board of directors/ commissioners clearly stated?		Regulated in the Charter, Corporate Governance Regulation, BOD Regulation and reported at the Annual Report.
	Corporate Vision/Mission		
E.1.4	Does the company have a vision and mission statement?		Baoviet fully disclosed his content in the annual report.
E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?		BVH's BOD conducted the annual review of strategy and reported in the annual report.
E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?		Baoviet complied with this standard. The BOD directed the formulation of the strategy and supervised the implementation and regular review of the strategy at the BOD meeting.
E.2	Board structure		
	Code of Ethics or Conduct		
E.2.1	Are the details of the code of ethics or conduct disclosed?		
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code?		Baoviet disclosed the Code of Conduct and Business Ethics on BVH's website in English and Vietnamese version.
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?		
	Board Structure & Composition		
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?		Baoviet did not meet this standard.
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years ¹ each for its independent directors/ commissioners? <i>[The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011]</i>		Baoviet meets this criterion. According to the provisions of Article 10 of the internal regulation of General Corporation, "Not a person who used to be a member of the Board of Directors, the Supervisory Board of the company for at least the previous 5 years.
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/ commissioner may hold simultaneously?		Baoviet has specified this policy in the Management Regulations of Baoviet Holdings [article 13 of the Regulation on operation of the Board of Directors].

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?		Baoviet do not have this case.
Nominating Committee			
E.2.8	Does the company have a Nominating Committee [NC]?		BVH have the Remuneration and Nomination Committee of the BOD.
E.2.9	Is the Nominating Committee comprise of a majority of independent directors/commissioners?		Baoviet have not met this standard yet.
E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?		
E.2.11	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?		Baoviet followed this standard and reported in the annual report.
E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?		
Remuneration Committee/ Compensation Committee			
E.2.13	Does the company have a Remuneration Committee?		BVH have the Remuneration and Nomination Committee of the BOD.
E.2.14	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?		Baoviet have not met this standard yet.
E.2.15	Is the chairman of the Remuneration Committee an independent director/commissioner?		
E.2.16	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?		Baoviet followed this standard in the annual report.
E.2.17	Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?		
Audit Committee ¹			
E.2.18	Does the company have an Audit Committee?		Baoviet have the Inspection Committee.
E.2.19	Is the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?		Head of the Inspection Committee is the independent member elected by the GSM and not being the capital representative of major shareholders. Head of Inspection Committee works full-time at BVH.
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?		
E.2.21	Does the company disclose the terms of reference/ governance structure/charter of the Audit Committee?		Baoviet followed this requirement and reported in the annual report.

1 Those criteria are applied for the Inspection Committee in case the Company's organizational model comprises of the GSM, the BOD and the Inspection Committee

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise [accounting qualification or experience]?		
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?		Baoviet followed this requirement and reported in the annual report.
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?		
E.2	Board Processes		
	Board meetings and attendance		
E.3.1	Are the board of directors meeting scheduled before the start of financial year?		The BOD approved its annual plan, including the scheduled BOD meetings before the start of fiscal year.
E.3.2	Does the board of directors/commissioners meet at least six times during the year?		In 2020, BVH's BOD organized 6 direct meetings and over 70 indirect meetings via the opinion collection from BOD members in writing in order to deal with works under the BOD's authority. Those meetings have been reported in the annual report.
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?		Baoviet followed this requirement and reported in the annual report.
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?		Currently, Baoviet require a minimum of a half for BOD decisions according to the Enterprise Law and the Charter. However, in practice, BVH's BOD resolutions are often agreed by at least 7 out of 9 members, mostly 9 out of 9 members.
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?		Baoviet have not followed this standard yet.
	Access to information		
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?		Baoviet complied with this standard and disclosed documents in English and Vietnamese version.
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?		Baoviet clearly disclosed in the Charter and annual report.
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?		Baoviet followed this standard.
	Board Appointments and Re-Election		
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?		Disclosed in the BOD's notification regarding the election of new BOD member at the meeting of the GSM.

ASSESSMENT REPORT ON CORPORATE GOVERNANCE IN 2020

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
E.3.10	Did the company disclose the process followed in appointing new directors/commissioners?		Baoviet approved the regulation on electing new BOD member.
E.3.11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years ² each? <i>The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011.</i>		Tenure of BVH's BOD member is 5 years.
Remuneration Matters			
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?		Disclosed in the annual report.
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?		
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?		The BOD approved the bonus level of the BOM. The general assembly of shareholders approved the bonus fund for business plan fulfillment of the BOM.
E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as claw back provision and deferred bonuses?		
Internal Audit			
E.3.16	Does the company have a separate internal audit function?		Baoviet have the Internal Audit Block.
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?		Baoviet disclosed the name, CV and related persons of the Chief of Internal Audit Block in the annual report.
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?		Baoviet followed this standard upon the appointment of Head of Block/Division of Internal Audit Block.
Risk Oversight			
E.3.19	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?		
E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?		Baoviet followed this requirement in the annual report.
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?		
E.3.22	Does the Annual Report/ Annual CG contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?		Disclosed in the annual report i.e. Internal Control.

Code	Criteria	Actual CG practices at BVH	Note/Recommendations for improvement
E.4	People on the Board		
	Board Chairman		
E.4.1	Do different persons assume the roles of chairman and CEO?		
E.4.2	Is the chairman an independent director/commissioner?		Baoviet have not met this standard yet.
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?		Baoviet do not have this case.
E.4.4	Are the role and responsibilities of the chairman disclosed?		Baoviet disclosed in the Charter, Corporate Governance Regulation, BOD Regulation and annual report.
	Lead Independent Director		
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?		
	Skills and Competencies		
E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?		Baoviet followed this standard.
E.5	Board Performance		
	Directors Development		
E.5.1	Does the company have orientation programmes for new directors/commissioners?		Baoviet established the learning map for each level of executives and are under reviewing the training courses for new BOD member and training sessions for BOD members.
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?		
	CEO/Executive Management Appointments and Performance		
E.5.3	Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?		The BOD implemented this succession planning, but not disclosed to the public.
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?		
	Board Appraisal		Specifically regulated in the BOD Regulation and reported the performance evaluation in the BOD's report in 2020 annual report.
E.5.5	Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?		Implemented the performance evaluation and disclosed in the annual report.
	Director Appraisal		
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?		Implemented the performance evaluation and disclosed in the annual report.
	Committee Appraisal		
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?		Implemented the performance evaluation and disclosed in the annual report.

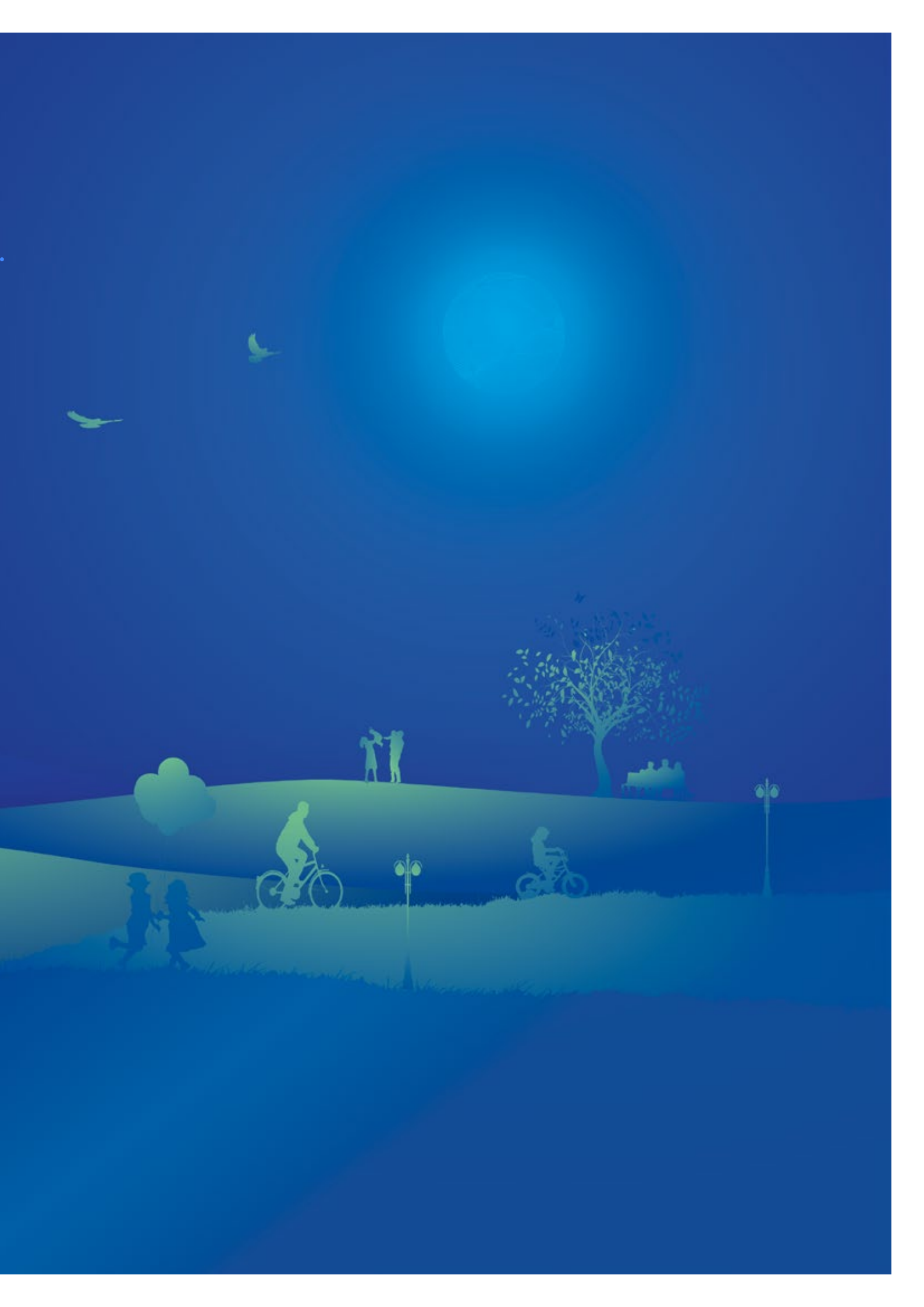
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SUSTAINABLE DEVELOPMENT

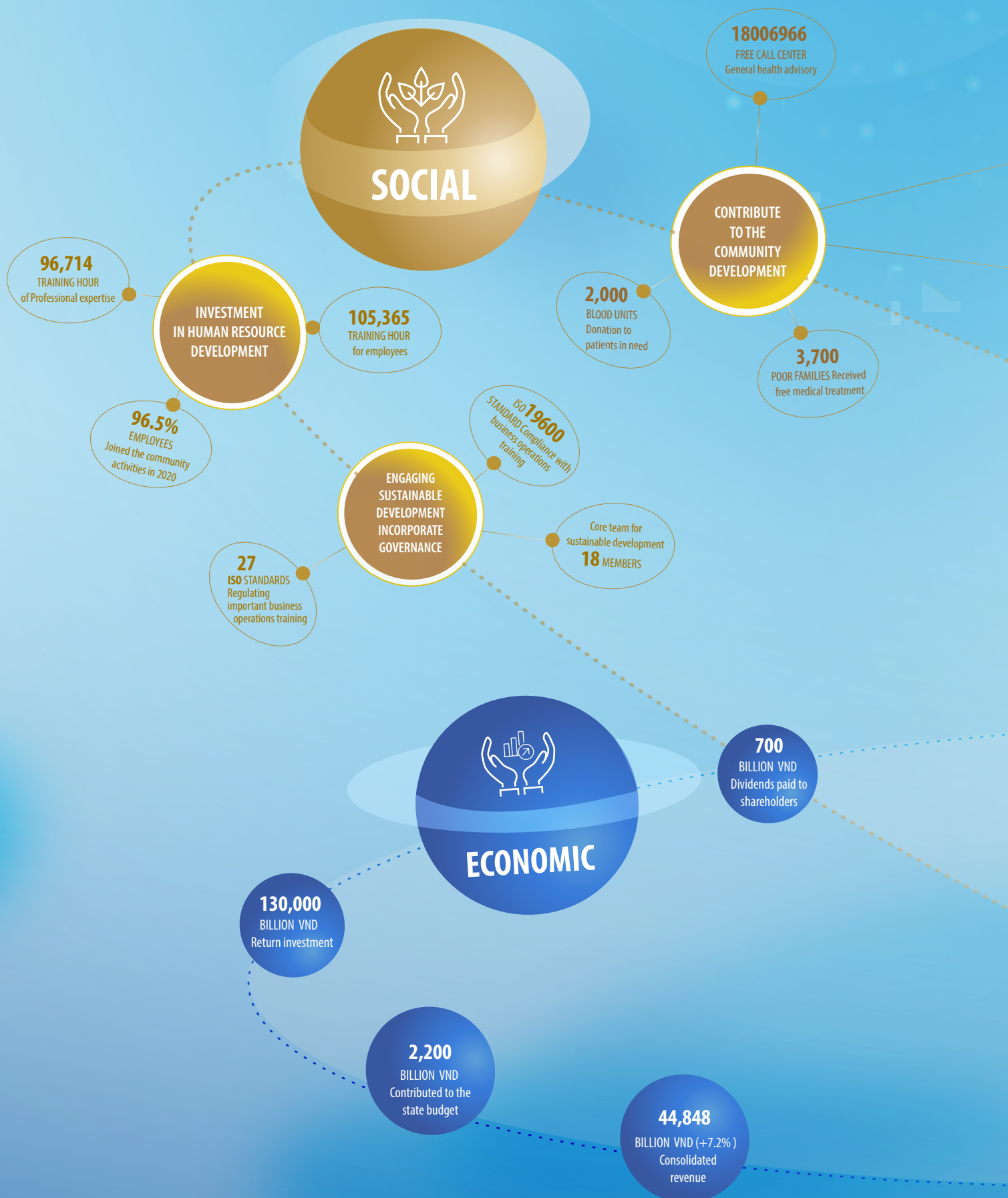
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SUSTAINABLE





FACTS AND FIGURES IN 2020



VND 35 BILLION
Investment in education
and youth projects,
construction national
standard schools

VND 18 BILLION
Investment in the Education
Security Welfare program
since 2005

REDUCED
7,000
M³ WASTE WATER
THROUGHOUT
BAOVIET OFFICES

ENVIRONMENT

5s
APPLYING 5S AND
BVOFFICE TO REDUCE
PAPER IN THE WORKING
ENVIRONMENT

500
NEWS AND POSTS ON
BAOVIET'S WORKPLACE
PROMOTING SUSTAINABLE
DEVELOPMENT IN
INTERNAL NETWORK

1,200
POSTERS
CALLING ACTIONS OF
EMPLOYEES IN USING
ENERGY RESOURCES
AT OFFICE



OVERVIEW OF SUSTAINABLE DEVELOPMENT ACTIVITIES IN BAOVIET

Through communication exchanges with stakeholders and analyzing the impacts of Baoviet, the effects and opportunities from sustainable development trend, Baoviet has perfected the sustainable development model with a vision to 2025.

OVERVIEW OF SUSTAINABLE DEVELOPMENT MODEL IN BAOVIET



Baoviet always engages Economic Growth with Environmental Protection and Social Responsibility - three factors that play a fundamental role for Baoviet's long-term success. In particular, Economic goals are the most important goals of Baoviet as the implementation of this goal is a condition for implementing Social and Environmental goals.



Sustainable development goals are actively and proactively shared by Baoviet with stakeholders in order to identify the concerned issues. These issues continue to be assessed and reviewed by us in relation to our current operation and sustainable development strategies, thereby identifying key issues to conduct the review, improvement as well as shown in the 2020 Sustainability Report.

“Sustainable development goals are actively and proactively shared by Baoviet with stakeholders in order to identify the concerned issues. Along with ensuring the goals of economic growth, society and community interests, and environmental protections, we realized that “Corporate governance” and “Human resources development” are also two important factors that ensure the sustainable development of Baoviet. Therefore, Baoviet will prioritize the integration of these two factors in the medium and long-term sustainable development model.”

Baoviet’s 2020 Sustainability Development Report highlight the activities of Baoviet Holdings and its subsidiaries in relation to sustainable development issues in 2020. The approach of Baoviet’s sustainable development issues is conducted from its long-term economic growth goals combined with social development and environmental protection goals, therefore contributing to the overall development of the community.

Baoviet has integrated the presentation of sustainable development content in 2020-2025 visions to daily business operations across the Group. Chapter V in the 2020 Annual Report focuses on activities of social responsibility and environmental protection, including Baoviet materialities. In 2020, the sustainability development report will also be reviewed and ensured by the Internal Auditing Division of Baoviet Holdings.

The content of sustainable development is prepared by Baoviet as an Independent Report according to the latest Sustainable Reporting Guidelines - GRI Sustainability Reporting Standards.

REPORT ON ENVIRONMENTAL AND SOCIAL IMPACTS

COMMITMENTS & ORIENTATIONS

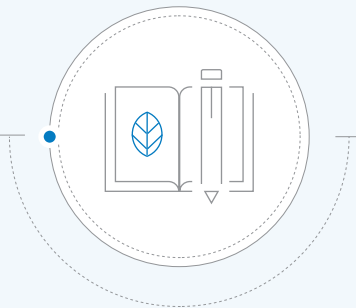
“ In 2020, Baoviet Board of Management closely followed the direction of the Board of Directors, actively implemented activities related to environmental protection and social responsibility in accordance to Baoviet strategic direction on Sustainable development. Aiming to bring a better living standard to the community, Baoviet also invested in community projects to maximize the benefits for local people and the influence of Baoviet in that locality.”



SOCIAL RESPONSIBILITY AND COMMUNITY ACTIVITIES

Recently, Baoviet launched the first specialized insurance for cancer in Vietnam [Baoviet K-care]. As an insurance product specifically designed for cancer, Baoviet K-Care offers four diverse and great insurance benefits for applicants including: Cancer Insurance Benefits (early and late stage), hospitalization benefit, death by cancer and insurance participants will be paid a fixed amount of indemnity up to 1 billion, in order to help policyholders be able to take the initiative to finance early cancer treatment. In 2020, Baoviet launches Life-care product, which integrates cancer and stroke benefits, is the online insurance product line with the highest cancer benefits on the market], low fee from only 140,000 VND /year, suitable for low-income people.

Baoviet invests in developing micro insurances such as agricultural insurance, student insurance, motor vehicle insurance to help low-income participants in rural areas to be able to access insurance services for living and production activities. In addition, our specialized pension insurance also bring a stable income for employees after their retirement while sharing the financial burden with the State's social insurance budget.

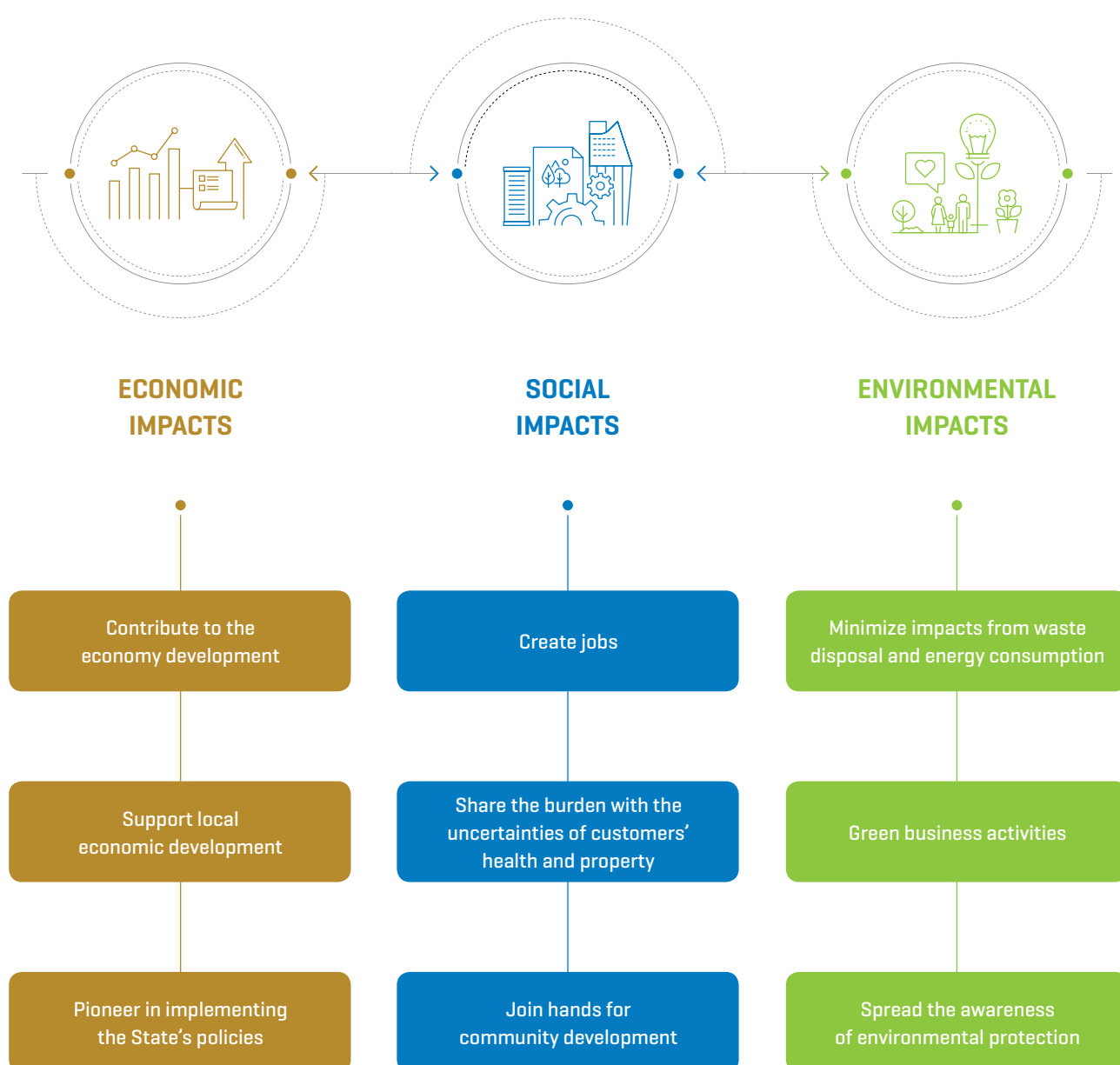


GREEN BUSINESS AND ENVIRONMENTAL PROTECTION ACTIVITIES

Realizing the impacts of climate change and human activities on the environment, Baoviet has enhanced the application of information technology to digitize transactions and operation activities to minimize the effects toward the environment. In 2020, Baoviet focuses on engaging SDGs in supply chain assessment and operational risk assessment through integrating accountability obligations in contracts, negotiate with the main contractor; Project investment management processes and equity capital investment processes..



BAOVIET UNDERSTANDS THAT BUILDING A GOOD FUTURE REQUIRES THE EFFORTS OF ALL OF US TODAY, IN WHICH ENTERPRISES PLAY A POSITIVE ROLE IN REALIZING THIS FUTURE. AIMING TO THAT VISION, WE ALSO NEED TO BUILD A SPECIFIC ROADMAP TO MAKE UP FOR THE LIMITED RESOURCES THAT PEOPLE HAVE OVEREXPLOITED IN THE PAST AND IN THE PRESENT.



REPORT ON ENVIRONMENTAL AND SOCIAL IMPACTS



ECONOMIC IMPACTS

Contribute to the economy development

Operating in the field of Insurance - Investment - Finance - Banking, Baoviet prosperity has made an important contribution to these industries in particular and the country's economy in general.

Support local economic development

With more than 200,000 employees, over 200 branches and more than 700 insurance offices in 63 provinces and cities, Baoviet provides products and services for people nationwide, contributes to creating jobs for workers, contributes for the development of local suppliers and local budgets.

Pioneer in implementing the State's guidelines

Baoviet is always at the forefront of implementing the State policies, implementing social insurance programs, agricultural insurance programs, pension insurance, export credit insurance, aquatic exploitation insurance, disaster risks insurance.



200,000
EMPLOYEES

>200
BRANCHES

>700
INSURANCE OFFICES

BAOVIET PROVIDES PRODUCTS AND SERVICES FOR PEOPLE NATIONWIDE



ENVIRONMENTAL IMPACTS

Minimize impacts from waste disposal and energy consumption

With 90% of the equity portfolio, Baoviet's capital contribution focuses on core businesses of insurance - investment, finance, banking - environment-friendly industries. Therefore, the environmental impact of Baoviet is mainly through waste discharge and energy consumption at 200 branches and 700 transaction points, etc.

In order to minimize this impact, Baoviet has developed an environmental protection project at its office and was approved



by the Department of Natural Resources and Environment. This project includes the analysis of sources of waste potentially harmful to the environment, Baoviet also conducts quarterly environmental monitoring reports at Baoviet's office building and solutions. to reduce pollution.





SOCIAL IMPACTS

Baoviet always focuses on fulfilling community development goals because a healthy, safe and wealthy community is a critical condition for enterprises in insurance and financial services can be developed and be able to serve the community in long term.



Create jobs

With operations throughout the country, Baoviet contributes to creating jobs for local people. At the same time, the sustainable development orientations of Baoviet, when deployed to units and implemented by officials, will create a spillover effect throughout the

community.

Share the burden with the uncertainties of customers' health and property

With a base of more than 17 million customers, Baoviet offers a wide range of insurance and financial products, giving customers peace of mind against life risks. In addition, micro insurance products are still deployed by Baoviet every year to help low-income customers, in rural areas, have access to insurance services for life and production activities. , Agriculture.

Join hands for community development

Up to now, Baoviet has invested nearly VND 400 billion for social security activities, focusing on poverty reduction for people in difficult areas; invest in building schools and scholarship programs for poor studious children. With practical action, Baoviet wishes to join hands with the business community, ministries and sectors to actively implement the national target program on sustainable poverty reduction in the period of 2016 - 2020, completing the targets set by the National Government. association.

ENGAGING BUSINESS WITH SDGS





“ Environmental issues are included by Baoviet in the exchange contents related to sustainable development and evaluated based on the level of interest of the parties. As an enterprise operating in the financial services sector, the direct impacts on the environment during Baoviet’s operation are negligible. However, we understand that monitoring the use of energy and natural resources, applying technology to reduce environmental impact, and implementing climate change response activities are actions. It is a small but essential action to help green business activities and protect the community’s general environment.”

In our business operations, Baoviet understands that balancing and reducing the direct and indirect energy consumption will help reducing environmental impacts. In term of energy consumption in Baoviet buildings, we applied BMS (Building Management System) and enhanced the internal communication to raise the awareness of environmental protection among employees.

We believe that the Sustainable Development Goals (SDGs) will become easier to be achieved when our stakeholders, especially stakeholders in Baoviet’s value chain, together join hand in engaging SDGs to business operation. Therefore, we can reduce the consumption of energy resources, raise the awareness and contribute to environmental protection.

SOLUTIONS FOR SUPERVISING AND CONTROLLING ENERGY CONSUMPTION



“ Understanding the impacts of climate change and human activities on the environment, Baoviet has increased internal communication to raise employees’ awareness of environmental protection through savings energy consumption at headquarters and branches. In addition, we also invest in the application of information technology, in order to digitize business transactions, reduce paper waste into the environment.”

In order to monitor and use energy, in addition to raise employees’ awareness, Baoviet determined that the application of advanced technology solutions will be an energy-saving support tool. Baoviet Building have applied and promoted the performance of the BMS (Building Management System), which is a synchronous system that allows the control and management of all technical systems in the building such as electrical systems, water supply systems, air-conditioning, ventilation, environmental warnings, security, fire alarm - fire protection, etc., ensuring the correct and timely operation of the equipment in the building.

In terms of working space, all offices in Baoviet have proper windows and sunshades to be ventilated with natural sunlight, limit exposure to ultra-violet radiation, and against heat loss during air-conditioning.

When renovating the offices, Baoviet requested construction companies to provide solutions to limit control the indoor temperature increase caused by the greenhouse effect when there are huge pane of glass windows.

In 2020, Baoviet continues to maintain the Consulting Contract for technical operation inspection and building management services with VNPT Building Management and Operation Joint Stock Company (PMC) - a professional building management operator. Quarterly, PMC consulting unit will conduct field inspection and make a detailed advisory report on the operation of technical systems and building management services to make recommendations to help Baoviet to optimize the operation, save energy, minimize the risk of equipment failure, reduce replacement and repair costs thereby extending the life of the Building.

Solutions for energy saving in operation

1. Organizing management and rational operation according to demands;
2. Setting the maintenance mode for the entire system after being used;
3. Regularly cleaning all heat exchangers, especially air-cooled condensers that avoid dust which will reduce the capacity of the devices;
4. Ensuring the quality of soft water for water chiller systems;
5. Maintaining and repairing damage in time to avoid energy loss for the system;
6. Hiring professional employees to manage and operate air-conditioning and ventilation systems in buildings, bringing high efficiency in energy saving.

SOLUTIONS FOR WASTE RESOURCES AT WORKPLACE

In 2020, Baoviet Holdings has implemented a number of solutions at its headquarter buildings, including:

1. Supplementing the post-treatment wastewater disinfection system for the system as well as microbiological culture for aerobic tanks to improve the aerobic treatment process;
2. Disinfecting water with chlorine before discharging it into the environment;
3. Cleaning the water tank to ensure clean water supply for the buildings;
4. Installing a system to measure the amount of wastewater discharged in two buildings 71 Ngo Sy Lien and 72 Tran Hung Dao, Hanoi to control the amount of waste water from the buildings;
5. Making quarterly waste water analysis of buildings for timely solutions in case of indicators exceeding the prescribed standards.

“ In addition, Baoviet’s environmental protection scheme [approved by Department of Natural Resources and Environment in 2020] continues to be implemented in Baoviet’s buildings. This project includes contents related to solutions to minimize pollution of waste water sources through the addition of probiotics, cleaning of drainage systems to ensure clean ventilation; periodic inspection of wastewater treatment systems, wastewater collection and drainage systems to avoid clogging of waste streams.”

ENGAGING BUSINESS WITH SDGs

ENVIRONMENTAL COMPLIANCE



COMPLIANCE WITH LAWS AND ENVIRONMENTAL REGULATIONS

In 2020, Baoviet Holdings and its subsidiaries, hardly recorded any records / notices related to violations of environmental laws and regulations. The confirmation of no violations is also based on the information of data from the audit results [no record of fines] and the information recorded from the monitoring system of regulation compliance.

PERIODIC QUALITY CONTROL OF WASTEWATER

In 2020, Baoviet Holdings installed a wastewater measuring system in two buildings 71 Ngo Sy Lien and 72 Tran Hung Dao, Hanoi to control the flow of waste water into the environment from the buildings. At the same time, Baoviet Holdings also conducts quarterly waste water analysis so that it can take timely solutions if the indicators exceed the prescribed standards.

Environmental monitoring reports at 71 Ngo Sy Lien and 72 Tran Hung Dao, Hanoi, 2017-2018 are based on the following legal terms:

1. Vietnamese Law No. 72/2020/QH14 on Environmental Protection 2020;
2. Vietnamese standards and regulations, 1998 up to now;
3. Units participating in monitoring certification of results have VIMCERTS 006 certificate of environmental monitoring;
4. Units participating in monitoring and certification result of the Vilas Certificate number 372.



EVALUATION OF MONITORING RESULTS AND RECOMMENDATIONS OF THE INSPECTION COMMITTEE

In addition to the monitoring results on waste water, the inspection team also checked more on environmental factors such as toxic gases, dust concentration in the workplace. Through the results of the actual situation survey and analytical measurements in the work area and around the building site, based on the monitoring reports of 2018-2020, the inspection team made specific comments as follows:

1.

TOXIC GAS: Values of toxic gases at the inspection sites in the working area and around the unit are within the permitted limits according to TC 3733-2002 / BYT-QD, QCVN 05: 2013 / BTNMT.

DUST LEVEL: The value of dust concentration at the inspection sites in the working area and around the unit is within the permissible limits according to TC 3733-2002 / BYT-QD and QCVN 05: 2013/BTNMT.

2.

WATER ENVIRONMENT: Domestic wastewater: The value of the analyzed criteria in the wastewater sample at the unit is within the permitted limits according to QCVN 14: 2008/ BTNMT, column B.

3.

RECOMMENDATION: Proposing to maintain the control system, minimize the impact to ensure environmental quality according to the regulations.

“ In addition to environmental protection and protection activities carried out by individual businesses, Baoviet also cooperates with suppliers to implement environmental protection measures in a more systematic and professional way. . In 2020, Baoviet Group has invested over 2 billion dongs to sign contracts for monitoring, collection, transportation, waste treatment and system maintenance contracts to ensure occupational safety and use. power efficiency. Contracts with environmental suppliers are carried out annually by Baoviet and will continue to expand in the following years.”

ENGAGING BUSINESS WITH SDGs

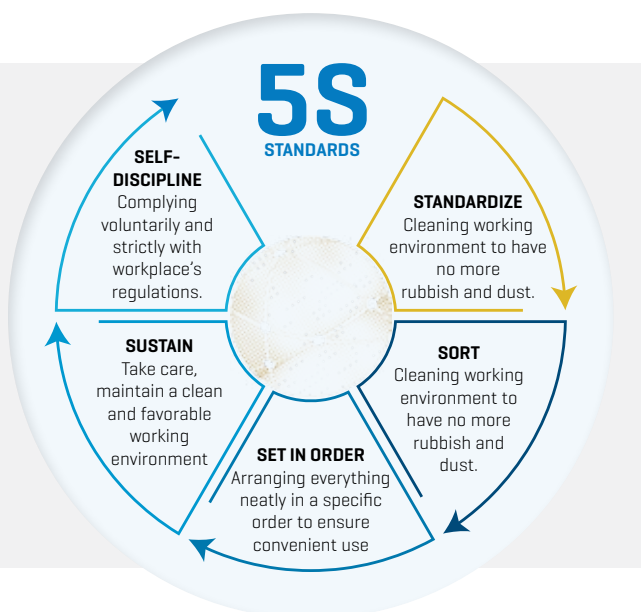
ENGAGING EMPLOYEES IN GREENIZING BUSINESS ACTIVITIES

PROMOTING 5S STANDARDS IN WORKING ENVIRONMENT



With the view to bring a healthy, clean, airy and convenient working environment, thereby bringing comfort to employees, increasing labor productivity and applying an effective management system. In 2020, Baoviet Holdings promoted the 5S standards in the working environment by establishing the annual 5S Monitoring Team, evaluating the implementation process and progress in document management, work space arrangement and stationery recycling activities.

The successful and periodic implementation of the 5S program will bring about miraculous change. Unnecessary things will be removed from the workplace, necessary items are neatly and tidy, placed in convenient locations for users, machinery and equipment become clean and protected. maintenance and preservation. From 5S activities, it will enhance the collective spirit, encourage the harmony of everyone, through which employees will have a more positive attitude, be more responsible and more aware of their work.



BUILD A PROFESSIONAL WORKING ENVIRONMENT

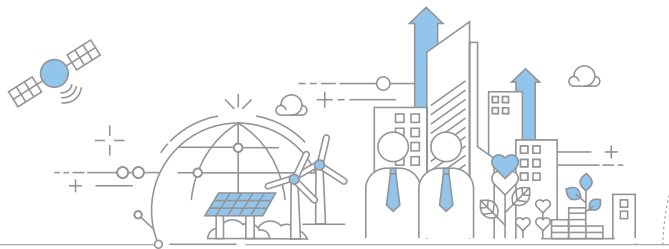


DEPLOYING A WORK QUALITY ASSESSMENT SYSTEM BASED ON WORK PERFORMANCE AND CLOSELY LINKED, BASED ON BAOVIET'S VISION, CODE OF ETHICS, PROFESSIONAL ETHICS AND CULTURAL CHARACTERISTICS.



EVENTS AND ACTIVITIES OF BAOVIET'S SUSTAINABLE DEVELOPMENT

LOCAL COMMUNITY



1. INVEST IN EDUCATION AND THE YOUNG GENERATION

☞☞ Baoviet defines investment in education as an investment for the future and a fundamental investment. Therefore, over the years, Baoviet has prioritized budget for educational development activities such as school donation, scholarships for excellent students, building schools, sponsoring learning tools, giving gifts and scholarships to disadvantaged children. ☞☞

DONATING **1,880** BICYCLES TO POOR
AND STUDIOUS STUDENTS



To **"Protect Vietnamese benefits - Protect Vietnamese future,"** in 2020, Baoviet Life continues to award students bicycle scholarships for 1,880 poor and studious students in 27 provinces and cities across the country: Gia Lai, Nghe An, Bac Ninh, Dong Nai, Thai Nguyen, Quang Tri, Tay Ninh, Thua Thien Hue, is a regular activity. Baoviet Life has persistently implemented this annual event for many years. It has awarded 26,000 scholarships to disadvantaged children to encourage them to continue on the path of academic success, grow up to become valuable citizens and build a more prosperous and more beautiful homeland.





THE HEART JOURNEY - “ACCOMPANYING STUDENTS TO SCHOOL”



It is an annual event that the Baoviet Insurance Corporation organizes a new school year ceremony to support students with difficult circumstances who have to go through many deprivations and struggles to study every day.

In 2020, the Trade Union of Baoviet Insurance Corporation cooperated with the Youth Union to implement the program “Baoviet accompanies students to school” at Secondary School & High School Vu Mun, Bac Kan.

In the new school year, on 5 September, Representative of Leaders of Baoviet Insurance, Trade Union, Youth Union and BaoViet for the Community club and leaders of Baoviet Bac Kan Company attended the opening ceremony and presented gifts worth 75 million VND to teachers and students in Vu Mun Secondary school and High school in Bach Thong district, Bac Kan, including 20 bicycles, 50 sets of stationeries, sports equipment, water purifier,... Baoviet hope to share and fulfill our commitment with the community and society.

SPRING DAY 2020 – BAOVIET INSURANCE GIVES GIFTS TO THE DISADVANTAGED PATIENTS AT HANOI HEART HOSPITAL



Representative of the Corporation’s Board of Directors –
Mr. **Do Hoang Phuong** shared:

“These gifts are the hearts of Baoviet Insurance employees who want to send them to the patients, hope to be the motivation for patients to overcome diseases and return to a peaceful life soon”


On February 7, 2020, the Trade Union and Baoviet Insurance Youth Union cooperated with Hanoi Heart Hospital to organize a charity gift-giving program for patients who have difficult circumstances are staying for medical examination. As a result, more than 50 gifts have been delivered to the patient’s family. Thus, it is not only a gift to wish peace at the beginning of the new year, but partly shared the difficulties with patients their families.

This is also a volunteer program held annually by Baoviet Insurance to accompany social security activities, contributing to supporting families/individuals in needy circumstances.

EVENTS AND ACTIVITIES OF BAOVIET'S SUSTAINABLE DEVELOPMENT

LOCAL
COMMUNITY

2. — POVERTY ALLEVIATION AND HEALTH SUPPORT

With a view to reducing the disproportionate development between urban and rural areas due to the impact of the economy, Baoviet invests in infrastructure, builds health stations, schools, and houses for people in difficult provinces, helping them feel secure to work and continue to support themselves and their families. In addition to the campaign to eliminate hunger and reduce poverty in regions such as Nghe An, Quang Tri, Thai Nguyen, Quang Binh, Tay Ninh, Phu Tho, etc. Baoviet will continue to implement social security activities according to Resolution 30a/2008/NQ-CP on the Government's program prompt and sustainable poverty reduction support for 61 poor districts. 

SUPPORT 2,500 POOR HOUSEHOLDS TO RECEIVE A FREE MEDICAL EXAMINATION



With the desire to contribute to improving the quality of Life for Vietnamese, In 2020, Baoviet Life's "Green Journey - Golden Heart" program reached five provinces embedding: Dong Nai, Gia Lai, Hai Phong, Bac Ninh and Nghe An. The program is accompanied by the doctors from central hospitals, free medical examination, and sharing about protecting and staying healthy for more than 2,500 poor households.

Baoviet Life's "Green journey" not only mobilizes the dedicated participation of more than 200,000 "Golden Hearts" - volunteers, consultants Baoviet Life, but also call for joining hands to contribute the team of dedicated doctors and nurses from central hospitals to coordinate medical examination for free, helping people to detect diseases and raise awareness of disease prevention.

SHARING THE SPIRIT OF YOGA TO MORE THAN 5,000 PEOPLE, RAISING AWARENESS OF HEALTH PROTECTION



2020 is a year of many changes for people worldwide, including Vietnam, because the disease has had a significant impact on society's life and health. To raise awareness of people in proactively protecting the health of themselves and their families, in 2020, Baoviet Life continued to coordinate with the Embassy of India to organize International Yoga Day. Through the theme "YOGA - Refresh your life," Yoga for a New Beginning, Baoviet Life wishes to spread the message of mastery living, optimistic about being ready to face all challenges. More than 5,000 people love Yoga at Vinh Phuc, Quang Ninh, Phu Yen, ... have joined Baoviet Life as ambassadors to spread the spirit and positive energy, ready to deal with the epidemic. The program is organized to ensure room regulations anti-epidemic, safe for participants.

TÀI CHÍNH TẶNG NGAY **CHUNG TAY VƯỢT DỊCH** **BẢO VỆ TRƯỚC COVID-19**



BAOVIET SUPPORT 20 MILLION VND/POSITIVE CASE OF SARS-COV-2 FOR 1 MILLION VIETNAMESE CITIZENS

In March 2020, respiratory infection [Covid-19] became a hazard for the world in general and Vietnam, remarkably when the number of infected people is increasing rapidly. Witnessing the complicated developments of the Covid-19 epidemic, Baoviet officially launches the program “FINANCIAL GIFT NOW - OVERCOME THE PANDEMIC TOGETHER” to join hands with society to prevent and reverse the pandemic. Accordingly, Baoviet has issued a policy of financial support 20 million VND/Covid-19 infected person for the first million Vietnamese citizens who registered to participate in this program.

In addition, Baoviet Life also announced a particular policy, paying 200% of benefits providing regular hospital fees to customers infected with Covid-19. Moreover, reduce waiting time all when customers are hospitalized, seriously ill or dies by Covid-19.

EVENTS AND ACTIVITIES OF BAOVIET'S SUSTAINABLE DEVELOPMENT

LOCAL COMMUNITY

"BAOVIET - FOR YOUR BELIEFS" BLOOD DONATION: 2,700 BLOOD UNITS HAVE BEEN DONATED

On December 11, 2020, Baoviet Group collaboration with the National Institute of Hematology and Blood Transfusion held for hundreds of employees and consultants participating in the 7th voluntary blood donation "Baoviet - For your beliefs" in Hanoi.



With the spirit of "Every drop of blood given, a life remains," Baoviet understands that it is crucial to blood donation for patients. On 11/12/2020, 300 units of precious blood contributed to the program "Baoviet - For your beliefs".

Since 2013, Baoviet's voluntary blood donation program has been organized to motivate more confidence and optimism to patients in need of blood transfusion. As a result, the program received the enthusiastic support of Baoviet's employees and consultants, showing the kindness and responsibility of individual to the community. So far, the voluntary blood donation program "Baoviet - For your beliefs" has contributed 2,700 blood units, contributing to the community in a timely supply of blood, bringing life to many patients.

Deploying during the pandemic, the blood donation process is strictly controlled. Staff and consultants donate blood are required to have health declaration, blood pressure measurement, check suitability for blood donation, and take safety measures during the Covid-19 pandemic.

BUILDING CHARITY HOUSES IN KIEN GIANG AND HA GIANG

In 2020, Baoviet Insurance Corporation's Trade Union cooperates with Baoviet Group's Trade Union to join hands to bring "home" for families with difficult circumstances.



Located far from the center of the commune, the roads are challenging to travel, two houses in Thong Nhat hamlet, Quang Minh commune, Bac Quang district, Ha Giang province and Vinh Hung Hamlet, Hoa Chanh commune, U Minh Thuong, Kien Giang in dilapidated, damaged, badly degraded condition, members in that families need to face with challenges every day. Therefore, promoting the wonderful tradition of "Drink water, remember the source" of the Vietnamese people, the Trade Union of Baoviet Insurance Corporation has contributed to build 02 houses for 02 households with difficult circumstances as above with the total support for building homes is 130,000,000 VND.

Thereby, Baoviet Kien Giang & Baoviet Ha Giang had coordinated with local authorities to organize the construction, quality assurance supervision and use of support funds for the proper purposes and transparency.

3. — OVERCOMING THE CONSEQUENCES OF NATURAL DISASTERS AND THE ENVIRONMENT

“ Recently, due to the impact of climate change, natural disasters have become more extreme and have left heavy consequences for humans and the environment. Therefore, it is well aware of its role as an economic driver and as a pioneer, enterprise to ensure the peace and development of the community.”

BAOVIET INSURANCE RELIEF TEAM CROSSED THE SEA AND ENTERED THE “FLOOD NAVEL” AREA TO GIVE ESSENTIAL ITEMS TO PEOPLE IN THE CENTRAL REGION.



Witnessing the “gut” of the Central region suffered a lot of loss of people and property after the flood. Not to be outdone, Baoviet Insurance quickly brought a relief truck from the Corporation [Hanoi] directly to the three most affected central provinces in the country [Ha Tinh, Quang Binh, Quang Ninh] to promptly hand over the essential items to the people.



From October 21, 2020, Baoviet Ha Tinh, Baoviet Quang Binh, and Baoviet Quang Tri companies have quickly and promptly carried out relief work. In the immense sea of Central Vietnam, the delegations did not hesitate to sail and wade to each household to hand over practical gifts, including 1610 life jackets and 1730 raincoats, bottled drinking water, food and many other necessities.

However, the Baoviet Central Company also upholds the spirit of “The leaves protect tattered ones ” by actively moving to neighboring provinces and coordinating with the Company. The local Baoviet gave a meaningful gift of relief to the local people. At the same time, from the Corporation and its member companies, the whole system has simultaneously called for cash donations of at least one day’s salary in the hope of partly sharing difficulties, helping people stabilize their lives soon. after the disaster.

SUPPORT 4 CENTRAL PROVINCES TO OVERCOME THE CONSEQUENCES OF FLOOD DISASTER



At the end of October 2020, storms from the East Sea continuously landed in the Central region, causing significant damage to people and properties, leaving 192 dead and 57 missings, 1,531 houses collapsed; 239,340 homes were damaged, their roofs were blown off, and more than 473,450 turns of places were flooded. “Leaving no one behind,” Baoviet Life Corporation quickly coordinated with authorities at four provinces of Ha Tinh, Quang Tri, Quang Binh and Thua Thien Hue to present gifts to families are severely affected by floods and storms.

At the same time, Baoviet Life’s staff and consultants in 76 provinces/cities also volunteered to support at least one day’s salary to share the loss and pain with people in “flooded” areas. “contributing to help people overcome the consequences and soon stabilize their lives.

EVENTS AND ACTIVITIES OF BAOVIET'S SUSTAINABLE DEVELOPMENT

LOCAL
COMMUNITY

BAOVIET'S STAFF PLANTED

2.500



TREES IN THE CAMPAIGN

GREEN VIETNAM JOURNEY



On January 7, at Nghinh Lương Đình (Hue City, Thua Thien - Hue), Baoviet Life Corporation, in collaboration with the Department of Agriculture and Rural Development of Thua Thien - Hue province, held a ceremony to launch the campaign "Onion action" green Vietnam in response to the call of Prime Minister Nguyen Xuan Phuc "Plant 1 billion trees for Vietnam".

After the launching ceremony, thousands of volunteers from Baoviet Life's branches in 63 provinces and cities across the country came to Phong Dien Nature Reserve (Phong Dien district) to plant 2,500 indigenous trees. The first on 5 hectares of land here. Phong Dien Nature Reserve is a conservation area with forests of high biodiversity value, voted by world conservation scientists as one of 200 ecological regions of particular importance globally. With many regions of rare fauna and flora. In addition, this area also has the function of watershed protection for the My Chanh, O Lau, and Bo Rivers...



HÀNH TRÌNH VIỆT NAM XANH

Kính tặng Khu Bảo tồn thiên nhiên Phong Điền
Tháng 1/2021



WITH THE PLANTING OF THE FIRST 2,500 INDIGENOUS TIMBER TREES HERE, BAOVIET WISHES TO JOIN HANDS TO CONTRIBUTE AND PROTECT THE PEACEFUL LIFE OF THE PEOPLE AGAINST NATURAL DISASTERS AND FLOODS, SOWING GREEN SEEDS FOR LIFE - ALSO FULFILLING THE MISSION OF PRESERVING THE FUTURE OF VIETNAM.

EVENTS AND ACTIVITIES OF BAOVIET'S SUSTAINABLE DEVELOPMENT

LOCAL COMMUNITY

4. GRATEFUL TO HEROES AND MARTYRS, FAMILIES WITH MERITORIOUS SERVICES TO THE COUNTRY

With the moral of drinking water, remember its source and When eating a fruit, be grateful to the grower. Baoviet is always thankful for the sacrifices and spirit of the soldiers who fought for the independence and freedom of the Fatherland and demonstrated by their efforts to preserve and preserve historical relics - proof of a period of heroic national struggle and forever the pride of Vietnamese generations. Therefore, the restoration and embellishment of historical relics to contribute to the gratitude of the previous generations, and at the same time, the educational activities of the country's revolutionary traditions for the following generations are also protected. Viet is interested in implementation.



GIVING GIFTS TO POLICY FAMILIES ON THE OCCASION OF WAR INVALIDS AND MARTYRS' DAY

On the occasion of the 72nd anniversary of War Invalids and Martyrs' Day on July 27, Baoviet Group's Trade Union cooperated with Mong Cai International Border Gate Border Guard Station to pay tribute to policy beneficiaries and families meritorious services to the revolution. The headland of the country. The delegation visited and gave gifts to dozens of policy families in Mong Cai, Quang Ninh, with a total value of 40 million VND. Soviet Group's Trade Union also gave gratitude gifts to policy families with children currently working in Baoviet, demonstrating our nation's principle of drinking water, remembering its source.

Actively join hands with the State in gratitude to veterans and their families with meritorious services to the Revolution, contributing to the country's social security work, with the support of the Provincial Party Committee, the People's Committee of Thai Binh province, On July 27, 2020, Baoviet Life held a groundbreaking ceremony for the construction of a detoxification center for members of the Association of Agent Orange Victims [CVD] in Thai Binh province with a total investment value of 3 billion VND, At the same time, giving gifts to the children of war invalids of Agent Orange at the Center...

5. — CORPORATE RESPONSIBILITY PLAN IN 2021



“ In 2021, the Baoviet plans to spend about VND30 billion from operating expenses and VND10 billion from profit after tax to perform social security and community support tasks. Through projects to build schools, medical stations, gratitude activities, embellish historical sites, build houses of gratitude, visit and give gifts to highland students, build kitchens and homes boarding... join hands with local communities and communities to significantly improve the living and learning conditions of local people and students.”

SUSTAINABLE DEVELOPMENT

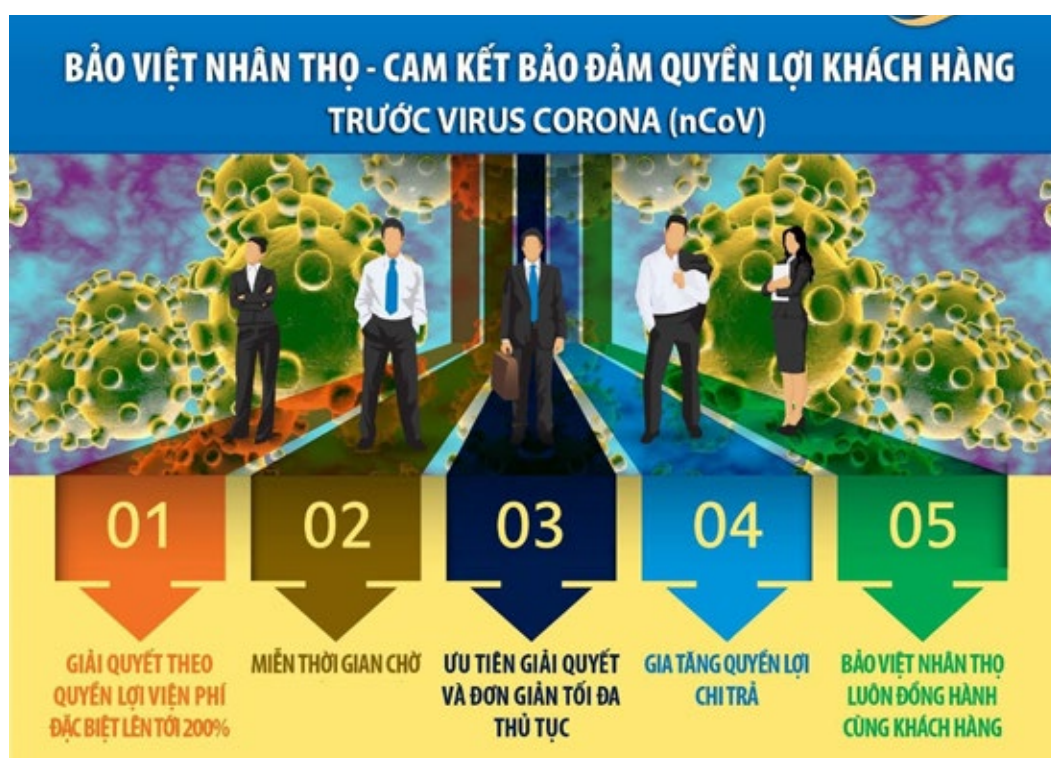
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EVENTS AND ACTIVITIES OF BAOVIET'S SUSTAINABLE DEVELOPMENT

CUSTOMERS' SAFETY AND HEALTH



BAOVIET PAYS 20 MILLION VND/CASE OF SARS-COV-2 FOR THE FIRST REGISTERED “ONE MILLION VIETNAMESE CITIZENS.”



At the beginning of 2020, the situation of acute respiratory infections caused by the SARS-COV2 virus [Covid-19] became the focus of the whole world in general, and Vietnam in particular, when the number of people infected with the virus increased day by day. In the face of complicated developments of the Covid-19 epidemic, with the goal and mission of taking care of and protecting the health of the community getting better and better, Baoviet Insurance has officially launched the program FINANCIAL DON'T - JOIN OUT I wish to join hands with society to prevent and fight the pandemic. Registration is completely free.

After only two weeks of launch, the program has registered the first 1 Million citizens with a series of positive feedback, support & received countless thanks from the community. Vietnamese, after registering, will receive a Q1 Protection Program worth VND 20 million if unfortunately infected with the SARS-COVID 2 virus.

LAUNCHED THE PRODUCT **Life Care** CANCER AND STROKE INSURANCE WITH THE HIGHEST PAYOUT IN THE MARKET



Cancer is still often called with haunting names such as “K disease,” “death sentence,” “the end” because the number of new cases and deaths from cancer every year is continuously increasing. Moreover, along with cancer, stroke is increasingly younger, even occurring very early in the 20s and 30s, raising alarm bells about proactive health care. However, with the advancement of medicine, people with cancer and stroke can completely recover if detected early and treated aggressively. Besides, scientific studies also show that a scientific and healthy lifestyle can prevent cancer and stroke early with a scientific and healthy lifestyle.

To promote the spirit of proactive living, in December 2020, Baoviet Life launched the preeminent online product LifeCare – The only integrated Cancer Insurance on the market, providing financial solutions proactive and thoughtful, spreading the meaningful message “Cancer is not for fear, but action.” The product is easy to join, has low fees, protects right from the start and covers up to 122% of the sum insured, the highest payout on the market today.

LAUNCHED **An Khoa Trang Nguyen** A SUPERIOR INSURANCE PRODUCT FOR CHILDREN



Life insurance is a solid form of protection that other financial solutions such as savings and investments cannot provide, providing financial security for your child’s future under all circumstances. To accompany parents on the journey with their children to grow up, grow up and live a happy life, Baoviet Life has researched and developed the life insurance product “An Khoa Trang Nguyen.” Together with parents, prepare the future for their children.

Not only is inheriting the preeminent benefits in children’s products of Baoviet Life, but “An Khoa Trang Nguyen” is also added with the most comprehensive and attractive new benefits for children. Children on the market, helping to accumulate and protect both children and parents in the same contract, such as extended medical care benefits for children, financial support benefits and fee waiver return of the main contract if unfortunately, the parents have a severe illness, attractive career gift benefits for all children participating in the agreement, ... Besides, “An Khoa Trang Nguyen” has a participating age ranging from 0 to 15 years old, and has the option of a short payment term of 5 years but still protected for 18 years.



6

FINANCIAL STATEMENTS

SCAN HERE



STANDARD

6

SUMMARY SEPARATE FINANCIAL STATEMENTS

BASED ON VIETNAM ACCOUNTING STANDARDS (VAS)

- 314 Summary separate balance sheet
- 316 Summary separate income statement
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*Separate Financial Statements 2020
of Baoviet Holdings are fully posted on the website.
Please scan the QR code for details.*



SUMMARY SEPARATE BALANCE SHEET

As at 31 December 2020

Currency: VND

Code	ASSETS	31 December 2020	31 December 2019
100 A.	CURRENT ASSETS	4,646,200,813,579	4,221,662,002,655
110 I.	Cash and cash equivalents	284,719,971,015	2,536,206,569,386
111 1.	Cash	34,719,971,015	2,007,706,569,386
112 2.	Cash equivalents	250,000,000,000	528,500,000,000
120 II.	Short-term investments	3,439,334,361,164	835,348,340,000
121 1.	Held-for-trading securities	55,334,361,164	55,334,361,164
122 2.	Provision for held-for-trading securities	-	[1,986,021,164]
123 3.	Held-to-maturity investments	3,384,000,000,000	782,000,000,000
130 III.	Current accounts receivable	883,262,938,147	806,606,777,194
131 1.	Short-term trade receivables	873,006,663,712	795,953,747,025
132 2.	Short-term advances to suppliers	198,791,000	661,735,640
136 3.	Other short-term receivables	10,057,483,435	9,991,294,529
150 IV.	Other current assets	38,883,543,253	43,500,316,075
151 1.	Short-term prepaid expenses	13,531,940,245	13,945,044,314
152 2.	Value-added tax deductible	24,051,688,981	24,124,624,683
153 3.	Tax and other receivables from the State	1,299,914,027	5,430,647,078
200 B.	NON-CURRENT ASSETS	13,953,916,461,231	13,997,899,824,048
220 I.	Fixed assets	628,630,158,436	696,946,985,439
221 1.	Tangible fixed assets	347,514,355,365	390,065,178,555
222	Cost	819,944,770,140	804,392,195,140
223	Accumulated depreciation	[472,430,414,775]	[414,327,016,585]
227 2.	Intangible fixed assets	281,115,803,071	306,881,806,884
228	Cost	435,221,676,501	417,183,772,501
229	Accumulated amortization	[154,105,873,430]	[110,301,965,617]
240 II.	Long-term assets in progress	308,693,071,956	284,336,380,960
242 1.	Construction in progress	308,693,071,956	284,336,380,960
250 III.	Long-term investments	12,986,897,174,058	12,949,328,228,929
251 1.	Investments in subsidiaries and BVIF	9,352,286,148,720	8,502,286,148,720
252 2.	Investments in associates and jointly controlled entity	2,138,200,000,000	2,138,200,000,000
253 3.	Investments in other entities	616,781,114,000	616,781,114,000
254 4.	Provision for long-term investments	[89,940,967,187]	[186,994,966,564]
255 5.	Held-to-maturity investments	969,570,878,525	1,879,055,932,773
260 IV.	Other long-term assets	29,696,056,781	67,288,228,720
261 1.	Long-term prepaid expenses	29,696,056,781	61,605,658,720
262 2.	Deferred tax assets	-	5,682,570,000
270	TOTAL ASSETS	18,600,117,274,810	18,219,561,826,703



SUMMARY SEPARATE BALANCE SHEET (continued)

As at 31 December 2020

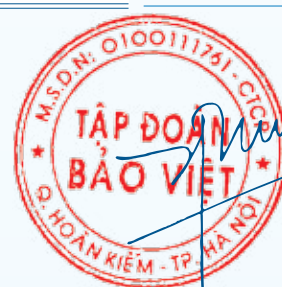
Currency: VND

Code	RESOURCES	31 December 2020	31 December 2019
300	C. LIABILITIES	404,803,491,483	396,304,283,517
310	I. Current liabilities	189,735,656,269	165,273,045,017
311	1. Short-term trade payables	4,922,606,612	11,085,065,505
312	2. Short-term advances from customers	158,685,912	158,685,912
313	3. Statutory obligations	18,423,969,606	8,778,385,576
314	4. Payables to employees	62,902,494,416	49,824,926,423
315	5. Short-term accrued expenses	6,426,007,236	6,617,996,137
319	6. Other short-term payables	79,533,349,539	73,614,039,039
322	7. Bonus and welfare fund	17,368,542,948	15,193,946,425
330	II. Non-current liabilities	215,067,835,214	231,031,238,500
338	1. Long-term loans and finance lease obligations	215,067,835,214	231,031,238,500
400	D. OWNERS' EQUITY	18,195,313,783,327	17,823,257,543,186
410	I. Owners' equity	18,195,313,783,327	17,823,257,543,186
411	1. Contributed capital	7,423,227,640,000	7,423,227,640,000
411a	- Common shares with voting rights	7,423,227,640,000	7,423,227,640,000
412	2. Share premium	7,310,458,742,807	7,310,458,742,807
418	3. Investment and development fund	890,113,816,478	727,465,816,478
421	4. Undistributed earnings	2,571,513,584,042	2,362,105,343,901
421a	- Undistributed earnings by the end of prior year	1,561,552,414,060	1,279,828,393,356
421b	- Undistributed earnings of current year	1,009,961,169,982	1,082,276,950,545
440	TOTAL LIABILITIES AND OWNERS' EQUITY	18,600,117,274,810	18,219,561,826,703

Ms. Nguyen Thi Thanh Van
Preparer

Hanoi, Vietnam
31 March 2021

Mr. Nguyen Xuan Hoa
Chief Accountant



Mr. Do Trung Minh
Chief Executive Officer

SUMMARY SEPARATE INCOME STATEMENT

For the year ended 31 December 2020

Currency: VND

Code	ITEMS	For the year ended 31 December 2020	For the year ended 31 December 2019
01	1. Revenues from operating activities	1,408,926,396,582	1,561,636,708,767
11	2. Expenses from operating activities	[164,130,649,518]	[257,213,033,885]
20	3. Gross operating profit	1,244,795,747,064	1,304,423,674,882
26	4. General and administration expenses	[178,818,005,528]	[204,889,267,571]
30	5. Operating profit	1,065,977,741,536	1,099,534,407,311
31	6. Other income	1,011,348,941	859,954,758
32	7. Other expenses	[72,345,516]	[191,414,087]
40	8. Other profit	939,003,425	668,540,671
50	9. Profit before tax	1,066,916,744,961	1,100,202,947,982
51	10. Current corporate income tax expense	[49,518,591,186]	[15,885,997,437]
52	11. Deferred income tax expense	[5,682,570,000]	-
60	12. Net profit after tax	1,011,715,583,775	1,084,316,950,545

Ms. Nguyen Thi Thanh Van
Preparer

Hanoi, Vietnam
31 March 2021

Mr. Nguyen Xuan Hoa
Chief Accountant



Mr. Do Trung Minh
Chief Executive Officer



SUMMARY SEPARATE CASH FLOW STATEMENT

For the year ended 31 December 2020

Currency: VND

Code	ITEMS	For the year ended 31 December 2020	For the year ended 31 December 2019
I.	CASH FLOWS FROM OPERATING ACTIVITIES		
01	1. Cash receipts from sales, rendering of services and other revenues	1,372,549,631,597	1,751,875,279,653
	- Proceeds from deposits interest, bonds coupons, dividends, gain from securities trading and distributed profit	1,065,847,991,080	1,430,682,841,719
	- Proceeds from other operating activities	306,701,640,517	321,192,437,934
02	2. Payments to suppliers	[140,172,291,446]	[109,043,657,350]
03	3. Payments to employees	[117,618,794,051]	[116,586,255,985]
04	4. Interest expenses	[12,508,071,470]	-
05	5. Payments of corporate income tax	[32,001,600,000]	[19,042,101,993]
06	6. Other cash inflows from operating activities	25,191,578,523	34,239,919,870
07	7. Other cash outflows for operating activities	[136,493,245,768]	[164,199,852,682]
20	Net cash flows from operating activities	958,947,207,385	1,377,243,331,513
II.	CASH FLOWS FROM INVESTING ACTIVITIES		
21	1. Purchase and construction of fixed assets and other long-term assets	[59,641,462,036]	[141,571,487,906]
22	2. Proceeds from disposals of fixed assets and other long-term assets	15,850,000	207,500,000
23	3. Loans to other entities and payments for purchase of debt instruments of other entities	[2,735,000,000,000]	[1,560,000,000,000]
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities	1,043,000,000,000	845,441,141,448
25	5. Payments for investments in other entities	[850,000,000,000]	[1,450,000,000,000]
26	6. Proceeds from sale of investments in other entities	-	19,800,000,000
30	Net cash flows used in investing activities	[2,601,625,612,036]	[2,286,122,846,458]
III.	CASH FLOWS FROM FINANCING ACTIVITIES		
31	1. Capital contribution and issuance of shares	-	4,011,741,161,610
33	2. Drawdown of borrowings	43,572,470,000	86,691,238,500
34	3. Repayments of borrowings	[59,535,873,286]	[1,360,000,000]
36	4. Dividend paid to shareholders and non-controlling interest	[592,843,450,920]	[700,031,543,900]
40	Net cash flows (used in)/from financing activities	[608,806,854,206]	3,397,040,856,210
50	Net change in cash for the year [50 = 20 + 30 + 40]	[2,251,485,258,857]	2,488,161,341,265
60	Cash and cash equivalents at the beginning of the year	2,536,206,569,386	48,041,832,242
61	Impact of exchange rate fluctuation	[1,339,514]	3,395,879
70	Cash and cash equivalents at the end of the year	284,719,971,015	2,536,206,569,386



Ms. Nguyen Thi Thanh Van
Preparer



Mr. Nguyen Xuan Hoa
Chief Accountant



Mr. Do Trung Minh
Chief Executive Officer

Hanoi, Vietnam
31 March 2021

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CONSOLIDATED FINANCIAL STATEMENTS

BASED ON VIETNAM ACCOUNTING STANDARDS (VAS)

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*Consolidated Financial Statements 2020
of Baoviet Holdings are fully posted on the website.
Please scan the QR code for details.*



THE HOLDINGS

Bao Viet Holdings [herein referred to as “the Holdings”] was previously a state-owned company that was equitized and became a joint stock company pursuant to Business Registration Certificate granted by the Hanoi Authority for Planning and Investment on 15 October 2007. The Business Registration Certificate of the Holdings was subsequently modified thirteen times with the thirteenth amendment on 9 January 2020.

The Holdings’ entire shares are listed on Ho Chi Minh Stock Exchange [HOSE].

Below is a summary of information extracted from the thirteenth amended Business Registration Certificate:

Business Registration Certificate Number:	0100111761
Registered company name:	Bao Viet Holdings
Head Office’s address:	No. 72, Tran Hung Dao street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi
Operating activities:	Equity investments in subsidiaries and associates; financial services and other related services under Vietnamese Laws; real estate business; IT services and other computer related services; educational support services and other activities according to Business Registration Certificate
Charter capital:	VND 7,423,227,640,000
Number of registered shares:	742,322,764 shares
Founding shareholders:	The Ministry of Finance, State Capital Investment Corporation [“SCIC”], HSBC Insurance [Asia Pacific] Holdings Limited
Legal representative:	Mr. Do Truong Minh - Chief Executive Officer

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Dao Dinh Thi	Chairman	Appointed on 23 December 2014
Mr. Do Truong Minh	Member	Appointed on 27 June 2018
Ms. Than Hien Anh	Member	Appointed on 23 December 2014
Ms. Tran Thi Dieu Hang	Member	Appointed on 27 June 2018
Mr. Nguyen Xuan Viet	Member	Appointed on 27 June 2018
Mr. Teruo Shimmen	Member	Appointed on 29 June 2019
Mr. Nguyen Dinh An	Member	Appointed on 29 June 2020
Mr. Nguyen Minh Hoang	Member	Resigned on 19 February 2020
Mr. Kenji Yoneda	Member	Resigned on 29 June 2021

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr. Ong Tien Hung	Head of Board of Supervision	Appointed on 29 June 2019
Mr. Vu Thanh Hai	Supervision	Appointed on 29 November 2012
Mr. Dinh Hoai Linh	Supervision	Appointed on 29 June 2019
Ms. Tran Thi Phuong	Supervision	Appointed on 29 June 2021
		Resigned on 29 June 2021

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr. Do Truong Minh	Chief Executive Officer	Appointed on 27 June 2018
Mr. Nguyen Anh Tuan	Chief Operating Officer	Appointed on 28 November 2016 Relieved of duty on 19 March 2020
Mr. Nguyen Minh Hoang	Chief Strategy and Investment Officer	Appointed on 01 September 2015 Resigned on 21 February 2020
Mr. Pham Ngoc Tu	Deputy in charge Chief Financial Officer	Appointed on 19 May 2015 Relieved of duty on 19 March 2020
Mr. Nguyen Xuan Hoa	Chief Accountant	Appointed on 13 January 2016

LEGAL REPRESENTATIVE

The legal representative of the Holdings at the date of this report is Mr. Do Truong Minh - Chief Executive Officer.

AUDITORS

The auditors of the Holdings are Ernst & Young Vietnam Limited.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of the Holdings is pleased to present this report and approve the consolidated financial statements of the Holdings and its subsidiaries ["the Group"] for the year ended 31 December 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management of the Holdings ["Management"] is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements. These consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the Board of Directors:



Mr. Dao Dinh Thi
Chairman

Hanoi, Vietnam
27 August 2021

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Bao Viet Holdings

We have audited the accompanying consolidated financial statements of Bao Viet Holdings and its subsidiaries (collectively referred to as "the Group") as prepared on 27 August 2021 and set out on pages 323 to 409, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's Responsibility

Management of Bao Viet Holdings is responsible for the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to ensure that the preparation and presentation of the consolidated financial statements are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

ERNST & YOUNG VIETNAM LIMITED

Trinh Hoang Anh

Deputy General Director
Audit Practising Registration
Certificate No. 2071-2018-004-1

Nguyen Van Trung

Auditor
Audit Practising Registration
Certificate No. 2071-2018-004-1

Hanoi, Vietnam
27 August 2021

CONSOLIDATED BALANCE SHEET

as at 31 December 2020

B01-DN/HN

Currency: VND

Code	ASSETS	Notes	31 December 2020	31 December 2019
100	A. CURRENT ASSETS		91,841,581,344,776	79,755,413,497,351
110	I. Cash and cash equivalents	5	6,780,742,363,756	4,742,602,123,821
111	1. Cash		643,642,363,751	3,543,802,123,821
112	2. Cash equivalents		6,137,100,000,005	1,198,800,000,000
120	II. Short-term investments		73,718,143,604,394	63,081,067,015,771
121	1. Held-for-trading securities	14.1	2,449,645,175,350	2,831,287,386,102
122	2. Provision for held-for-trading securities	14.1	[156,221,229,549]	[262,206,190,001]
123	3. Held-to-maturity investments	14.2	71,424,719,658,593	60,511,985,819,670
130	III. Current accounts receivables	6.1	8,299,283,030,486	8,066,123,022,982
131	1. Short-term trade receivables		6,147,086,149,110	6,577,734,150,730
131.1	1.1 Receivables from insurance activities		1,754,864,348,632	2,745,438,129,380
131.2	1.2 Receivables from investment activities		4,392,221,800,478	3,832,296,021,350
132	2. Short-term advances to suppliers		63,469,950,921	51,656,014,873
135	3. Short-term loan receivables		2,238,592,447,282	1,547,244,188,647
136	4. Other short-term receivables		270,591,778,388	286,158,420,320
137	5. Provision for doubtful short-term receivables		[420,627,400,900]	[396,839,857,273]
139	6. Shortage of assets waiting for resolution		170,105,685	170,105,685
140	IV. Inventories	7	124,433,087,390	126,357,485,890
150	V. Other current assets		672,283,091,006	697,888,873,774
151	1. Short-term prepaid expenses		634,419,485,710	649,777,273,875
151.1	1.1 Unallocated commission expenses	8	600,397,009,237	616,715,897,763
151.2	1.2 Other short-term prepaid expenses	9	34,022,476,473	33,061,376,112
152	2. VAT deductible		24,620,422,132	26,054,243,448
153	3. Tax and other statutory receivables		3,512,662,035	5,535,648,167
155	4. Other current assets		9,730,521,129	16,521,708,284
190	VI. Reinsurance assets		2,246,696,167,744	3,041,374,975,113
191	1. Reinsurance assets from unearned premium reserves	24	1,059,460,785,355	1,701,325,224,944
192	2. Reinsurance assets from claim reserves	24	1,187,235,382,389	1,340,049,750,169

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2020

B01-DN/HN

Currency: VND

Code	ASSETS	Notes	31 December 2020	31 December 2019
200	B. NON-CURRENT ASSETS		54,571,219,473,584	48,482,824,687,136
210	I. Long-term receivables	6.2	70,801,065,457	63,160,764,211
216	1. Other long-term receivables		70,801,065,457	63,160,764,211
220	II. Fixed assets		1,788,655,050,662	1,898,098,756,584
221	1. Tangible fixed assets	10	859,647,804,853	920,311,593,615
222	Cost		2,316,960,202,591	2,255,435,055,545
223	Accumulated depreciation		[1,457,312,397,738]	[1,335,123,461,930]
227	2. Intangible fixed assets	11	929,007,245,809	977,787,162,969
228	Cost		1,430,463,210,802	1,410,639,526,802
229	Accumulated amortization		[501,455,964,993]	[432,852,363,833]
230	III. Investment properties	12	45,388,992,000	45,388,992,000
240	IV. Long-term assets in progress		561,928,499,811	444,112,950,657
242	1. Construction in progress	13	561,928,499,811	444,112,950,657
250	V. Long-term investments		51,874,244,925,437	45,679,482,507,955
252	1. Investments in associates and jointly controlled entity	14.3.1	2,880,436,188,476	2,848,523,110,118
253	2. Investments in other entities	14.3.2	1,042,701,268,763	928,533,355,221
254	3. Provision for long-term investments	14.3.2	[120,753,192,331]	[211,419,119,641]
255	4. Held-to-maturity investments	14.2	48,071,860,660,529	42,113,845,162,257
260	VI. Other long-term assets		230,200,940,217	352,580,715,729
261	1. Long-term prepaid expenses	9	202,692,782,843	293,684,307,605
262	2. Deferred tax assets	16.2.1	12,137,474,250	43,189,496,624
268	3. Other long-term assets		15,370,683,124	15,706,911,500
270	TOTAL ASSETS		146,412,800,818,360	128,238,238,184,487



CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2020

B01-DN/HN

Currency: VND

Code	RESOURCES	Notes	31 December 2020	31 December 2019
300	C. LIABILITIES		125,591,034,777,516	108,335,629,665,873
310	I. Current liabilities		19,747,437,592,781	20,707,174,565,073
311	1. Short-term trade payables	15	2,710,675,408,406	3,294,031,479,343
311.1	1.1 Insurance activities payables		2,651,844,948,296	3,248,053,120,718
311.2	1.2 Other payables for financial activities		4,024,930,000	7,862,957,608
311.3	1.3 Payables to suppliers and service providers		54,805,530,110	38,115,401,017
312	2. Short-term advances from customers		14,895,367,272	7,152,477,309
313	3. Statutory obligations	16	122,177,355,612	49,605,595,640
314	4. Payables to employees		855,435,551,317	814,664,633,846
315	5. Short-term accrued expenses		52,220,043,380	64,033,683,035
318	6. Short-term unearned revenue	17	230,592,057,618	203,667,569,263
318.1	7. Unearned commission revenue	18.1	87,737,943,073	157,084,170,856
319	8. Other short-term payables	19	939,865,915,372	486,461,542,047
320	9. Short-term borrowings	20	895,634,463,715	106,634,758,994
322	10. Bonus and welfare fund	21	154,253,870,948	129,409,885,270
324	11. Payables under bond repo contracts	22	13,683,949,616,068	15,394,428,769,470
330	II. Non-current liabilities		105,843,597,184,735	87,628,455,100,800
337	1. Other long-term liabilities	23	251,591,787,491	222,451,750,720
338	2. Long-term borrowings	20	316,542,417,119	633,298,261,127
341	3. Deferred tax liabilities	16.2.2	5,101,265,074	110,927,382
344	4. Statutory insurance reserves	24	105,270,361,715,051	86,772,594,161,571
344.1	4.1 Mathematical reserve		93,090,719,199,763	75,546,683,412,605
344.2	4.2 Unearned premium reserve		4,970,615,412,207	5,269,286,082,060
344.3	4.3 Claims reserve		2,575,753,599,129	2,918,681,311,275
344.4	4.4 Dividend reserve		1,935,346,562,096	1,813,623,023,450
344.5	4.5 Reserve for guaranteed interest rate		2,547,998,489,076	1,128,629,366,429
344.6	4.6 Equalization reserve		133,720,703,795	95,648,400,780
344.7	4.7 Catastrophe reserve		16,207,748,985	42,564,972

CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2020

B01-DN/HN

Currency: VND

Code	RESOURCES	Notes	31 December 2020	31 December 2019
400	D. OWNERS' EQUITY		20,821,766,040,844	19,902,608,518,614
410	I. Capital	25	20,821,766,040,844	19,902,608,518,614
411	1. Contributed charter capital		7,423,227,640,000	7,423,227,640,000
411a	- Common shares with voting rights		7,423,227,640,000	7,423,227,640,000
412	2. Share premium		7,310,458,742,807	7,310,458,742,807
417	3. Foreign exchange differences reserve		15,445,192,000	15,445,192,000
418	4. Investment and development fund and financial reserves		967,358,385,620	801,321,408,999
420	5. Other funds belonging to owners' equity		103,568,802,818	103,568,802,818
421	6. Undistributed earnings		3,723,310,113,726	3,037,187,232,453
421a	- Undistributed earnings by the end of prior year		2,186,864,003,123	1,912,595,219,719
421b	- Undistributed earnings of current year		1,536,446,110,603	1,124,592,012,734
423	7. Statutory reserves for insurance operations		523,523,906,834	476,227,833,633
429	8. Non-controlling interests		754,873,257,039	735,171,665,904
440	TOTAL LIABILITIES AND OWNERS' EQUITY		146,412,800,818,360	128,238,238,184,487

Mrs. Nguyen Thi Thanh Van
Preparer

Hanoi, Vietnam
27 August 2021

Mr. Nguyen Xuan Hoa
Chief Accountant



Mr. Do Trung Minh
Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

as at 31 December 2020

B02-DN/HN

Currency: VND

Code	ITEMS	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
01	Insurance premium (01 = 02 + 03 + 04)		38,204,891,722,825	35,814,544,336,644
02	Direct written premium	26.1	37,727,000,410,986	35,748,172,611,052
03	Reinsurance premium assumed	26.2	179,220,641,986	228,918,252,103
04	Decrease/(Increase) in gross unearned premium reserve		298,670,669,853	[162,546,526,511]
05	Reinsurance premium ceded (05 = 06 + 07)		[4,761,215,263,679]	[3,084,209,111,942]
06	Reinsurance premium ceded	27	[4,119,350,824,090]	[3,374,388,930,705]
07	[Decrease]/Increase in ceded unearned premium reserve		[641,864,439,589]	290,179,818,763
08	Net insurance premium (08 = 01 + 05)		33,443,676,459,146	32,730,335,224,702
09	Commission on reinsurance ceded and other insurance income		1,080,367,825,398	578,800,862,478
15	Total net revenue from insurance business (15 = 08 + 09)		34,524,044,284,544	33,309,136,087,180
16	Claim and maturity payment expenses	28.1	[12,800,823,934,349]	[13,994,053,438,788]
17	Claim expenses for reinsurance assumed	28.2	[132,653,130,239]	[239,973,867,981]
18	Deductions (18 = 19 + 20)		3,179,894,839	4,092,472,480
19	Subrogation recoveries		1,561,404,451	3,236,476,683
20	Salvages		1,618,490,388	855,995,797
21	Recoveries from reinsurance ceded	28.3	2,158,008,670,719	2,338,609,076,623
22	Increase in insurance reserves (22 = 23 + 24 + 25 + 26)		[19,123,200,751,466]	[15,610,892,917,847]
23	Increase in mathematical reserve		[17,544,035,787,158]	[15,231,541,739,213]
24	Increase in reserve for guaranteed interest rate		[1,419,369,122,647]	[164,911,468,425]
25	Increase in dividend reserve		[121,723,538,646]	[234,467,860,898]
26	[Increase]/Decrease in equalization reserve		[38,072,303,015]	20,028,150,689
27	Decrease in claim reserves for direct insurance and reinsurance assumed		342,927,712,146	189,391,274,584
28	Decrease in claim reserve related to reinsurance ceded		[152,814,367,780]	[396,604,312,873]
29	Total claim and maturity payment expenses (29 = 16 + 17 + 18 + 21 + 22 + 27 + 28)		[29,705,375,906,130]	[27,709,431,713,802]
30	Provision for catastrophe reserve		[41,472,073,431]	[143,305,387,775]
31	Claim expenses using catastrophe reserve		25,306,889,418	214,995,602,838
32	Other underwriting expenses (32 = 33 + 34 + 35)		[4,477,259,732,473]	[4,737,830,752,600]
33	Commission expenses		[3,094,850,217,854]	[2,989,068,074,142]
34	Other insurance operating expenses	29	[1,382,409,514,619]	[1,748,762,678,458]
41	Total direct insurance operating expenses (41 = 29 + 30 + 31 + 32)		[34,198,800,822,616]	[32,375,572,251,339]

CONSOLIDATED INCOME STATEMENT (continued)

as at 31 December 2020

B02-DN/HN

Currency: VND

Code	ITEMS	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
42	Gross insurance operating profit [42 = 15 + 41]		325,243,461,928	933,563,835,841
43.1	Income from other activities		433,287,152,651	336,730,885,525
43.2	Expenses from other activities		[417,934,268,486]	[340,737,730,666]
43	Net operating income/(loss) from other activities [43 = 43.1 + 43.2]	30	15,352,884,165	[4,006,845,141]
44.1	Financial income	31.1	9,495,658,687,333	7,870,747,650,846
44.2	Financial expenses	31.2	[1,841,912,602,607]	[2,184,189,260,231]
44	Profit from financial activities [44 = 44.1 + 44.2]		7,653,746,084,726	5,686,558,390,615
45	Share of profit in associates and jointly controlled entity	14.3.1	70,011,972,612	107,754,257,916
46	Selling expenses	32	[2,366,157,942,795]	[1,698,659,395,263]
47	General and administrative expenses	33	[3,756,517,474,608]	[3,517,026,355,581]
48.1	Other income		13,517,757,652	6,636,310,988
48.2	Other expenses		[1,910,935,621]	[3,092,014,766]
48	Other profit [48 = 48.1 + 48.2]	34	11,606,822,031	3,544,296,222
50	PROFIT BEFORE TAX [50 = 42 + 43 + 44 + 45 + 46 + 47 + 48]		1,953,285,808,059	1,511,728,184,609
51	Current corporate income tax expense	16.1	[267,396,475,068]	[269,693,437,322]
52	Deferred income tax (expense)/ income	16.2	[36,042,360,066]	669,872,295
60	NET PROFIT AFTER TAX [60 = 50 + 51 + 52]		1,649,846,972,925	1,242,704,619,582
61	NET PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS OF THE HOLDINGS		1,597,588,285,269	1,188,459,508,500
62	Net profit after tax attributable to non-controlling interests		52,258,687,656	54,245,111,082
70	Basic earnings per share	36	2,097	1,626

Mrs. Nguyen Thi Thanh Van
Preparer

Hanoi, Vietnam
27 August 2021

Mr. Nguyen Xuan Hoa
Chief Accountant



Mr. Do Truong Minh
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2020

B03-DN/HN

Currency: VND

Code	ITEMS	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Accounting profit before tax		1,953,285,808,059	1,511,728,184,609
	2. Adjustments for:		9,683,183,505,884	8,879,630,993,134
02	- Depreciation of tangible fixed assets and investment properties and amortization of intangible fixed assets	10, 11	206,997,738,211	181,146,935,314
03	- Provisions		18,324,904,209,345	15,681,395,633,664
04	- Unrealized (gains)/ losses on foreign exchange revaluation		[3,832,163,038]	3,870,364,981
05	- Profits from investing activities		[9,547,259,680,419]	[7,969,281,795,376]
06	- Repo and interest expenses		702,373,401,785	982,499,854,551
08	3. Operating profit before changes in working capital		11,636,469,313,943	10,391,359,177,743
09	- Increase in receivables		[13,288,642,669]	[109,801,140,574]
10	- Decrease in inventories		1,924,398,500	22,568,392,866
11	- Increase/(Decrease) in payables (other than interest, corporate income tax)		105,126,771,747	[105,674,992,179]
12	- Decrease/(Increase) in prepaid expenses		748,213,752,516	[6,254,733,517]
13	- Decrease in held-for-trading securities		381,642,210,752	372,954,492,411
14	- Interest paid		[757,788,609,663]	[959,276,338,523]
15	- Corporate income tax paid	16	[237,775,940,333]	[270,336,852,298]
17	- Other cash outflows from operating activities		[68,382,974,829]	[67,845,500,995]
20	Net cash flows from operating activities		11,796,140,279,964	9,267,692,504,934
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase and construction of fixed assets and other long-term assets		[231,433,491,623]	[223,164,104,120]
22	2. Proceeds from disposals of fixed assets and other long-term assets		1,026,440,364	919,029,273
23	3. Loans to other entities and payments for purchase of debt instruments of other entities		[87,906,743,938,242]	[68,231,385,894,147]
24	4. Collections from borrowers and proceeds from sale of debt instruments of other entities		71,688,969,281,693	56,170,009,639,929
26	5. Proceeds from purchasing of investments in other entities		[29,535,895,500]	[196,000,000,000]
27	6. Proceeds from sale of investments in other entities		-	158,324,419,933
28	7. Interest and dividends received and gain from trading held-to-maturity investments		8,717,737,729,146	7,198,647,190,833
30	Net cash flows used in investing activities		[7,759,979,874,162]	[5,122,649,718,299]

CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2020

B03-DN/HN

Currency: VND

Code	ITEMS	Notes	For the year ended 31 December 2020	For the year ended 31 December 2019
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	1. Capital contribution and issuance of shares		-	4,011,741,161,610
33	2. Drawdown of borrowings (including repo activities)		17,451,796,200,000	18,565,479,700,464
34	3. Repayment of borrowings (including repo activities)		(18,829,087,539,287)	(23,411,545,403,731)
36	4. Dividend paid to shareholders and non-controlling interest		(621,510,028,457)	(728,457,959,360)
40	Net cash flows used in financing activities		(1,998,801,367,744)	(1,562,782,501,017)
50	Net change in cash for the year		2,037,359,038,058	2,582,260,285,618
60	Cash and cash equivalents at the beginning of the year		4,742,602,123,821	2,159,930,729,474
61	Impact of exchange rate fluctuation		781,201,877	411,108,729
70	Cash and cash equivalents at the end of the year	5	6,780,742,363,756	4,742,602,123,821



Mrs. Nguyen Thi Thanh Van
Preparer



Mr. Nguyen Xuan Hoa
Chief Accountant



Mr. Do Truong Minh
Chief Executive Officer

Hanoi, Vietnam
27 August 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2020 and for the year then ended

B09-DN/HN

1. CORPORATE INFORMATION

Bao Viet Holdings [herein referred to as “the Holdings”] was previously a state-owned company that was equitized and became a joint stock company pursuant to Business Registration Certificate granted by the Hanoi Authority for Planning and Investment on 15 October 2007. The Business Registration Certificate of the Holdings was subsequently modified thirteen times with the thirteenth amendment was on 9 January 2020.

The Holdings’ entire shares are listed on Ho Chi Minh Stock Exchange [HOSE].

Below is a summary of information extracted from the thirteenth amended Business Registration Certificate:

Business Registration Certificate Number:	0100111761
Registered company name:	Bao Viet Holdings
Head Office’s address:	No. 72, Tran Hung Dao street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi
Operating activities:	Equity investments in subsidiaries and associates; financial services and other related services under Vietnamese Laws; real estate business; IT services and other computer related services; educational support services and other activities according to Business Registration Certificate
Charter capital:	VND 7,423,227,640,000
Number of registered shares:	742,322,764 shares
Legal representative:	Mr. Do Truong Minh – Chief Executive Officer

The shareholdings’ structure of the Holdings at the date of this report was as follows:

Shareholders	No. of shares	Percentage [%]
- The Ministry of Finance	482,509,800	65.00
- Sumitomo Life Insurance Company [“Sumitomo Life”]	163,945,421	22.09
- State Capital Investment Corporation [“SCIC”]	22,154,400	2.98
- Other shareholders	73,713,143	9.93
Total	742,322,764	100.00

As at 31 December 2020, the Holdings had six [6] subsidiaries, one [1] investment fund, seven [7] associates and joint ventures [held directly by the Holdings or indirectly through its subsidiaries/investment fund], and three [3] dependently accounted units. Details are as follows:

Subsidiaries

Subsidiaries	Address	Principal activities	Percentage directly owned by the Holdings	Voting right of the Holdings
Bao Viet Insurance Corporation [“Bao Viet Insurance”]	104 Tran Hung Dao street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi	General insurance, liability insurance, health and personal accident insurance products, reinsurance and loss survey	100%	100%
Bao Viet Life Corporation [“Bao Viet Life”]	Floor 37, Keangnam Hanoi Landmark Tower, Pham Hung street, Nam Tu Liem District, Hanoi	Life insurance products and reinsurance	100%	100%
Bao Viet Fund Management Company Limited [“BVF”]	72 Tran Hung Dao street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi	Management of security investment funds and investment portfolios	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 december 2020 and for the year then ended

B09-DN/HN

1. CORPORATE INFORMATION (continued)

Subsidiaries (continued)

Subsidiaries	Address	Principal activities	Percentage directly owned by the Holdings	Voting right of the Holdings
Bao Viet Investment One Member Company Limited ["BVInvest"]	71 Ngo Sy Lien, Van Mieu Ward, Dong Da District, Hanoi	Real estate business, construction investment consulting and provision of machinery and equipment	100%	100%
Bao Viet Securities Joint Stock Company ["BVSC"]	72 Tran Hung Dao, Tran Hung Dao Ward, Hoan Kiem District, Hanoi	Brokerage and custodian services, proprietary trading, underwriting and corporate finance and investment advisory service	59,92%	59,92%
Bao Viet Au Lac Limited Company ["Bao Viet - Au Lac"]	Ha Lieu, Phuong Lieu, Que Vo District, Bac Ninh Province	Vocational driving training	60%	60%

- Bao Viet Insurance was established on 21 June 2004 in accordance with Decision No. 1296/QD/BTC issued by the Ministry of Finance and Business Registration Certificate No. 01/GPDC3/KDBH issued by the Ministry of Finance on the same date. On 23 November 2007, after the Holdings' equitization, the Ministry of Finance approved the re-establishment of Bao Viet Insurance pursuant to the Establishment and Operating License No. 45/GP/KDBH. As at 31 December 2020, Bao Viet Insurance's charter capital was VND 2,900 billion in accordance with the Amended Business Registration Certificate No.45/GPDC15/KDBH issued by Ministry of Finance on 29 March 2019.
- Bao Viet Life was established on 04 December 2003 in accordance with Decision No. 3668/QD/BTC issued by the Ministry of Finance. On 23 November 2007, after the Holdings' equitization, the Ministry of Finance approved the re-establishment of Bao Viet Life in pursuant to the Establishment and Operating License No. 46/GP/KDBH. As at 31 December 2020, the charter capital of Bao Viet Life is VND 5,000 billion according to the Adjustment License No. 46/GPDC10/KDBH issued by the Ministry of Finance on 15 June 2020. In the first quarter of 2021, the Group has transferred money to Bao Viet Life to increase its capital. Accordingly, at the reporting date, the charter capital of Bao Viet Life is VND 6,000 billion according to the Adjustment License No. 46/GPDC11/ KDBH issued by the Ministry of Finance on 13 April 2021.
- BVF was established on 22 August 2005 in accordance with Decision No. 911/2005/QD/HQDT-BV by the Holdings' Board of Directors and Establishment and Operating License No. 05/UBCK-GPHDQLQ issued by the State Securities Commission on 8 November 2005 and the latest amended Business Registration No. 04/GPDC-UBCK dated 1 June 2017 by the State Securities Commission. As at 31 December 2020, the charter capital of BVF was VND 100 billion.
- BVSC was established on 01 October 1999 in accordance with Incorporation License No. 4640/GP-UB issued by the Hanoi People's Committee and Operating License No. 01/GPHDKD dated 26 November 1999 and the latest amended Business Registration No. 36/GPDC-UBCK dated 2 August 2017 issued by the State Securities Commission. As at 31 December 2020, the charter capital of BVSC was VND 722,339,370,000.
- Bao Viet - Au Lac was established on 18 February 2009 under the Business Registration Certificate No. 2300373648 granted by the Authority for Planning and Investment of Bac Ninh province. As at 31 December 2020, the charter capital of Bao Viet - Au Lac was VND 60,660,000,000.
- BVInvest was established on 09 January 2009 in accordance with Business Registration Certificate No. 0103034168 granted by Hanoi Authority for Planning and Investment. On 4 January 2019, Business Registration Certificate No. 0103193730 was amended for the eighth time, changing BVInvest from a joint stock company to a one-member limited liability company wholly owned by the Holdings. As at 31 December 2020, the charter capital of BVInvest was VND 200 billion.

BVInvest has one [1] subsidiary - Bao Viet Construction One Member Limited Company ["BVC"], which is located at 71 Ngo Sy Lien, Van Mieu Ward, Dong Da District, Hanoi. BVC, operating in construction business, was established on 10 January 2017 in accordance with Enterprise Registration Certificate No. 0107699334 by Hanoi Authority for Planning and Investment. As at 31 December 2020, the charter capital of BVC was VND 5 billion which is 100% contributed by BVInvest.

Bao Viet Value Investment Fund (BVIF)

Bao Viet Value Investment Fund ["BVIF"] is a closed-end member fund incorporated in Vietnam in accordance with the Business License No. 223/TB-UBCK issued by the State Securities Commission on 20 October 2015. The Fund was originally licensed to operate for a period of eight [08] years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [continued]

as at 31 December 2020 and for the year then ended

B09-DN/HN

1. CORPORATE INFORMATION [continued]

Bao Viet Value Investment Fund (BVIF) [continued]

BVIF is managed by BVF, a subsidiary of the Holdings. The custodian bank of BVIF is the Joint Stock Commercial Bank for Investment and Development of Viet Nam - Ha Thanh Branch.

As at 31 December 2020, direct and indirect investments of Bao Viet Holdings in BVIF are as follows:

	Contributed capital VND	Percentage of ownership
Direct investment of the Holdings	420,000,000,000	42%
Indirect investment via subsidiaries		
- Bao Viet Life	350,000,000,000	35%
- Bao Viet Insurance	150,000,000,000	15%
- BVSC	80,000,000,000	8%
	1,000,000,000,000	100%

Dependently accounted units

Name	Address	Principal activities
Bao Viet Training Centre	72 Tran Hung Dao street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi	Training services
Infrastructure Construction Project Management Unit ["PMU"]	71 Ngo Sy Lien, Van Mieu Ward, Dong Da District, Hanoi	Construction and Project management
Bao Viet Holdings Information Technology Center Branch	71 Ngo Sy Lien, Van Mieu Ward, Dong Da District, Hanoi	Providing information technology services; Whole sales of software and hardware

Associates and jointly controlled entity

Invested company	Principal activities	Charter capital VND	Percentage of ownership			Group's Voting right %
			Directly held by the Holdings %	Via subsidiaries/ fund %	Total %	
Associates						
Long Viet Investments & Construction JSC ["Long Viet"] [*]	Construction	65,043,200,000	-	45.00	45.00	45.00
Bao Viet SCIC Investment Limited Company ["Bao Viet SCIC"]	Real estate	140,000,000,000	-	50.00	50.00	50.00
Bao Viet Joint Stock Commercial Bank ["Bao Viet Bank"]	Banking services	3,150,000,000,000	49.52	-	49.52	49.52
Trung Nam Phu Quoc Joint Stock Company ["Trung Nam Phu Quoc"]	Tourism and hospitality services	220,000,000,000	49.00	-	49.00	49.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 december 2020 and for the year then ended

B09-DN/HN

1. CORPORATE INFORMATION (continued)

Associates and jointly controlled entity (continued)

Invested company	Principal activities	Charter capital VND	Percentage of ownership			Group's Voting right %
			Directly held by the Holdings %	Via subsidiaries/ fund %	Total %	
PLT Information Technology Joint Stock Company ["PLT"]	Information technology and communication services	58,500,000,000	-	35.00	35.00	35.00
Hon Tam Nha Trang Joint Stock Company ["Hon Tam Nha Trang"]	Tourism and hospitality services	903,097,620,000	-	22.74	22.74	22.74
Jointly controlled entity						
Tokio - Marine Insurance Vietnam Company Limited ["Tokio Marine Vietnam"]	General insurance, reinsurance, loss assessment, financial investment	300,000,000,000	49.00	-	49.00	49.00

[*] In the second quarter of 2020, the Group disclosed the information of the transfer of all shares held by the Group at Long Viet [through Bao Viet Life].

In January 2021, through Bao Viet Value Investment Fund, the Group purchased 24.29% shares of Nam Mu Hydropower Joint Stock Company ["Nam Mu"]. Accordingly, at the reporting date, Nam Mu is an associate of the Group.

2. BASIS OF PREPARATION

2.1 Accounting standards and systems

The consolidated financial statements of the Holdings and its subsidiaries, expressed in Vietnam Dong ["VND"], are prepared in accordance with the Vietnamese Enterprise Accounting System and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting [Series 1];
- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting [Series 2];
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting [Series 3];
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting [Series 4]; and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting [Series 5].

Bao Viet Holdings is a company operating in financial investing sector and preparing its financial statements according to Circular No. 200/2014/TT-BTC providing guidance on the Vietnamese Corporate Accounting System dated 22 December 2014 issued by the Ministry of Finance ["Circular 200"]. However, as the Holdings' subsidiaries have major operations in insurance services, the consolidated financial statements of the Group are prepared in accordance with Circular 200, Circular No. 202/2014/TT-BTC providing guidance on preparation of consolidated financial statements dated 22 December 2014 ["Circular 202"], Circular No. 199/2014/TT-BTC ["Circular 199"] dated 19 December 2014 providing accounting guidance applicable to life insurance companies and reinsurance companies and Circular No. 232/2012/TT-BTC dated 28 December 2012 issued by the Ministry of Finance guiding accounting regime applied for non-life insurance, reinsurance and branches of foreign non-life insurance enterprises ["Circular 232"].

Accordingly, the accompanying consolidated financial statements, including their utilization, are not designed for those who are not informed about Vietnamese accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

B09-DN/HN

2. BASIS OF PREPARATION (continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holdings, its subsidiaries and BVIF (collectively referred to as “the Group”) as at 31 December 2020 and for the year then ended.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holdings obtains control, and continues to be consolidated until the date that such control ceases. Control exists when the Holdings has direct or indirect power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains or losses resulted from intra-group transactions, are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

2.3 Applied accounting documentation system

The Group applied accounting documentation system is the Voucher Journal system.

2.4 Accounting currency

The consolidated financial statements are prepared in Vietnam Dong (“VND”) which is also the Group’s accounting currency.

2.5 Fiscal year

The Group’s fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

The Group also prepares its consolidated financial statements for the three-month period ended 31 March, three-month and six-month periods ended 30 June, three-month and nine-month periods ended 30 September and three-month and twelve-month periods ended 31 December each year.

3. STATEMENT ON THE COMPLIANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND SYSTEMS

Management of the Group confirms that the Group has complied with the Vietnamese Accounting Standards and Vietnamese Enterprise Accounting Systems in preparation and presentation of the consolidated financial statements. The Group has also followed the accounting policy for the recognition of the revalued land use rights as set out in Note 4.5.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Group used to prepare the consolidated financial statements have been consistently applied with the policies that were used to prepare the consolidated financial statements for the fiscal year ended 31 December 2019.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments with an original maturity of less than three months which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, net of provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the consolidated balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement.

For receivables that are undue but the Holdings collected evidences which determine that entities have become bankrupt or undergoing dissolution procedures, are missing, have absconded, are prosecuted, detained or tried by law enforcement bodies, are serving sentences or suffering from serious illness (with hospital's confirmation) or have deceased, or receivables that are sued by the Holdings but have been suspended, provision should be estimated based on the amount of expected loss.

For overdue receivables, the Holdings adopts the provision policy as promulgated by the Ministry of Finance in Circular 48 on 08 August 2019:

<u>Overdue ages</u>	<u>Provision rate</u>
Overdue from six (06) months to less than one (01) year	30%
Overdue from one (01) to less than two (02) years	50%
Overdue from two (02) to less than three (03) years	70%
Overdue over three (03) years	100%

4.3 Inventories

The Group's inventories comprise pre-printed certificates of the insurance subsidiaries and inventory property of BVInvest, which are carried at the lower of cost and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories.

<u>Inventories</u>	<u>Valuation method</u>
Raw materials, tools, goods and construction equipment	- cost of purchase on a weighted average basis.
Finished goods and work-in process	- cost of direct materials and labor plus attributable production overheads based on the normal operating capacity on a specific identification basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date. Increases and decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

Inventory property of BVInvest

Property acquired or being constructed for sale in the ordinary course of business of BVInvest, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realizable value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

4.3 Inventories [continued]

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognized in consolidated income statement is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

4.4 Leases

Where the Group is the lessee

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Holdings' fixed assets in the consolidated balance sheet. Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

4.5 Fixed assets

Fixed assets are stated at cost less accumulated depreciation/amortization.

The cost of a fixed asset comprises of its purchase price and any directly attributable costs of preparing the fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Definite and indefinite land use rights are recorded as intangible fixed assets based on land use right certificates issued by governing bodies.

The advance payments for land rental, of which the land lease contracts had been effective prior to 2003 and have land use right certificates, are recorded as intangible fixed assets according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ["Circular 45"].

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Fixed assets (continued)

The land use rights that the Group had land use right certificates or was being in the process of obtaining the land use right certificates, as at 31 December 2005 for the equitization purpose of the Holdings, are recognized as intangible fixed assets based on their revalued amount by an independent valuer for the lands.

4.6 Depreciation and amortization

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	05 - 50 years
Machinery and equipment	03 - 20 years
Means of transportation and transmission	06 - 30 years
Office tools and equipment	03 - 10 years
Other tangible fixed assets	04 - 25 years
Land use rights with definite term	According to the term specified on the land use right certificate
Computer software	03 - 08 years
Other intangible assets	02 - 20 years

Land use rights with indefinite terms are not amortized in accordance with Circular No. 45.

4.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation/amortization. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

4.8 Borrowing costs

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowings of the Group.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

4.9 Business combinations

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

4.10 Investments

Investments in associates

Investments in associates over which the Group has significant influence and which is neither a subsidiary nor a joint venture (typically those that the Group owns over 20% of voting rights) are accounted for using the equity method of accounting in the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

4.10 Investments [continued]

Investments in associates [continued]

Under equity method, the investment is initially recorded at cost on the consolidated balance sheet and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. On acquisition of the investment, any difference between the cost of the investment and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as follows:

- Goodwill relating to an associate is included in the carrying amount of the investment. Such goodwill is not amortized but is assessed annually for impairment losses.
- Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is recognized as income in the year in which the investment is acquired.

The share of post-acquisition profit/[loss] of the associates is presented on the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from associates reduces the carrying amount of the investment.

For the investment in associates purchased during the year, the Group applied provisional initial accounting for this investment at cost and shall recognize any adjustment within 12 months of the acquisition date. Accordingly, any difference between the cost of the investment and the Group's share of the fair value of the associate's identifiable net assets (if any) will be recognized at the fair value determination date.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the consolidated financial statement of the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

A listing of the Group's associates is shown in Note 14.3.1.

Investment in jointly controlled entity

The Group's investment in jointly controlled entity is accounted for using the equity method of accounting. Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post joint venture changes in the Group's share of net assets of the jointly controlled entity. The consolidated income statement reflects the share of the post-acquisition results of operation of the jointly controlled entity.

The share of profit/[loss] of the jointly controlled entity is presented on the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing received or receivable from jointly controlled entity reduce the carrying amount of the investment.

The financial statements of the jointly controlled entity are prepared for the same reporting period and use the same accounting policies as the consolidated financial statement of the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Securities and other investments

Based on the holding purposes, securities and other investments are classified as held-for-trading securities, held-to-maturity investments and investments in other entities.

- Held-for-trading securities: include securities listed on the securities market and other securities and financial instruments which are held for trading purpose. Held-for-trading securities are stated at cost.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Investments (continued)

Securities and other investments (continued)

- Held-to-maturity investments: include Government bonds, corporate bonds, term deposits, term loans and other investments which will be held until maturity. After initial recognition at cost, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as expense in the consolidated financial statements and deducted against the value of such investments.
- Investments in other entities: include equity investments in other entities that the Holdings does not have control, joint control or significant influence. These investments are stated at cost.

Provision for impairment of financial investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases in the provision balance are recorded as finance expense in the consolidated income statement.

Details of the basis of determination of impairment of investment are as follows:

- Held-for-trading securities: provision for the possible losses due to the diminution in value of investments which are held for trading purpose and is made when there are reliable evidences of the diminution in value;
- Held-to-maturity investments: The Holdings will assess the recoverability of the investment and in the case of there are evidences that a part or the whole of the investment is not recoverable;
- Investment in joint ventures, associates and other entities: The capital contribution to domestic economic institutions, not the investments in trading securities that the Holdings currently owns at the balance sheet date, shows that there is a decrease in value due to the investment value of the Holdings; the provision is based on the separate financial statements of investee which are prepared at the same time with the Holdings' financial statements;
- Long-term investments (not classified as trading securities) that the Holdings does not have significant influence on the investee: for investments in listed shares or fair value of the investments can be determined reliably, the provision is based on the market value of the stock (similar to the provision for diminution of trading securities); for the investments whose fair value cannot be determined at the time of this report, the provision is based on the separate financial statements of investee which are prepared at the same time with the Holdings' financial statements (provision for losses of investments in other entities).

4.11 Advances on surrender value

Policyholders are entitled to an advance on the surrender value, with the advance amount at a maximum of 80% of the surrender value and accumulated un-withdrawn dividend for the relevant policy, provided that:

- Policies have surrender value;
- Policies have gone effective for more than 24 months (for insurance products other than universal life and unit-linked); and
- Policies have not received advances on insurance benefits.

Advances on surrender values are carried at cost and are recorded under "Short-term investments" item on the consolidated balance sheet. The interest rate applied for each policy will be announced periodically by Bao Viet Life. The interest income arising from advances on surrender value will be recognized as "Financial income" in the consolidated income statement.

4.12 Securities sold under agreement to repurchase ("repo and sell-buy-back contracts")

Securities sold under agreements to repurchase at a specified future date ("repo") or sell-buy-back contracts are not derecognized from the consolidated financial statements. The corresponding cash received is recognized as a liability in the consolidated balance sheet. The difference between the selling price and repurchasing price is allocated to expense in the consolidated income statement over the life of the agreement using straight-line method.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

4.13 Payables and accruals

Payables and accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Group.

4.14 Employee benefits

Social insurance benefits

Pursuant to the Social Insurance Law 2014 and its guiding documents, the Holdings monthly contributes to retirement and survivorship fund at the rate of 14% of the salary fund to the Vietnam Social Insurance Agency. The Holdings also contributes 3% of salary fund of the employees to the sickness and maternity fund and 0.5% to the occupational accident and occupational disease fund. In addition, since 01 January 2016, the Holdings has purchased voluntary retirement insurance for its employees. Accordingly, the retired employees will be entitled to receive benefits from the retirement insurance contracts based on the years of services and amount contributed of each individual.

Health insurance benefits

Pursuant to the Social Insurance Law 2014 and its guiding documents, the Holdings monthly contributes to health insurance fund at the rate of 3% of the salary fund to the Vietnam Social Insurance Agency.

Voluntary resignation and retrenchment benefits

- Resignation benefits: the Holdings is obliged to pay resigning employees who work for more than 12 months an allowance equivalent to 50% of one-month salary and allowances [if any] for each year of employment. Employment period subject to resignation benefit is calculated by subtracting the years paying unemployment insurance premium [from 01 January 2009] from the actual years of employment in accordance with Social Insurance Law; and
- Retrenchment benefits: the Holdings has the obligation, under the current Labor Code, to pay a retrenchment allowance to employees who are retrenched as a result of organizational changes, technological changes or merger, consolidation, splitting up of business. In such cases, the Holdings shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one-month salary for each year of employment, but no less than two-month salaries.

Unemployment Insurance Fund

According to the Social Insurance Law and the current Law of Employment, employees and employers are required to contribute 1% of basic salary of each employee to the unemployment insurance fund. Further, the Government will also contribute 1% of the basic salary of each employee to this fund. Vietnam Social Insurance Agency is responsible for the collection, distribution and management of Unemployment Insurance Fund.

4.15 Technical reserves

Technical reserves are established in accordance with Decree 73/2016/NĐ-CP ["Decree 73"] dated 01 July 2016, Circular No. 50/2017/TT-BTC ["Circular 50"] dated 15 May 2017, Circular 52/2016/TT-BTC ["Circular 52"] dated 21 March 2016, Circular 115/2013/TT-BTC ["Circular 115"] dated 20 August 2013, Circular No. 01/2019/TT-BTC ["Circular 01"] dated 02 January 2019 and Circular 89/2020/TT-BTC dated 11 November 2020 ["Circular 89"], to amend and supplement Circular 50 issued by the Ministry of Finance. The Group's technical reserves include:

Life insurance services

Mathematical reserve
Reserve for insurance risk
Unearned premium reserve
Claims reserve
Dividend reserve
Reserve for guaranteed interest rate
Equalization reserve

General insurance services

Mathematical reserve
Unearned premium reserve
Claims reserve
Catastrophe reserve
Equalization reserve

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Technical reserves (continued)

4.15.1 Life insurance reserves

Details of the reserve calculation methods are as follows:

- a) The technical reserves for traditional products include mathematical reserve, unearned premiums reserve, claim reserve, dividend reserve and equalization reserve. The calculation methodologies are based on Decree 73, Circular 50, Circular 01, Circular 89 on amendments and supplements to Circular 50 issued by Ministry of Finance as follows:
 - *Mathematical reserve* is established according to the Bao Viet Life's method is calculated based on one of the following methods: full insurance premium reserve method, net insurance premium reserve method or net insurance premium reserve method adjusted by Zillmer coefficient. The reserving method, basis and assumption are approved by the Ministry of Finance upon product submission or on subsequent submissions. Disclosed technical reserve is the greater value between the reserve established according to the Company's methodology and the statutory minimum provision.
 - *Unearned premium reserve* is the provision for unearned revenue of amounts paid on the balance sheet date and is calculated on the gross premium for all insurance policies with a term of one (01) year or less that are still in force on the reporting date.
 - *Claim reserve* includes provisions for losses that have been notified or claimed but have not yet been resolved at the end of the year and provisions for losses that have occurred but have not yet been notified or claimed.
 - Outstanding claim reserve (OSC) is calculated for each individual outstanding claim requests and based on the sum insured payables for each case that have been submitted but still in the course of settlement as at the balance sheet date.
 - Reserve for incurred but not reported claims (IBNR) is only applicable for policies with a term of one (01) year or less.
 - *Dividend reserve* includes the reserves for accrued unpaid interest, dividends and undistributed surplus reserve for participating policies.
 - *Equalization reserve* is set at one percent (1%) of profit before tax and is provided for annually until it is equal to five percent (5%) of the Bao Viet Life's premium collected in the fiscal year.
- b) According to Circular 50 and Circular 52 and the methodology and actuarial principles used to estimate reserves registered and approved by the Ministry of Finance, Bao Viet Life made a technical reserve for the universal life products as follows:
 - *Technical reserve* for the universal life part is total account value of the universal life policies, loyalty benefit reserve for those retained in universal life fund and other benefits as agreed in insurance contracts.
 - *Reserve for insurance risk* is the maximum of the reserve amount calculated by the unearned premium method or by the cash flow method to cover all expenses in the future during the term of contract.
 - *Claim reserve* is appropriated by the method of specific provision calculated based on statistics of amount of insurance to be paid for each dossier of compensation requirement from the insurer but unsettled by the end of financial year.
 - *Reserve for guaranteed interest rate* is a provision made in the event of the investment market fluctuations or when the investment yield from insurance premiums is lower than the committed returns given to its customers. The reserve is calculated on the difference between the investment yield from insurance premiums and Bao Viet Life's committed returns given to its customers as agreed insurance policies.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Technical reserves (continued)

4.15.1 Life insurance reserves (continued)

c) According to Circular 50, Circular 115 and the methodology and actuarial principles used to estimate reserves registered and approved by the Ministry of Finance, Bao Viet Life made a technical reserve for the pension products as follows:

- *Technical reserve* for pension is total policy account value of pension policies at time of appropriation.
- *Reserve for insurance risks* is maximum of the reserve amount calculated under unearned premium method and reserve amount calculated by the cash flow method to cover all expenses in the future during the term of contract.
- *Claim reserve* is appropriated by the method of specific provision calculated on the basis of statistics of amount of insurance to be paid for each dossier of compensation requirement from the insurer but unsettled by the end of the financial year.
- *Reserve for guaranteed interest rate* is a provision made in the event of the investment market fluctuations or when the investment yield from insurance premiums is lower than the committed returns given to its customers. The reserve is calculated on the difference between the investment yield from insurance premiums and Bao Viet Life's committed returns given to its customers as *agreed insurance policies*.

At company level, and according to Circular 50/2017/TT-BTC, Bao Viet Life has to make equalization reserve which is set at one percent [1%] of profit before tax and is provided for annually until it is equal to five percent [5%] of Bao Viet Life's premium collected in the fiscal year.

4.15.2 General insurance reserves

The technical reserves are calculated based on Official Dispatch 2470/BTC-QLBH, which was approved by the Ministry of Finance on 06 March 2018, effective from 2017 fiscal year, include (a) technical reserves for non-life insurance and (b) technical reserve of health insurance. The reserve appropriation methodologies are based on Circular 50.

Details of such reserving methodologies are as follows:

a) Technical reserves for non-life insurance

[i] *Unearned premium reserve*

Unearned premium reserve is calculated as a percentage of total premium or in accordance with a coefficient of the insurance contracts' terms as such:

- For cargo insurance with a term of less than one [01] year, unearned premium reserve is made at 25% of the retained premium.
- For other insurance lines and line of insurance of cargo delivered by road, water, inland water, railway and airway with a term of more than one [01] year, unearned premium reserve is calculated based on the 1/8 method. This method assumes that premiums for all insurance contracts issued in a quarter equally spread along the quarter. In other words, all insurance contracts of a particular quarter are assumed to be effective at that mid-quarter. Unearned premium reserve is calculated based on the following formula:

Unearned premium reserve = Premiums X Unearned premium rate

- Gross and assumed unearned premium reserve is presented as liabilities; Unearned premium reserve of outward reinsurance is presented as reinsurance asset.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Technical reserves (continued)

4.15.2 General insurance reserves (continued)

a) Technical reserves for non-life insurance (continued)

(ii) Claim reserve

Claim reserve includes the reserve for outstanding claims and for claims incurred but not reported.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year after deducting the amount recoverable from reinsurers; and
- Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established at the rate of 3% of retained premium for each insurance operation.
- Gross and assumed reinsurance claim reserve is presented as liabilities; claim reserve of outward reinsurance is presented as reinsurance asset.

(iii) Catastrophe reserve

- Catastrophe reserve is accrued annually until such reserve reaches 100% of the retained premiums of the current year based on retained premiums.
- Catastrophe reserve is presented as liabilities.

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QĐ-BTC governing the publication of four new accounting standards, one of which is Vietnamese Accounting Standard ("VAS") 19 - Insurance Contract. Following the issuance of this Standard, starting from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that are not in existence at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and in accordance with the provision set out in Decree 73 on the details of the implementation of the Law on Insurance Business and amendments to certain articles of the Law on Insurance Business, based on Article 17, Circular 50 the Group has elected to adopt the policy of providing for the catastrophe reserve in consolidated financial statements at 2% of total retained premiums for each insurance operation.

b) Technical reserve of health insurance

(i) Mathematical reserve

- For health insurance policies with a term of more than one (01) year, except the policies which only cover death or total permanent disability, mathematical reserve is calculated based on the 1/8 method.
- For health insurance policies provided by a non-life insurer or foreign branch which only cover death or total permanent disability, it may set aside as follows:

$$\text{Mathematical reserve} = \frac{\text{Premiums} \times \text{Remaining days of insurance policy}}{\text{Number of coverage days}}$$

Mathematical reserve is recorded in unearned premium reserve account in the consolidated balance sheet. In any cases, mathematical reserve must give results not less than those obtained from 1/8 method.

(ii) Unearned premiums reserve

For insurance policies with a term of less than or equal to one (01) year, unearned premiums reserve is calculated based on the 1/8 method.

(iii) Claim reserve

Claim reserves included reserve for incurred but not reported claims and outstanding claim.

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the year after deducting the amount recoverable from reinsurers; and

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

4.15 Technical reserves [continued]

4.15.2 General insurance reserves [continued]

b) Technical reserve of health insurance [continued]

- Reserve for incurred but not reported claims for which the insurer is liable [IBNR] is established at the rate of 3% of retained premium for each insurance operation.
- Gross and assumed reinsurance claim reserve is presented as liabilities; claim reserve of outward reinsurance is presented as reinsurance asset.

[iv] Equalization reserve

Equalization reserve for health insurance is established at 2% of retained premium and recognized in equalization reserve account on consolidated balance sheet.

4.16 Statutory reserves

The below statutory reserve funds are made in accordance with the regulations applicable to specific industries that the Group is operating in:

Insurance operation

The statutory reserve fund is established in order to supplement the contributed capital of Bao Viet Life and Bao Viet General Insurance and ensure solvency. Appropriation to the compulsory reserve fund is made annually at 5% of profits after tax of Bao Viet Insurance and Bao Viet Life until it reaches 10% of each unit's contributed capital in compliance with Decree 73.

Securities operation and fund management operation

BVSC and BVF, the Group's subsidiaries operating in securities operations and fund management operation, basis of using annually profit after tax of each unit to create reserves in accordance with Circular 146 as follows:

	Percentage of profit after tax	Maximum level
Capital Supplementary Reserve	5%	10% of charter capital
Financial and Operational risk Reserve	5%	10% of charter capital

4.17 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue are recorded at reasonable value of the amount received or receivable after deducting the discounts, allowances and sale returns. The following specific recognition criteria must also be met before revenue is recognized:

Gross written premium

Life insurance

Gross written premiums are recognized in accordance with Circular 50. Premiums from life insurance contracts are recognized as revenue when policyholders pay the premiums. If Bao Viet Life and its customers mutually agree a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the year. Premiums due after the reporting period but received before the end of the financial year are shown as "Premiums received in advance" on the consolidated balance sheet.

Except for the case where the contract includes minimum premium payment term, total premiums received from universal life policyholders are recorded as revenue. Policyholders account value is calculated by Bao Viet Life's actuaries and recorded in "Technical reserve" on the consolidated balance sheet.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Revenue recognition (continued)

Gross written premium (continued)

General insurance

Gross written premiums are recognized in accordance with Circular 50 on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches.

Specifically, gross written premium is recognized as revenue at the point of time when the following conditions are met: [1] the insurance contract has been entered into by the insurer and the insured, the policyholder paid in full insurance premium; [2] there is evidence for the insurance policy entered into by the insurer/branch and the policyholder and insurance premiums that are paid in full; [3] when the insurance policy has been concluded, the non-life insurer or foreign branch has come to an agreement with the policyholder on premium payment period (including extension period). The premium payment period must be specified in the insurance policy. If Bao Viet Insurance and its customers mutually agree on a method of insurance premium payment on an instalment basis, only the insurance premium which is due in accordance with the instalment contract shall be taken to revenue for the period. In accordance with Circular 50, premium payment period shall not exceed 30 days from policy inception date. For instalment contracts, non-life insurers are required to record revenue from insurance premium of the first instalment as of the insurance contract's effective date and record revenue from premium of the following instalments only when the policy holder makes full premium payment under the agreement of the contract. If policyholder cannot make full premium payment as agreed in the contracts, insurance contract shall be automatically terminated after contractual premium payment date.

Prepaid premium before effective date is recorded as "Short-term unearned revenue" on the consolidated balance sheet.

Premium return and premium reduction are considered as revenue deduction and must be booked separately. At the end of the year, these amounts are net-off to gross written premium to calculate net written premium.

Interest

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless recoverability is in doubt.

For bond investment, coupon income comprises the allocated amount of any discount, coupon received in advance or other difference between the initial carrying amount of a bond and its amount at maturity under straight-line method. When unpaid coupon has accrued before the acquisition of the bond, the subsequent receipt of coupon is allocated between pre-acquisition and post-acquisition period. Only post-acquisition bond coupon interest is recognized as income. Pre-acquisition bond coupon is deducted from the cost of the bonds.

Fees from rendering of services

Fees from rendering of services include fund management fees, custodian fees, incentive fees, brokerage, underwriting activities, etc. which are recognized when services are performed and the revenue can be reliably measured.

Where the contract outcome cannot be reliably measured, revenue is recognized only to the extent of the expenses recognized which are recoverable.

Gains from securities trading

Gains from securities trading are the excess of selling prices over the weighted average cost of securities sold.

Dividends and appropriated profits

Income is recognized when the Group's entitlement as an investor to receive the dividend or appropriated profit is established. Stock dividend and bonus shares received are not recognized as income of the Group and the respective increase in number of shares are only updated off balance sheet in accordance with Circular 200.

Gains from property transfer

Gains from property transfer are recognized when significant risks and rewards attached to the ownership of the property are substantially transferred to the buyer.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

4.17 Revenue recognition [continued]

Rental income

Rental income arising from operating leases is accounted in consolidated income statement on a straight-line basis over the lease term.

Other income

Income from irregular activities are recognized as other incomes according to VAS 14 - "Revenue and other income", other than activities generating revenue including: income from disposal of assets; fines paid by customers for their contract breaches; collected insurance compensation; collected debt which was written off previously; payable debts now recorded as revenue increase as debtors no longer exist; collected tax amounts which now are reduced and reimbursed; and other revenues as stated in VAS 14 - "Revenue and other income".

4.18 Expense recognition

Claim and maturity payments

Claim and maturity payment expenses for life insurance are recognized when the liability to the policyholder under the policy has been determined.

For general insurance, claim expenses are recognized at the point of time when the claim documents are completed and approved by authorized persons. In case that the final claim amount has not been finalized but Bao Viet Insurance is certain that the loss is within its insured liabilities and has paid an advance to the customer as per their request, such advance would also be recognized as claim expenses. Any claim that is not yet approved by authorized persons is considered as an outstanding claim and included in claims reserve.

Commission

For life insurance, commission expenses are calculated as the percentage of gross written premium and are recognized in the consolidated income statement. Commission for each type of products is calculated and paid for in accordance with specific percentages as stated in product approval of the Ministry of Finance and Circular 50.

For general insurance, commission is calculated at percentage of direct premiums for specific line of insurance as stipulated in Circular 50 and only recognizes the portion which matched with earned premium of direct insurance in insurance expense this year. The unallocated commission will be recorded as prepaid expense and expensed in subsequent periods.

Commission and other income from reinsurance ceded is recognized at the point of time when ceded premium is. At the end of the accounting period, the amount of ceded commission corresponding to the unearned direct commission and unearned ceded premium shall be determined, based on the unearned premium reserves methodology, in order to allocate in the next accounting periods.

Costs of transferred land use rights

Cost of transferred land use right comprises all costs that are directly attributable to development activities or that can be estimated on a reasonable basis to such activities including:

- All costs incurred for land and land development activities;
- Mandatory and non-recoverable costs associated to property development activities that would be incurred for existing and future land development of the project.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Expense recognition (continued)

Leased assets

Rentals paid under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

4.19 Recognition of reinsurance activities of general insurance

(i) Reinsurance ceded

Premium for reinsurance ceded, ceding commission and other amounts receivable from the cession of insurance shall be recorded in the same accounting period in which the direct insurance premium or premium for reinsurance ceded is accounted respectively. Expenses from reinsurance ceded are recorded as per current law with adequate invoices, vouchers, or documentary evidence.

At the end of accounting period, the part of reinsurance commission which is not included in the income of the period corresponding to unearned premium of reinsurance ceded shall be determined and allocated in the subsequent periods based on the method of unearned premium reserve.

(ii) Reinsurance assumed

Premium for reinsurance assumed and other amounts receivable from assumption of reinsurance shall be recorded according to a certified document on payment of reinsurance. Expense from reinsurance assumed are recorded as per current law with adequate invoices, vouchers, or documentary evidence.

At the end of accounting period, the part of reinsurance commission which is not included in expense of period corresponding to the unearned premium of reinsurance assumed shall be determined and allocated in the subsequent periods based on the method for unearned premium reserve.

4.20 Construction contracts

Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, and when the contract performance result is reliably determined and certified by customers, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the year and reflected in the billed invoices.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable to be recoverable. Contract costs are recognized as expenses when they are incurred.

Difference between the cumulative revenue of a construction contract recognized to reporting date and the cumulative amount of progress billings of that contract is presented in "Receivables/payables" accounting on the consolidated balance sheet based on agreed progress.

4.21 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

4.21 Corporate income tax [continued]

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for the consolidated financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profits will be available against which these deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, except:

- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Previously unrecognized deferred income tax assets are reassessed at each consolidated balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is withdrawn or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- either the same taxable entity; or
- when the Group intends either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.22 Appropriation of net profits**

Net profit after tax is available for appropriation to shareholders upon approval by the Shareholders at their Annual General Meeting, after making appropriation to reserve funds in accordance with the Holdings' Charter and Vietnam's regulatory requirements.

The Holdings maintains the following reserve funds which are appropriated from its net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting:

- Investment and development fund: This fund is set aside for use in the Holdings' expansion of its operation or of in-depth investment;
- Bonus and welfare fund and bonus for managers: This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improving employees and managers' individual benefits, and presented as a liability on the consolidated balance sheet; and
- Social security fund: The fund is set aside for the purpose of supporting social security activities in the interest of community.

4.23 Transactions in foreign currencies

The Group applies guidance of Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing some articles of Circular 200 to record foreign currency transactions.

Transactions in currencies other than the Group's reporting currency (VND) are recorded at the exchange rate that approximates the average of buying and selling transfer exchange rates announced by the commercial bank where the Group most frequently conducts its transactions ["the average transfer exchange rate"]. This approximate exchange rate does not exceed +/- 1% of the average transfer exchange rate. The average transfer exchange rate is determined daily based on the average of daily buying transfer rates and selling transfer rates of the commercial bank.

At the end of the year, balances of monetary items denominated in foreign currencies are translated at the transfer exchange rate announced by the commercial bank where the Group most frequently conducts its transactions. This transfer exchange rate is the buying and selling average transfer exchange rate of the commercial bank.

All foreign exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at the end of the year are taken to the consolidated income statement.

4.24 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

4.25 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment) that is subject to risks and returns that are different from those of other segments.

The Group's business segment is derived mainly from offering products and services of insurance, investment, finance and other operational activities. The Management defines the Group's segments to be based on the operational businesses of each unit of the Group in terms of products, goods and services provided.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.26 Off-balance sheet items

In accordance with Vietnamese Enterprise Accounting System for insurance companies, insurance policies that have been signed but for which no obligations have arisen on the part of the insurers are not recorded on the consolidated balance sheet until the premium is collected or the policies become effective.

Besides, the Group has subsidiaries which operate in such sectors as securities operations, and fund management, etc. Therefore, some items such as securities under custody and not in custody, other commitments and trusted investment portfolio, etc. are also presented on the consolidated off-balance sheet as regulated in each sector that a subsidiary is operating in.

4.27 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other parties are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

5. CASH AND CASH EQUIVALENTS

	31 December 2020 VND	31 December 2019 VND
Cash on hand	49,506,405,375	66,853,001,073
Cash at banks	449,099,728,375	3,253,907,744,083
Cash in transit	145,036,230,001	223,041,378,665
Cash equivalents (*)	6,137,100,000,005	1,198,800,000,000
Total	6,780,742,363,756	4,742,602,123,821

(*) Cash equivalents comprise term deposits at financial institutions having original term of three (03) months or less and earning interest at rates ranging from 3.2% p.a. to 4.0% p.a.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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6. ACCOUNTS RECEIVABLE

6.1 Current accounts receivable

	31 December 2020 VND	31 December 2019 VND
Receivables from insurance activities		
Gross written premium receivables	633,787,937,543	737,595,665,035
Reinsurance assumed receivables	65,638,146,690	69,978,151,538
Reinsurance ceded receivables	638,427,889,268	839,651,801,686
Other receivables from the cedents	271,136,799,519	863,121,225,969
Receivables from co-insurers	141,004,900,147	222,564,378,366
Other receivables from insurance activities	4,868,675,465	12,526,906,786
	1,754,864,348,632	2,745,438,129,380
Receivables from financial investment activities		
Dividends receivables	6,269,389,950	3,967,889,500
Bank deposit interest receivables	2,955,624,573,146	2,283,302,096,980
Bond coupons receivables	1,231,124,604,145	1,315,107,395,898
Accrued interest of outstanding advances on surrender value	197,428,548,101	200,678,299,618
Other receivables from investment activities	1,774,685,136	29,240,339,354
	4,392,221,800,478	3,832,296,021,350
Short-term advances to suppliers	63,469,950,921	51,656,014,873
Short-term loan receivables		
Receivables from margin loans and advances to customer	2,235,374,993,636	1,544,026,735,001
Trusted loans	3,217,453,646	3,217,453,646
	2,238,592,447,282	1,547,244,188,647
Other short-term receivables		
Receivables from securities trading activities	21,717,958,132	31,515,624,293
Receivables from fund management activities	3,794,160,924	4,137,320,364
Receivables from construction, property management and rental fees	44,668,607,532	67,876,933,948
Other advances	19,588,793,956	19,832,144,066
Other short-term receivables	180,822,257,844	162,796,397,649
	270,591,778,388	286,158,420,320
Shortage of assets waiting for resolution	170,105,685	170,105,685
Total receivables	8,719,910,431,386	8,462,962,880,255
Provision for doubtful short-term receivables	[420,627,400,900]	[396,839,857,273]
Net receivables	8,299,283,030,486	8,066,123,022,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [continued]

as at 31 December 2020 and for the year then ended

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6. ACCOUNTS RECEIVABLES [continued]

6.2 Long-term receivables

	31 December 2020 VND	31 December 2019 VND
Statutory deposit		
- Life insurance activities	20,000,000,000	20,000,000,000
- General insurance activities	8,000,000,000	8,000,000,000
- Securities trading activities	21,350,120,520	21,178,977,487
	49,350,120,520	49,178,977,487
Other long-term receivables		
- Other long-term receivables	21,450,944,937	13,981,786,724
	21,450,944,937	13,981,786,724
	70,801,065,457	63,160,764,211

7. INVENTORIES

	31 December 2020 VND	31 December 2019 VND
Pre-printed certificates	31,656,766,750	36,160,384,626
Materials and stationery	34,430,373,509	27,780,158,939
Tools and equipment	2,953,335,423	3,083,634,477
Inventories of BVInvest (*)	55,392,611,708	59,333,307,848
Total inventories	124,433,087,390	126,357,485,890
Provision for obsolete inventories	-	-
Net realizable value of inventories	124,433,087,390	126,357,485,890

[*] Including expenditures relating to the purchase and construction of investment properties of BVInvest. These items are recorded in inventory account until they are sold and recorded in cost of goods sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 december 2020 and for the year then ended

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8. UNALLOCATED COMMISSION EXPENSES

	Life insurance VND	General insurance VND	Total VND
As at 31 December 2019	-	616,715,897,763	616,715,897,763
Commission paid during the year	1,925,698,634,220	1,152,832,695,108	3,078,531,329,328
Allocated to expenses during the year	[1,925,698,634,220]	[1,169,151,583,634]	[3,094,850,217,854]
As at 31 December 2020	-	600,397,009,237	600,397,009,237

9. PREPAID EXPENSES

	31 December 2020 VND	31 December 2019 VND
<i>Short-term prepaid expenses</i>		
Prepaid rental expenses	13,111,025,670	11,752,792,909
Tools, equipment and warranty expenses	4,451,974,154	10,775,409,794
Other expenses	16,459,476,649	10,533,173,409
	34,022,476,473	33,061,376,112
<i>Long-term prepaid expenses</i>		
Prepaid rental expenses	128,609,331,984	202,126,672,290
Interior renovation expenses	20,375,607,162	27,078,793,964
Tools, equipment and warranty expenses	30,398,791,031	37,603,926,140
Other expenses	23,309,052,666	26,874,915,211
	202,692,782,843	293,684,307,605
	236,715,259,316	326,745,683,717



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery	Means of transportation and transmission	Office tools and equipment	Other tangible fixed assets	Total
	VND	VND	VND	VND	VND	VND
Cost:						
As at 31 December 2019	1,148,774,052,985	252,184,152,667	523,687,715,507	326,936,915,561	3,852,218,825	2,255,435,055,545
- Purchased	634,007,450	2,931,166,000	28,888,930,837	23,353,768,354	-	55,807,872,641
- Transferred from construction in progress	26,267,374,670	-	171,818,182	129,690,000	-	26,568,882,852
- Other increases	-	2,546,248,767	2,597,572,448	961,920,549	-	6,105,741,764
- Disposed	-	[101,300,000]	[7,129,099,438]	[4,331,203,381]	-	[11,561,602,819]
- Other decreases	[15,395,747,392]	-	-	-	-	[15,395,747,392]
As at 31 December 2020	1,160,279,687,713	257,560,267,434	548,216,937,536	347,051,091,083	3,852,218,825	2,316,960,202,591
Accumulated depreciation:						
As at 31 December 2019	536,112,330,437	140,672,265,292	405,521,615,319	250,092,983,280	2,724,267,602	1,335,123,461,930
- Depreciation for the year	43,913,544,499	27,498,331,202	37,758,924,841	28,573,406,102	649,930,407	138,394,137,051
- Disposed	-	[100,309,524]	[6,806,764,822]	[4,318,666,350]	-	[11,225,740,696]
- Other (decrease)/increase	[5,736,197,648]	279,031,983	358,653,489	119,051,629	-	[4,979,460,547]
As at 31 December 2020	574,289,677,288	168,349,318,953	436,832,428,827	274,466,774,661	3,374,198,009	1,457,312,397,738
Net book value:						
As at 31 December 2019	612,661,722,548	111,511,887,375	118,166,100,188	76,843,932,281	1,127,951,223	920,311,593,615
As at 31 December 2020	585,990,010,425	89,210,948,481	111,384,508,709	72,584,316,422	478,020,816	859,647,804,853

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 december 2020 and for the year then ended

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11. INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Other intangible fixed assets VND	Total VND
Cost:				
As at 31 December 2019	758,296,631,434	648,129,573,629	4,213,321,739	1,410,639,526,802
- Purchased	-	1,798,684,000	-	1,798,684,000
- Transferred from construction in progress	-	18,025,000,000	-	18,025,000,000
As at 31 December 2020	758,296,631,434	667,953,257,629	4,213,321,739	1,430,463,210,802
Accumulated amortization:				
As at 31 December 2019	94,138,987,474	334,597,193,519	4,116,182,840	432,852,363,833
- Amortization for the year	7,963,618,947	60,551,588,939	88,393,274	68,603,601,160
As at 31 December 2020	102,102,606,421	395,148,782,458	4,204,576,114	501,455,964,993
Net book value:				
As at 31 December 2019	664,157,643,960	313,532,380,110	97,138,899	977,787,162,969
As at 31 December 2020	656,194,025,013	272,804,475,171	8,745,625	929,007,245,809

12. INVESTMENT PROPERTIES

Investment properties comprise investment in Quang Minh Housing Project at Dong Dia, Cua Cuong, Ma Vang areas in Gia Tan, Quang Minh Ward, Me Linh District, Vinh Phuc. This project is held for capital appreciation at the consolidated balance sheet date.

13. CONSTRUCTION IN PROGRESS

	31 December 2020 VND	31 December 2019 VND
Purchased fixed assets (*)	307,562,843,478	271,608,559,746
Construction in progress (**)	253,579,326,598	171,451,405,938
Major asset overhauls (***)	786,329,735	1,052,984,973
	561,928,499,811	444,112,950,657

(*) Details of purchased fixed assets are as follows:

	31 December 2020 VND	31 December 2019 VND
Building at No.8 Le Thai To, Hanoi	242,242,223,019	242,242,223,019
Others	65,320,620,459	29,366,336,727
	307,562,843,478	271,608,559,746

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [continued]

as at 31 December 2020 and for the year then ended

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13. CONSTRUCTION IN PROGRESS [continued]

[**] Details of construction in progress are as follows:

	31 December 2020 VND	31 December 2019 VND
Thanh Tri building	37,677,417,451	38,658,920,214
Bao Viet Ha Dong office	25,588,694,226	25,588,694,226
Head-office at No. 7 Ly Thuong Kiet, Hanoi	156,066,506,635	56,788,397,891
Others	34,246,708,286	50,415,393,607
	253,579,326,598	171,451,405,938

[***] Major asset overhauls include repairs and improvements for existing buildings or offices.

14. FINANCIAL INVESTMENTS

	Notes	31 December 2020 VND	31 December 2019 VND
Held-for-trading securities	14.1		
Listed shares		1,563,799,696,578	1,740,426,531,004
Unlisted shares		244,398,855,678	594,221,355,844
Fund certificates		275,871,916,465	246,237,889,731
Bonds		365,574,706,629	250,401,609,523
		2,449,645,175,350	2,831,287,386,102
Provision for held-for-trading securities	14.1	(156,221,229,549)	(262,206,190,001)
		2,293,423,945,801	2,569,081,196,101
Held-to-maturity investments	14.2		
Short-term		71,424,719,658,593	60,511,985,819,670
- Term deposits		68,099,541,630,509	58,471,060,404,237
- Bonds		1,158,100,608,311	300,000,000,000
- Advances from surrender value		2,167,077,419,773	1,740,925,415,433
Long-term		48,071,860,660,529	42,113,845,162,257
- Term deposits		14,119,017,923,547	10,028,466,854,640
- Bonds		33,952,842,736,982	32,085,378,307,617
		119,496,580,319,122	102,625,830,981,927
Other long-term financial investments	14.3		
Investments in associates and jointly controlled entity	14.3.1	2,880,436,188,476	2,848,523,110,118
Investments in other entities	14.3.2	1,042,701,268,763	928,533,355,221
Provision for other long-term investments	14.3.2	(120,753,192,331)	(211,419,119,641)
		3,802,384,264,908	3,565,637,345,698
Net value of financial investments		125,592,388,529,831	108,760,549,523,726

14. FINANCIAL INVESTMENTS (continued)

14.1 Held-for-trading securities

	31 December 2020			31 December 2019		
	Cost	Net carrying value	Provision	Cost	Net carrying value	Provision
Listed shares						
Vietnam National Reinsurance Corporation	265,979,803,260	209,912,000,000	[56,067,803,260]	265,979,803,260	230,903,200,000	[35,076,603,260]
Military Commercial Joint Stock Bank	318,830,560,512	318,830,560,512	-	286,288,379,066	284,364,647,027	[1,923,732,039]
Petro Vietnam Power Corporation	310,735,756,074	308,623,506,474	[2,112,249,600]	187,054,804,911	141,382,424,500	[45,672,380,411]
Viglacera Corporation JSC	-	-	-	265,670,160,664	249,522,400,000	[16,147,760,664]
Others	668,253,576,732	615,719,507,253	[52,534,069,479]	735,433,383,103	625,411,136,512	[110,022,246,591]
	1,563,799,696,578	1,453,085,574,239	[110,714,122,339]	1,740,426,531,004	1,531,583,808,039	[208,842,722,965]
Unlisted shares						
Construction Corporation No.1 JSC	160,400,110,254	160,400,110,254	-	118,863,045,654	117,895,445,654	[967,600,000]
Northern Electricity Development and Investment JSC No.2	-	-	-	107,663,783,440	107,663,783,440	-
Petro Vietnam Machinery Technology JSC	-	-	-	72,745,200,000	72,619,800,000	[125,400,000]
MBLand Holdings JSC	28,800,000,000	13,200,000,000	[15,600,000,000]	28,800,000,000	21,360,000,000	[7,440,000,000]
Ca Mau Joint Stock Seafoods Company	24,000,000,000	13,572,000,000	[10,428,000,000]	24,000,000,000	8,983,650,000	[15,016,350,000]
Others	31,198,745,424	11,719,638,214	[19,479,107,210]	242,149,326,750	212,776,666,763	[29,372,659,987]
	244,398,855,678	198,891,748,468	[45,507,107,210]	594,221,355,844	541,299,345,857	[52,922,009,987]
Bonds						
Military Commercial Joint Stock Bank	120,026,959,200	120,026,959,200	-	120,026,959,200	120,026,959,200	-
Bao Viet Joint Stock Commercial Bank	97,088,400,000	97,088,400,000	-	95,170,500,000	95,170,500,000	-
Huy Hoang Equipment and Installation Construction Company Limited	90,000,000,000	90,000,000,000	-	-	-	-
Lam Dong Tourist Joint Stock Company	40,000,000,000	40,000,000,000	-	-	-	-
Others	18,459,347,429	18,459,347,429	-	35,204,150,323	35,204,150,323	-
	365,574,706,629	365,574,706,629	-	250,401,609,523	250,401,609,523	-
Fund certificates						
BVPF	77,000,000,000	77,000,000,000	-	77,000,000,000	77,000,000,000	-
BVBF	60,000,000,000	60,000,000,000	-	60,000,000,000	60,000,000,000	-
BVFD	55,000,000,000	55,000,000,000	-	55,000,000,000	55,000,000,000	-
E1VFN30	57,292,853,111	57,292,853,111	-	29,961,457,049	29,520,000,000	[441,457,049]
Others	26,579,063,354	26,579,063,354	-	24,276,432,682	24,276,432,682	-
	275,871,916,465	275,871,916,465	-	246,237,889,731	245,796,432,682	[441,457,049]
	2,449,645,175,350	2,293,423,945,801	[156,221,229,549]	2,831,287,386,102	2,569,081,196,101	[262,206,190,001]

Currency: VND

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14. FINANCIAL INVESTMENTS (continued)

14.2 Held-to-maturity investments

Currency: VND

	31 December 2020		31 December 2019	
	Cost	Carrying value	Cost	Carrying value
Short-term investments				
Term deposits (i)	68,542,141,630,509	68,099,541,630,509	58,913,660,404,237	58,471,060,404,237
Bonds	1,832,852,924,813	1,158,100,608,311	974,752,316,501	300,000,000,000
- Corporate bonds (iii)	1,724,395,245,470	1,049,642,928,968	874,752,316,501	200,000,000,000
- Government bonds (iv)	108,457,679,343	108,457,679,343	100,000,000,000	100,000,000,000
Advances from surrender value (v)	2,167,077,419,773	2,167,077,419,773	1,740,925,415,433	1,740,925,415,433
	72,542,071,975,095	71,424,719,658,593	61,629,338,136,171	60,511,985,819,670
Long-term investments				
Term deposits (ii)	14,119,017,923,547	14,119,017,923,547	10,028,466,854,640	10,028,466,854,640
Bonds (iv)	33,952,842,736,982	33,952,842,736,982	32,085,378,307,617	32,085,378,307,617
- Corporate bonds	5,365,123,419,000	5,365,123,419,000	3,456,383,087,895	3,456,383,087,895
- Government bonds	28,587,719,317,982	28,587,719,317,982	28,628,995,219,722	28,628,995,219,722
	48,071,860,660,529	48,071,860,660,529	42,113,845,162,257	42,113,845,162,257
	120,613,932,635,624	119,496,580,319,122	103,743,183,298,428	102,625,830,981,927

- (i) Apart from overdue term deposits at ALCII and VFC, other short-term deposit contracts in VND at financial institutions have original terms from three (03) months and remaining terms of no more than one (01) year and earn interest at rates ranging from 3.50% p.a to 7.70% p.a.
- (ii) Long-term deposit contracts in VND at financial institutions have remaining terms of more than one (01) year and earn interest at rates ranging from 4.70% p.a. to 10.50% p.a.
- (iii) Apart from Vinashin bonds, corporate bonds have term from five (05) to fifteen (15) years and earn interest at rate ranging from 8.30% to 10.83% p.a.
- (iv) Government bonds have terms from ten (10) to thirty (30) years and earn interest at rates ranging from 3.20% p.a to 9.55% p.a, while corporate bonds have terms from five (05) to twenty (20) years and earn interest at rates ranging from 6.85% p.a to 10.45% p.a.
- (v) This represents the advances from surrender value in accordance with life insurance policies, which are recognized at cost. Policyholders who have fulfilled their premium payment obligations for at least 24 months are entitled to an advance on the surrender value, with the advance amount at a maximum of 80% of the surrender value and accumulated un-withdrawn dividend for the relevant policy.

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14. FINANCIAL INVESTMENTS (continued)

14.3 Other long-term financial investments

14.3.1 Investments in associates and jointly controlled entity

Movements of these investments recognized under equity method during the year were as follows:

Currency: VND

Investees	Capital contributed	As at 1 January 2020	Dividend income	Profit/(loss) during the year attributed to the Group	As at 31 December 2020
Long Viet	29,269,440,000	29,762,887,662	-	90,722,109	29,853,609,771
Tokio Marine Vietnam	147,000,000,000	242,496,139,985	[38,098,894,254]	66,014,511,326	270,411,757,057
Bao Viet SCIC	70,000,000,000	75,825,358,326	-	11,567,793	75,836,926,119
Bao Viet Bank	1,560,000,000,000	1,763,104,100,146	-	23,449,160,627	1,786,553,260,773
Trung Nam Phu Quoc	431,200,000,000	431,200,000,000	-	[15,307,423]	431,184,692,577
Hon Tam Bien Nha Trang	196,000,000,000	198,882,048,914	-	[24,855,676,091]	174,026,372,823
PLT	97,650,000,000	107,252,575,085	-	5,316,994,271	112,569,569,356
	2,531,119,440,000	2,848,523,110,118	[38,098,894,254]	70,011,972,612	2,880,436,188,476

14.3.2 Investments in other entities

Currency: VND

	31 December 2020			31 December 2019		
	Cost	Provision	Net carrying value	Cost	Provision	Net carrying value
SSG Group JSC	225,000,000,000	-	225,000,000,000	225,000,000,000	[79,945,751,561]	145,054,248,439
CMC Corporation	163,921,040,000	[443,182,000]	163,477,858,000	144,000,000,000	[8,376,585,100]	135,623,414,900
Hai Phong Thermal Power JSC	125,000,000,000	-	125,000,000,000	125,000,000,000	-	125,000,000,000
International Financial Tower (IFT)	168,163,853,956	-	168,163,853,956	118,937,361,454	-	118,937,361,454
Vietnam Ocean Shipping Joint Stock Company	79,450,000,000	[70,250,000,000]	9,200,000,000	79,450,000,000	[72,850,000,000]	6,600,000,000
Others	281,166,374,807	[50,060,010,331]	231,106,364,476	236,145,993,767	[50,246,782,980]	185,899,210,787
	1,042,701,268,763	[120,753,192,331]	921,948,076,432	928,533,355,221	[211,419,119,641]	717,114,235,580

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15. SHORT-TERM TRADE PAYABLES

	31 December 2020 VND	31 December 2019 VND
Insurance payables		
Life insurance	930,520,293,775	662,829,560,015
Claim payables	117,710,801,390	92,507,297,518
Commission payables	807,201,230,097	556,899,566,147
Dividends payables to policyholders	5,608,262,288	13,422,696,350
General insurance	1,721,324,654,521	2,585,223,560,703
Commission payables	148,734,773,104	111,766,498,311
Payables relating to direct insurance activities	167,185,228,324	428,595,156,790
Reinsurance assumed payables	66,043,470,030	77,652,674,356
Reinsurance ceded payables	1,272,249,697,974	1,857,257,308,698
Payable to Co-insurers	67,111,485,089	109,951,922,548
	2,651,844,948,296	3,248,053,120,718
Payables for financial activities		
Payables for purchase of securities	4,024,930,000	7,862,957,608
	4,024,930,000	7,862,957,608
Payables to suppliers and service providers		
Payables to suppliers	54,206,035,291	37,563,151,464
Other payables	599,494,819	552,249,553
	54,805,530,110	38,115,401,017
	2,710,675,408,406	3,294,031,479,343

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16. STATUTORY OBLIGATIONS

	As at 31 December 2019 VND	Incurred during the year VND	Paid during the year VND	As at 31 December 2020 VND
Tax receivables				
Corporate income tax	[5,504,005,120]	5,504,005,120	[2,125,067,026]	[2,125,067,026]
Personal income tax	[26,992,317]	684,268,736	[744,957,401]	[87,680,982]
Other taxes	[4,650,730]	4,650,730	[1,299,914,027]	[1,299,914,027]
	[5,535,648,167]	6,192,924,586	[4,169,938,454]	[3,512,662,035]
Tax payables				
Value added tax	[30,262,875,007]	481,854,948,907	[434,772,308,839]	16,819,765,061
Corporate income tax	48,514,566,645	261,961,568,497	[235,650,873,307]	74,825,261,835
Personal income tax	31,679,977,220	415,911,090,090	[416,922,334,267]	30,668,733,043
Land use tax	[1,730,933,022]	111,630,756,860	[110,265,807,917]	[365,984,079]
Other taxes	1,404,859,804	21,025,947,648	[22,201,227,700]	229,579,752
	49,605,595,640	1,292,384,312,002	[1,219,812,552,030]	122,177,355,612

In 2020, the tax rates levied for members of the Group were as follows:

Entities	Tax rate
Bao Viet - Au Lac	10%
BVIF	Not subject to CIT
The Holdings and other subsidiaries	20%

Tax returns of the Group are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Current CIT expenses	267,396,475,068	269,693,437,322
Deferred CIT expenses/(income)	36,042,360,066	[669,872,295]
	303,438,835,134	269,023,565,027



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [continued]

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16. STATUTORY OBLIGATIONS [continued]

16.1 Current Corporate Income Tax

The current tax payable is based on taxable profit for the current year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

A reconciliation between the profit before tax and taxable profit is presented below:

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Accounting profit before tax	1,953,285,808,059	1,511,728,184,609
Adjustments to accounting profit		
Increases		
- Temporary differences of financial provision expenses	-	174,896,214,860
- Accrued commission expenses	23,221,445,863	40,571,517,320
- Reversal of gains on foreign exchange revaluation of last year	554,636,910	7,353,581,873
- Non-deductible expenses	31,936,967,895	23,172,645,356
Decreases		
- Non-taxable income from dividends and distributed profits	[173,768,233,230]	[140,884,402,311]
- Reversal of accrued commission of last year	[35,218,162,708]	[44,855,592,961]
- Reversal of temporary differences of financial provision expenses but not yet deductible of last year	[222,371,446,511]	[94,950,463,300]
- Gains on foreign exchange revaluation of current year	[25,504,985,854]	[561,240,708]
- Reversal of provision using internal assessment	-	[24,257,298,493]
Non-taxable amounts arising from consolidation adjustments	[93,471,131,562]	[37,775,552,441]
Non-taxable loss	-	-
Other non-taxable income	[106,388,428,190]	[66,751,676,683]
Total adjustment to profit before tax	[601,009,337,387]	[164,042,267,488]
Estimated current taxable profit	1,352,276,470,672	1,347,685,917,121
- Profit taxed at 10%	516,551,497	461,657,392
- Profit taxed at 20%	1,351,759,919,175	1,347,224,259,729
Estimated CIT for current year	270,403,638,984	269,491,017,684
Adjust the tax payable amount of the previous years according to the decision of the tax office	1,600,000	202,419,638
Adjust to decrease 30% CIT according to the Decision No.116/2020/QH4 issued by the National Assembly dated 19 June 2020	[3,008,763,916]	-
Estimated corporate income tax during the year	267,396,475,068	269,693,437,322
CIT payable at the beginning of the year	43,010,561,525	43,423,087,220
Adjust the tax payable amount of the previous years according to the decision of the tax office	69,098,549	230,889,281
CIT paid during the year	[237,775,940,333]	[270,336,852,298]
CIT payable at the end of the year	72,700,194,809	43,010,561,525

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16. STATUTORY OBLIGATIONS (continued)

16.2 Deferred tax

The followings are deferred tax assets and deferred tax liabilities recognized by the Group, and their movements thereon, during the current and prior reporting years:

	Consolidated balance sheet		Consolidated income statement	
	31 December 2020 VND	31 December 2019 VND	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Deferred tax assets	12,137,474,250	43,189,496,624	(31,052,022,374)	(689,275,114)
Deferred tax liabilities	(5,101,265,074)	(110,927,382)	(4,990,337,692)	1,359,147,409
Net deferred tax (expense)/ income charge recognized in the consolidated financial statements			(36,042,360,066)	669,872,295

16.2.1 Deferred tax assets

	31 December 2020 VND	31 December 2019 VND
Tax rate	20%	20%
Deductible temporary differences	60,687,371,248	215,947,483,119
<i>In which:</i>		
- Accrued commission expense on premium receivables	28,574,800,461	40,571,517,311
- Provision for recovery of commission expense	32,112,570,787	32,112,570,787
- Accrued provision for Vinashin bonds	-	142,425,694,953
- Others	-	837,700,068
Deferred tax assets	12,137,474,250	43,189,496,624

16.2.2 Deferred tax liabilities

	31 December 2020 VND	31 December 2019 VND
Tax rate	20%	20%
Taxable temporary differences	25,506,325,368	554,636,910
<i>In which:</i>		
- Gains on foreign exchange	25,506,325,368	554,636,910
Deferred tax liabilities	5,101,265,074	110,927,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [continued]

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17. SHORT-TERM UNEARNED REVENUE

	31 December 2020 VND	31 December 2019 VND
Insurance activities		
Life insurance	118,953,832,507	105,010,691,324
General insurance	105,363,731,909	91,637,233,576
	224,317,564,416	196,647,924,900
Financial activities		
Prepaid deposit interest	1,185,176,203	2,282,572,047
	1,185,176,203	2,282,572,047
Other activities		
Unearned revenue from real estate management activities	5,037,544,216	4,452,156,237
Unearned revenue from training activities	51,772,783	284,916,079
	5,089,316,999	4,737,072,316
	230,592,057,618	203,667,569,263

18. COMMISSIONS ON REINSURANCE CEDED

	Note	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
General insurance	18.1	519,549,787,848	352,280,288,082
Life insurance		8,656,033,413	1,136,004,516
Total		528,205,821,261	353,416,292,598

18.1 Unearned commission revenue

	General insurance VND
Beginning balance	157,084,170,856
Incurred during the year	450,203,560,065
Commission on reinsurance ceded - Allocated to revenue during the year	[519,549,787,848]
Ending balance	87,737,943,073

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19. OTHER SHORT-TERM PAYABLES

	31 December 2020 VND	31 December 2019 VND
Surplus asset awaiting resolution	2,854,403	2,854,403
Social insurance, health insurance, trade union fees	9,101,405,291	9,253,959,301
Payables relating to securities operation (i)	425,247,261,328	2,810,129,998
Payables related to Social Security Fund (ii)	20,783,479,912	15,221,413,041
Payables to business partner according to the commitment of capital contribution to Trung Nam Phu Quoc (iii)	34,320,000,000	34,320,000,000
Deposit from tenants	12,876,859,548	12,173,614,760
Others (iv)	437,534,054,890	412,679,570,544
	939,865,915,372	486,461,542,047

- (i) Included payables to suppliers for securities operation of Bao Viet Securities Joint Stock Company.
- (ii) This payable relates to social security expenses in the Government's 30A Program and other social security programs which is subject to disbursements in accordance with construction progress.
- (iii) According to the terms of the Share Transfer Contract, the Holdings will transfer money to Thang Long Housing Investment and Development Joint Stock Company according to the committed schedule and conditions to complete the capital contribution to Trung Nam Phu Quoc Joint Stock Company.
- (iv) Mostly included payables to suppliers for insurance operation of subsidiaries.

20. BORROWINGS

	As at 31 December 2019				As at 31 December 2020	
	Balance VND	Payable amount VND	Increase VND	Decrease VND	Balance VND	Payable amount VND
Short-term borrowings						
Bank loans	106,634,758,994	106,634,758,994	1,653,082,440,722	[864,082,736,001]	895,634,463,715	895,634,463,715
	106,634,758,994	106,634,758,994	1,653,082,440,722	[864,082,736,001]	895,634,463,715	895,634,463,715
Long-term borrowings						
Bank loans	233,298,261,127	233,298,261,127	44,862,470,000	[61,618,314,008]	216,542,417,119	216,542,417,119
Issued bonds (*)	400,000,000,000	400,000,000,000	-	[300,000,000,000]	100,000,000,000	100,000,000,000
	633,298,261,127	633,298,261,127	44,862,470,000	[361,618,314,008]	316,542,417,119	316,542,417,119
Total	739,933,020,121	739,933,020,121	1,697,944,910,722	[1,225,701,050,009]	1,212,176,880,834	1,212,176,880,834

In which short-term and long-term bank loans at commercial banks have terms of under one [01] to five [05] years and bear interest rates from 4.00% p.a. to 7.80% p.a.

- (*) Issued bonds include 1,000,000 BVSC_BOND_2019 non-convertible bonds with par value of each bond of VND 100,000 [total par value of VND 100,000,000,000] issued by BVSC under Resolution No. 27/2019/NQ-HĐQT of BVSC's Board of Director dated 12 November 2019. The bonds have term of two [02] years, bear fixed interest at rate of 8.50% p.a. and are secured by receivables from margin lending services of BVSC.



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21. BONUS AND WELFARE FUND

	VND
As at 31 December 2019	129,409,885,270
Increased during the year	93,226,960,507
Utilized during the year	[68,382,974,829]
As at 31 December 2020	154,253,870,948

22. PAYABLES UNDER BOND REPO CONTRACTS

Repo contracts (*)	As at 31 December 2019 VND	Sold during the year VND	Repurchased during the year VND	Allocated repo expenses during the year VND	As at 31 December 2020 VND	Carrying value of repo bonds VND
Bao Viet Joint Stock Commercial Bank	3,084,197,927,696	4,069,612,300,000	[3,202,359,160,000]	186,433,120,112	4,137,884,187,808	2,452,044,053,577
Southeast Asia Commercial Joint Stock Bank	3,950,659,752,161	7,958,444,490,000	[5,602,028,800,000]	228,090,665,805	6,535,166,107,966	4,232,981,403,457
Vietnam International Joint Stock Bank	3,181,088,122,453	1,914,510,890,000	[3,206,224,040,000]	25,246,074,030	1,914,621,046,483	1,355,375,666,245
Technological and Commercial Joint Stock Bank	5,178,482,967,160	627,659,150,000	[6,008,509,220,000]	202,367,102,840	-	-
Others	-	1,385,706,900,000	[301,608,000,000]	12,179,373,811	1,096,278,273,811	852,856,031,478
	15,394,428,769,470	15,955,933,730,000	[18,320,729,220,000]	654,316,336,598	13,683,949,616,068	8,893,257,154,757

(*) Represent payables under repo contracts for Government bonds and Corporate bonds which the Group sold and is committed to repurchasing in less than 12 months.
These payables bear interest at rates ranging from 0.9% p.a. to 5.10% p.a.

23. OTHER LONG-TERM PAYABLES

	31 December 2020 VND	31 December 2019 VND
Cash deposits from insurance agents	228,758,495,113	203,694,760,615
Others	22,833,292,378	18,756,990,105
	251,591,787,491	222,451,750,720

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24. STATUTORY INSURANCE RESERVES

	Mathematical Reserve VND	Unearned premium Reserve VND	Claims Reserve VND	Dividend Reserve VND	Reserve for guaranteed interest rate VND	Equalization Reserve VND	Catastrophe Reserve VND	Total VND
Life insurance								
As at 31 December 2019	75,546,683,412,605	181,343,409,045	99,178,054,641	1,813,623,023,450	1,128,629,366,429	95,648,400,780	-	78,865,105,666,950
Net movement during the year	17,544,035,787,158	19,831,401,229	[33,269,202,638]	121,723,538,646	1,419,369,122,647	10,887,296,320	-	19,082,577,943,362
As at 31 December 2020	93,090,719,199,763	201,174,810,274	65,908,852,003	1,935,346,562,096	2,547,998,489,076	106,535,697,100	-	97,947,683,610,312
General insurance								
As at 31 December 2019	-	5,087,942,673,015	2,819,503,256,634	-	-	-	42,564,972	7,907,488,494,621
Net movement during the year	-	[318,502,071,082]	[309,658,509,508]	-	-	27,185,006,695	16,165,184,013	[584,810,389,882]
As at 31 December 2020	-	4,769,440,601,933	2,509,844,747,126	-	-	27,185,006,695	16,207,748,985	7,322,678,104,739
As at 31 December 2019	75,546,683,412,605	5,269,286,082,060	2,918,681,311,275	1,813,623,023,450	1,128,629,366,429	95,648,400,780	42,564,972	86,772,594,161,571
Net movement during the year	17,544,035,787,158	[298,670,669,853]	[342,927,712,146]	121,723,538,646	1,419,369,122,647	38,072,303,015	16,165,184,013	18,497,767,553,480
As at 31 December 2020	93,090,719,199,763	4,970,615,412,207	2,575,753,599,129	1,935,346,562,096	2,547,998,489,076	133,720,703,795	16,207,748,985	105,270,361,715,051

Details of change in reserves of General insurance during the year are as follows:

	Reserve for direct insurance and inward reinsurance VND	Reserve for outward reinsurance (reinsurance assets) VND	Net reserve VND
As at 31 December 2019			
Unearned premium reserve	5,087,942,673,015	[1,701,325,224,944]	3,386,617,448,071
Claims reserve	2,819,503,256,634	[1,340,049,750,169]	1,479,453,506,465
Catastrophe reserve	42,564,972	-	42,564,972
Total	7,907,488,494,621	[3,041,374,975,113]	4,866,113,519,508
As at 31 December 2020			
Unearned premium reserve	4,769,440,601,933	[1,059,460,785,355]	3,709,979,816,578
Claims reserve	2,509,844,747,126	[1,187,235,382,389]	1,322,609,364,737
Catastrophe reserve	16,207,748,985	-	16,207,748,985
Equalization reserve	27,185,006,695	-	27,185,006,695
Total	7,322,678,104,739	[2,246,696,167,744]	5,075,981,936,995

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25. OWNERS' EQUITY

25.1 Changes in owners' equity

	Contributed capital	Share premium	Foreign exchange differences reserve	Investment and development fund and financial reserves	Other reserves	Undistributed earnings	Statutory reserves for insurance operation	Non-controlling interests	Total
	VND	VND	VND (*)	VND	VND (**)	VND	VND	VND	VND
As at 01 January 2020	7,423,227,640,000	7,310,458,742,807	15,445,192,000	801,321,408,999	103,568,802,818	3,037,187,232,453	476,227,833,633	735,171,665,904	19,902,608,518,614
Dividends paid to shareholders	-	-	-	-	-	[593,858,211,200]	-	-	[593,858,211,200]
Appropriation to Bonus and Welfare Fund	-	-	-	-	-	[89,588,815,986]	-	[3,638,144,521]	[93,226,960,507]
<i>The Holdings (***)</i>	-	-	-	-	-	[33,203,549,136]	-	-	[33,203,549,136]
Subsidiaries	-	-	-	-	-	[56,385,266,850]	-	[3,638,144,521]	[60,023,411,371]
Appropriation to Social Welfare Fund	-	-	-	-	-	[10,843,169,505]	-	-	[10,843,169,505]
<i>The Holdings (***)</i>	-	-	-	-	-	[10,843,169,505]	-	-	[10,843,169,505]
Appropriation to Investment and Development Fund	-	-	-	157,888,424,020	-	[157,888,424,020]	-	-	-
<i>The Holdings (***)</i>	-	-	-	162,648,000,000	-	[162,648,000,000]	-	-	-
Subsidiaries	-	-	-	[4,759,575,980]	-	4,759,575,980	-	-	-
Profit of the year	-	-	-	-	-	1,597,588,285,269	-	52,258,687,656	1,649,846,972,925
Remuneration to the Board of Directors and Supervisory Board	-	-	-	-	-	[3,036,636,015]	-	-	[3,036,636,015]
Appropriation to other reserves	-	-	-	8,148,552,601	-	[55,444,625,802]	47,296,073,201	-	-
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	[28,918,952,000]	[28,918,952,000]
Other decreases	-	-	-	-	-	[805,521,468]	-	-	[805,521,468]
As at 31 December 2020	7,423,227,640,000	7,310,458,742,807	15,445,192,000	967,358,385,620	103,568,802,818	3,723,310,113,726	523,523,906,834	754,873,257,039	20,821,766,040,844

(*) Foreign exchange differences reserve presents the difference due to revaluation of Tokio Marine Vietnam's presentation currency from USD into VND from 1 January 2008.

(**) Other reserves represents the Holdings' remaining interest in the share premium of BVSC arising from the consolidation of the financial statements.

(***) According to the Resolution of the 2020 Annual General Meeting of Shareholders held on 29 June 2020, Bao Viet Holdings appropriated 1% of 2019 profit after tax (equivalent to VND 10,843,169,505) to Social welfare fund, 15% of 2019 profit after tax (equivalent to VND 162,648,000,000) to Investment and development fund and 3.06% of profit after tax of 2019 (equivalent to the amount of VND 33,203,549,136) to the Bonus and welfare fund for employees and Bonus fund for managers of the Holdings.

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25. OWNERS' EQUITY (continued)

25.1 Changes in owners' equity (continued)

	Contributed capital VND	Share premium VND	Foreign exchange differences reserve VND	Investment and development fund and financial reserves VND	Other reserves VND	Undistributed earnings VND	Statutory reserves for insurance operation VND	Non-controlling interests VND	Total VND
As at 01 January 2019	7,008,864,340,000	3,713,080,881,197	15,445,192,000	631,338,501,669	103,568,802,818	2,882,690,188,748	428,207,527,672	692,776,454,627	15,475,971,888,731
Dividends paid	-	-	-	-	-	[700,886,434,000]	-	-	[700,886,434,000]
Appropriation to Bonus and Welfare Fund	-	-	-	-	-	[89,584,007,817]	-	[2,849,500,389]	[92,433,508,206]
The Holdings	-	-	-	-	-	[32,760,910,000]	-	-	[32,760,910,000]
Subsidiaries	-	-	-	-	-	[56,823,097,817]	-	[2,849,500,389]	[59,672,598,206]
Appropriation to Social Welfare Fund	-	-	-	-	-	[10,519,000,000]	-	-	[10,519,000,000]
The Holdings	-	-	-	-	-	[10,519,000,000]	-	-	[10,519,000,000]
Appropriation to Investment and Development Fund	-	-	-	158,266,176,902	-	[158,266,176,902]	-	-	-
The Holdings	-	-	-	157,780,000,000	-	[157,780,000,000]	-	-	-
Subsidiaries	-	-	-	486,176,902	-	[486,176,902]	-	-	-
Capital increase	414,363,300,000	3,597,377,861,610	-	-	-	-	-	-	4,011,741,161,610
Profit of the year	-	-	-	-	-	1,188,459,508,500	-	54,245,111,082	1,242,704,619,582
Remuneration to the Board of Directors and Supervisory Board	-	-	-	-	-	[3,402,222,240]	-	-	[3,402,222,240]
Appropriation to other reserves	-	-	-	11,716,730,428	-	[59,737,036,389]	48,020,305,961	-	-
Non-controlling interests	-	-	-	-	-	-	-	[8,675,685,600]	[8,675,685,600]
Other decreases	-	-	-	-	-	[11,567,587,447]	-	[324,713,816]	[11,892,301,263]
As at 31 December 2019	7,423,227,640,000	7,310,458,742,807	15,445,192,000	801,321,408,999	103,568,802,818	3,037,187,232,453	476,227,833,633	735,171,665,904	19,902,608,518,614



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25. OWNERS' EQUITY (continued)

25.2 Contributed capital

	31 December 2020		31 December 2019	
	Ordinary shares VND	Total VND	Ordinary shares VND	Total VND
Charter capital contributed by shareholders	7,423,227,640,000	7,423,227,640,000	7,423,227,640,000	7,423,227,640,000
Share premium	7,310,458,742,807	7,310,458,742,807	7,310,458,742,807	7,310,458,742,807
Total	14,733,686,382,807	14,733,686,382,807	14,733,686,382,807	14,733,686,382,807

25.3 Capital transactions with owners and distribution of dividends, profits

	2020 VND	2019 VND
Contributed capital		
As at 01 January	7,423,227,640,000	7,008,864,340,000
Increase	-	414,363,300,000
As at 31 December	7,423,227,640,000	7,423,227,640,000
Dividends, profits paid	593,858,211,200	700,886,434,000

25.4 Dividends

	2020 VND	2019 VND
Dividends declared after the balance sheet date and have not been recognized as liabilities on 31 December	593,858,211,200	700,886,434,000
- Dividend on ordinary shares (dividends for 2019: VND 800 per share, dividends for 2018: VND 1,000 per share)	593,858,211,200	700,886,434,000

Implementing the Resolution of the 2020 Annual General Meeting of Shareholders held on 29 June 2020, Bao Viet Holdings has paid dividend for fiscal year 2019 at the payout ratio of 8% (VND 800 per share) on the charter capital of VND 7,423,227,640,000, equivalent to VND 593,858,211,200. The dividend payment was made on November 2020.

Implementing the Resolution of the 2021 Annual General Meeting of Shareholders held on 29 June 2021, Bao Viet Holdings approved the dividend payout ratio for fiscal year 2020 of 8.958% (VND 898.5 per share) on the charter capital of VND 7,423,227,640,000, equivalent to VND 666,977,003,454. The dividend payment will be made upon the Board of Directors' approval.

25.5 Shares

	31 December 2020		31 December 2019	
	Shares	Amount VND	Shares	Amount VND
Authorized shares	742,322,764	7,423,227,640,000	742,322,764	7,423,227,640,000
Issued shares	742,322,764	7,423,227,640,000	742,322,764	7,423,227,640,000
Ordinary shares	742,322,764	7,423,227,640,000	742,322,764	7,423,227,640,000
Shares in circulation	742,322,764	7,423,227,640,000	742,322,764	7,423,227,640,000
Ordinary shares	742,322,764	7,423,227,640,000	742,322,764	7,423,227,640,000

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26. REVENUE

26.1 Direct written premium

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Life Insurance		
Endowment insurance	7,905,465,382,063	8,293,354,253,804
Universal life	18,709,816,640,956	15,745,858,271,912
Others	1,422,365,215,821	1,412,343,191,696
Total life insurance premium	28,037,647,238,840	25,451,555,717,412
General Insurance		
Indemnity insurance	1,046,875,784,644	889,863,307,007
Property insurance	4,251,635,290,776	5,081,982,341,941
Health & personal accident insurance	4,390,842,096,726	4,324,771,244,692
Total general insurance premium	9,689,353,172,146	10,296,616,893,640
Total gross premium	37,727,000,410,986	35,748,172,611,052

26.2 Reinsurance premium assumed

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Indemnity insurance	15,227,092,347	16,127,117,941
Property insurance	157,054,577,545	191,172,789,054
Health & personal accident insurance	6,938,972,094	21,618,345,108
	179,220,641,986	228,918,252,103

27. REINSURANCE PREMIUM CEDED

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Reinsurance premium of life insurance ceded		
Endowment insurance	358,178,035	472,286,870
Universal life	10,690,831,445	9,443,461,141
Others	4,381,770,078	3,782,071,677
	15,430,779,558	13,697,819,688
Reinsurance premium of general insurance ceded		
Indemnity insurance	336,370,029,771	83,639,452,402
Property insurance	3,063,674,809,756	3,029,895,746,414
Health & personal accident insurance	703,875,205,005	247,155,912,201
	4,103,920,044,532	3,360,691,111,017
	4,119,350,824,090	3,374,388,930,705



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28. DIRECT EXPENSES OF INSURANCE ACTIVITIES

28.1 Claim and maturity payment expenses

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Life Insurance		
Maturity payment	1,952,395,201,219	1,870,037,734,330
Surrender value payment	3,913,649,673,687	2,255,747,286,945
Claim payment and other insurance benefit payments	1,629,710,259,893	3,332,054,656,376
	7,495,755,134,799	7,457,839,677,651
General Insurance		
Indemnity insurance	327,072,625,688	324,740,583,778
Property insurance	2,712,609,157,063	3,750,326,438,564
Health & personal accident insurance	2,265,387,016,799	2,461,146,738,795
	5,305,068,799,550	6,536,213,761,137
	12,800,823,934,349	13,994,053,438,788

28.2 Claim expenses for reinsurance assumed

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
General Insurance		
Indemnity insurance	12,289,741,960	6,254,299,987
Property insurance	105,418,417,038	213,148,440,031
Health & personal accident insurance	14,944,971,241	20,571,127,963
	132,653,130,239	239,973,867,981

28.3 Recoveries from reinsurance ceded

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Life insurance		
Recoveries from reinsurance ceded	5,323,422,286	726,166,967
	5,323,422,286	726,166,967
General Insurance		
Indemnity insurance	66,192,344,112	537,623,636
Property insurance	1,677,101,052,170	2,118,840,584,256
Health & personal accident insurance	409,391,852,151	218,504,701,764
	2,152,685,248,433	2,337,882,909,656
	2,158,008,670,719	2,338,609,076,623

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29. OTHER INSURANCE OPERATING EXPENSES

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Risk minimization expenses	71,498,861,679	66,540,368,466
Loss adjusting fee, risk assessment and others	142,241,201,876	145,258,706,531
Other reinsurance assumed expenses	3,245,813,421	4,253,768,495
Insurance agency expenses and other expenses	279,280,204,786	330,924,875,651
Other insurance operating expenses allocated from administrative expenses	873,424,503,908	1,169,542,598,277
- Staff costs	487,372,686,639	536,428,439,949
- Materials and office supplies	35,522,044,788	53,054,498,665
- Depreciation and amortization expenses	21,362,493,611	26,476,027,714
- Taxes and fees	9,200,584,434	10,219,185,397
- External services expenses	21,537,443,358	248,426,222,226
- Others	298,429,251,078	294,938,224,326
Policyholders' protection fund	12,718,928,949	32,242,361,038
	1,382,409,514,619	1,748,762,678,458

30. NET OPERATING INCOME FROM OTHER ACTIVITIES

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Operating income from other activities		
Brokerage and issuance underwriting services	165,982,093,674	126,457,121,411
Investment consultancy service	8,499,895,454	10,782,045,453
Custody services	5,470,747,111	4,851,597,302
Investment portfolio management	4,200,494,321	4,205,497,943
Rental and real estate management services	55,505,332,365	63,922,557,436
Training services	32,815,153,234	28,733,853,773
Construction and trading activities	146,478,451,722	90,117,494,426
Others	14,334,984,770	7,660,717,781
	433,287,152,651	336,730,885,525
Operating expenses from other activities		
Brokerage and issuance underwriting services	[117,933,887,676]	[115,339,334,556]
Investment consultancy service	[15,947,095,197]	[11,888,057,092]
Custody services	[16,078,708,610]	[14,920,127,758]
Investment portfolio management	[1,922,383,360]	[4,632,349,226]
Real estate management service	[72,402,808,894]	[33,390,694,255]
Construction and trading activities	[147,910,744,550]	[121,056,323,952]
Others	[45,738,640,199]	[39,510,843,827]
	[417,934,268,486]	[340,737,730,666]
	15,352,884,165	[4,006,845,141]



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31. FINANCIAL ACTIVITIES

31.1 Financial income

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Interest from term deposits	5,718,119,483,622	4,595,692,187,825
Interest from bonds and treasury bills	2,494,064,231,788	2,531,713,114,844
Income from advances from surrender value	212,234,336,424	189,104,315,895
Dividend income	216,172,780,230	172,208,659,092
Gain from foreign exchange difference	19,541,571,046	10,041,848,168
Gain from securities trading	661,437,392,467	178,285,468,456
Other financial income	174,088,891,756	193,702,056,566
	9,495,658,687,333	7,870,747,650,846

31.2 Financial expenses

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Loss from foreign exchange difference	15,709,408,008	13,912,213,149
Repo and loan interest expenses	702,373,401,785	982,499,854,551
Dividend paid to policyholders	295,764,143,348	314,583,069,516
Loss from securities trading	97,575,840,347	127,185,664,656
[Reverse]/Provision expenses	[196,734,887,759]	139,280,647,927
Other financial expenses	927,224,696,878	606,727,810,432
	1,841,912,602,607	2,184,189,260,231

32. SELLING EXPENSES

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Recruitment expenses	4,809,311,811	3,171,029,082
Training expenses	48,311,504,149	45,064,262,017
Agent allowances	1,168,716,092,781	758,430,770,062
Welfare to agents	99,964,137,913	55,821,049,824
Bonus to agents	734,836,829,520	554,005,305,001
Agency support expenses	220,436,829,556	208,595,996,065
Other expenses	89,083,237,065	73,570,983,212
	2,366,157,942,795	1,698,659,395,263

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33. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
General and administrative expenses related to insurance operation		
Staff costs	1,821,319,917,044	1,829,717,320,756
Materials and office supplies	230,251,922,035	228,206,782,027
Depreciation and amortization expenses	66,870,434,546	78,386,968,124
Taxes and fees expenses	20,281,754,340	20,761,595,557
Expenses for external services	657,232,125,145	431,853,054,198
Provision expenses	23,414,810,127	16,178,303,826
Other expenses	358,000,582,404	336,547,162,304
	3,177,371,545,641	2,941,651,186,792
General and administrative expenses related to other operations		
Staff costs	227,941,153,988	231,188,455,855
Depreciation and amortization expenses	109,655,787,532	69,883,685,173
Taxes and fees expenses	15,322,486,862	20,436,187,941
Expenses for external services	155,977,704,145	163,818,844,992
Provision expenses	456,733,500	14,008,735,610
Other expenses	69,792,062,940	76,039,259,218
	579,145,928,967	575,375,168,789
	3,756,517,474,608	3,517,026,355,581

34. OTHER PROFIT

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Other income		
Proceeds from disposal of assets	1,181,349,087	843,741,819
Others	12,336,408,565	5,792,569,169
	13,517,757,652	6,636,310,988
Other expenses		
Expenses from disposal of assets	[50,757,567]	[22,007,037]
Others	[1,860,178,054]	[3,070,007,729]
	[1,910,935,621]	[3,092,014,766]
Other profit	11,606,822,031	3,544,296,222



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35. RELATED PARTIES TRANSACTIONS

Related parties of the Group as at and for the year ended 31 December 2020 include:

Related parties	Relationship
Ministry of Finance	Founding Shareholder
SCIC	Founding Shareholder
Sumitomo Life	Strategic Shareholder
Tokio Marine Vietnam	Joint Venture
Bao Viet Bank	Associate
Bao Viet SCIC	Associate
Long Viet	Associate
Trung Nam Phu Quoc	Associate
PLT	Associate
Hon Tam Bien Nha Trang	Associate

Significant related parties' transactions during the year ended 31 December 2020 are given below:

Related parties	Transactions	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Founding shareholder			
Ministry of Finance	Dividend paid	(386,007,840,000)	(482,509,800,000)
SCIC	Dividend paid	(17,723,520,000)	(22,154,400,000)
Strategic shareholder			
Sumitomo Life	Proceeds from share issuance under private placement plan	-	4,011,741,161,610
	Dividend paid	(131,156,336,800)	(122,509,091,000)
	Office rental income	577,039,680	577,039,680
	Expenses related to Technical Support and Capability Transfer Agreement	(2,028,308,286)	(3,853,171,523)
Associates and Joint ventures			
Tokio Marine Vietnam	Dividend received	38,098,894,254	21,600,874,075
	Management fee	410,270,277	411,786,177
Bao Viet Bank	IT service revenue	3,504,469,437	3,508,950,418
	Deposit interest income	972,548,380,432	579,037,972,781
	Bond coupon income	110,617,012,004	110,779,290,061
	Rental and parking income	9,492,719,625	8,295,462,723
	Repo and borrowing expenses	(203,943,551,484)	(50,997,717,264)

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35. RELATED PARTIES TRANSACTIONS (continued)

Significant balances with related parties at 31 December 2020 are given below:

		Receivables/[(Payables)]	
Related parties	Transactions	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 VND
Associate			
Bao Viet Bank	Demand deposits and other deposits	158,768,384,872	3,197,248,375,823
	Cash in transit	80,453,716,295	25,053,311,102
	Term deposits and accrued interest receivables	8,187,911,121,581	11,279,720,579,880
	Bonds and coupon receivables	1,316,600,746,871	1,309,111,868,378
	Payables in relation to repo contracts of Government bonds	[4,137,884,187,807]	[3,084,197,927,697]
	IT services and training services fee receivables	940,364,220	937,940,854
	BVSC bonds issued, and coupon receivables	-	[200,193,848,717]
	Borrowings	-	[5,026,868,613]
Strategic Shareholder			
Sumitomo Life	Rental deposit and prepaid	[317,371,824]	[317,371,824]

Transactions with other related parties

Remuneration to the Board of Directors, salary after personal income tax deduction of Chief Executive Officer and other executives, in the year 2020, are as below:

	2020 VND
Remuneration to the Board of Management	
Mr. Kenji Yoneda	228,000,000
Mr. Teruo Shimmen	228,000,000
Mr. Nguyen Dinh An	114,000,000
Ms. Than Hien Anh	228,000,000
Mr. Do Truong Minh	228,000,000
Ms. Tran Thi Dieu Hang	228,000,000
Mr. Nguyen Minh Hoang	32,413,793
Mr. Nguyen Xuan Viet	228,000,000
Salary of Chief Executive Officer and other executives	
Mr. Dao Dinh Thi	1,188,203,387
Mr. Do Truong Minh	1,037,109,208
Mr. Ong Tien Hung	778,413,905
Mr. Nguyen Xuan Hoa	939,102,524



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36. EARNINGS PER SHARE

The following reflects data used in the earnings per share computation.

	For the year ended 31 December 2020 VND	For the year ended 31 December 2019 (restated) VND
Net profit after tax attributable to ordinary shareholders	1,597,588,285,269	1,188,459,508,500
Adjusted for:		
- Remuneration to the Board of Directors and Supervisory Board	-	[2,040,000,000]
- Funds deduction (*)	[41,190,589,002]	[44,046,718,641]
Net profit after tax attributable to ordinary equity holders for basic earnings	1,556,397,696,267	1,142,372,789,859
Weighted average number of ordinary shares for basic earnings per share	742,322,764	702,475,773
Basic earnings per share	2,097	1,626
Diluted earnings per share (**)	2,097	1,626

(*) Profits used to calculate earnings per share for the year ended 31 December 2019 have been adjusted against the figures presented in the consolidated financial statements for the same period to reflect the actual deduction from retained earnings of 2019 according to the Resolution at the Annual General Meeting of Shareholders on 29 June 2020.

Profits used to calculate earnings per share for the year ended 31 December 2020 have been adjusted to reflect the actual deduction from retained earnings of 2020 according to the Resolution at the Annual General Meeting of Shareholders on 29 June 2021.

(**) There have been no other transactions involving ordinary shares or potential ordinary between the reporting date and the date of these consolidated financial statements.

37. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services rendered. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit offering different products and serves different markets. Accordingly, the Group's management monitors the operating results of its business units separately for making decisions, resource allocation and performance assessment.

37. SEGMENT INFORMATION (continued)

Geographical segments

These consolidated financial statements do not include information on geographical segments as the Group is engaged in providing products or services within Vietnam as well as at areas having the same economic environment and that is subject to similar risks and returns.

Business segments

For management purposes, the Group is organized into business units based on their products produced and services, and has four reportable business segments as follows:

- The life insurance services offer a wide range of Whole Life; Pure Endowment; Term Life; Endowment; Bancassurance; Annuity; Universal life; Healthcare and personal accident riders; other types of life insurance; reinsurance assumed and ceded in life, healthcare insurance and personal accident.
- General insurance services offer health and personal accident insurance; property insurance; cargo insurance; hull - P&I insurance; general indemnity insurance; aviation insurance; automobile insurance; fire & special risk insurance; agriculture insurance and others; assuming and ceding reinsurance for all types of non-life insurance.
- Financial services include fund management, investment portfolio management, securities brokerage and trading, investment consulting, etc. BVF provides the investment management services to policyholders. BVSC provides the securities brokerage, securities underwriting and issuance agency, securities trading, custody, investment and financial consulting services.
- Real estate operation and other activities include the provision of rental and related services at the Bao Viet's buildings. In addition, the Group is in the progress of developing other real estate projects such as Bao Viet Insurance Building in Hanoi, project in Ho Chi Minh City and other domestic real estate projects around the country.

Transfer prices between business segments are set on an arm's length basis in a similar manner to transactions with third parties. Segment revenue, segment expenses and segment result include transfers between business segments. Those transfers are eliminated in the preparation of the consolidated financial statements.

The following tables present financial position as at 31 December 2020 and 31 December 2019, revenue and profit information regarding the Group's business segments for the year ended 31 December 2020 and 31 December 2019, respectively:

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37. SEGMENT INFORMATION [continued]

Business segments [continued]

The following table presents operating results of the Group's business segments for the year ended 31 December 2020:

For the year ended 31 December 2020	Currency: VND million				
	Life insurance	General insurance	Financial services	Real estate operations and other activities	Consolidated adjustments and eliminations
Direct written premium	28,017,816	10,189,932	-	-	[2,857]
Reinsurance premium ceded	[15,431]	[4,745,784]	-	-	-
Commission on reinsurance ceded and other insurance income	8,656	1,071,712	-	-	-
Total net operating revenues	28,011,041	6,515,860	-	-	[2,857]
Claim and maturity payment expenses	[7,495,755]	[5,305,069]	-	-	-
Claim expenses for reinsurance assumed	-	[132,653]	-	-	-
Deductions	-	3,180	-	-	-
Recoveries from reinsurance ceded	5,323	2,152,686	-	-	-
Increase in insurance reserves	[19,096,016]	-	-	-	[27,185]
Increase in claim reserves for direct insurance and reinsurance assumed	33,269	309,659	-	-	-
Increase in claim reserve related to reinsurance ceded	-	[152,814]	-	-	-
Provision for catastrophe reserve	-	[115,350]	-	-	73,878
Claim expenses using catastrophe reserve	-	72,000	-	-	[46,693]
Other insurance operating expenses	[1,998,176]	[2,569,358]	-	-	90,273
Total direct expenses for insurance activities	[28,551,355]	[5,737,719]	-	-	90,273
Net operating income from other activities	-	-	461,762	20,842	[467,251]
Selling expenses	[2,366,263]	-	-	-	105
General and administration expenses	[2,307,985]	[1,153,870]	[578,627]	[19,455]	303,420
Profit from financial activities	6,265,488	453,260	1,514,315	7,956	[587,273]
Other profit	26,915	10,248	894	707	[27,157]
Share of profit in associates and joint ventures	-	-	-	-	70,012
Profit before tax	1,077,841	87,779	1,398,344	10,050	[620,728]
					1,953,286

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37. SEGMENT INFORMATION (continued)

Business segments (continued)

The following table presents operating result of the Group's business segments for the year ended 31 December 2019:

For the year ended 31 December 2019	Life insurance	General insurance	Financial services	Real estate operations and other activities	Consolidated adjustments and eliminations	Currency: VND million
Direct written premium	25,428,251	10,386,718	-	-	(425)	35,814,544
Reinsurance premium ceded	(13,698)	(3,070,511)	-	-	-	(3,084,209)
Commission on reinsurance ceded and other insurance income	1,136	577,665	-	-	-	578,801
Total net operating revenues	25,415,689	7,893,872	-	-	(425)	33,309,136
Claim and maturity payment expenses	(7,457,840)	(6,536,213)	-	-	-	(13,994,053)
Claim expenses for reinsurance assumed	-	(239,974)	-	-	-	(239,974)
Deductions	-	4,092	-	-	-	4,092
Recoveries from reinsurance ceded	726	2,337,883	-	-	-	2,338,609
Increase in insurance reserves	(15,642,077)	-	-	-	31,184	(15,610,893)
Increase in claim reserves for direct insurance and reinsurance assumed	(58,959)	248,350	-	-	-	189,391
Increase in claim reserve related to reinsurance ceded	-	(272,989)	-	-	(123,615)	(396,604)
Provision for catastrophe reserve	-	(143,305)	-	-	-	(143,305)
Claim expenses using catastrophe reserve	-	143,305	-	-	71,691	214,996
Other insurance operating expenses	(1,905,585)	(2,927,544)	-	-	95,298	(4,737,831)
Total direct expenses for insurance activities	(25,063,735)	(7,386,395)	-	-	74,558	(32,375,572)
Net operating income from other activities	-	-	350,379	12,534	(366,920)	(4,007)
Selling expenses	(1,698,659)	-	-	-	-	(1,698,659)
General and administration expenses	(2,258,443)	(873,204)	(569,234)	(25,496)	209,351	(3,517,026)
Profit from financial activities	4,682,267	438,499	1,596,755	7,387	(1,038,350)	5,686,558
Other profit	27,298	8,578	543	16,329	(49,204)	3,544
Share of profit in associates and joint ventures	-	-	-	-	107,754	107,754
Profit/(loss) before tax	1,104,417	81,350	1,378,443	10,754	(1,063,236)	1,511,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2020 and for the year then ended

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37. SEGMENT INFORMATION (continued)

Business segments (continued)

The following table presents financial position of the Group's business segments as at 31 December 2020:

As at 31 December 2020	Currency: VND million				
	Life insurance	General insurance	Financial services	Real estate operations and other activities	Consolidated adjustments and eliminations
ASSETS					Total
Cash and cash equivalents	384,396	142,711	493,393	24,017	5,736,225
Receivables from reinsurance	2,608	701,458	-	-	-
Receivables from insurance	119,416	931,662	-	-	[280]
Reinsurance assets	-	2,246,696	-	-	-
Other receivables	3,935,086	241,394	927,835	79,185	[806,873]
Financial investments	115,015,974	7,191,133	18,764,545	106,138	[15,485,401]
Loan receivables	-	-	2,216,794	-	20,687
Tangible fixed assets	234,768	205,394	361,651	32,469	25,366
Intangible fixed assets	251,973	375,976	286,419	14,639	-
Other assets	229,261	941,655	401,746	100,080	[37,395]
TOTAL ASSETS	120,173,482	12,978,079	23,452,383	356,528	[10,547,671]
LIABILITIES					
Short-term liabilities	15,753,058	2,496,715	1,626,742	47,931	[177,008]
Long-term liabilities	98,176,442	7,329,914	331,800	24,304	[18,863]
TOTAL LIABILITIES	113,929,500	9,826,629	1,958,542	72,235	[195,871]
OWNERS' EQUITY	6,243,982	3,151,450	21,493,841	284,293	[10,351,800]
TOTAL LIABILITIES AND OWNERS' EQUITY	120,173,482	12,978,079	23,452,383	356,528	[10,547,671]

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37. SEGMENT INFORMATION (continued)

Business segments (continued)

The following table presents financial position of the Group's business segments as at 31 December 2019:

As at 31 December 2019						Currency: VND million	
	Life insurance	General insurance	Financial services	Real estate operations and other activities	Consolidated adjustments and eliminations	Total	
ASSETS							
Cash and cash equivalents	982,444	347,797	2,751,806	59,758	600,797	4,742,602	
Receivables from reinsurance	651	908,979	-	-	-	909,630	
Receivables from insurance	133,586	1,702,222	-	-	-	1,835,808	
Reinsurance assets	-	3,041,375	-	-	-	3,041,375	
Other receivables	3,488,139	285,615	850,721	69,188	[857,062]	3,836,601	
Financial investments	95,806,417	6,735,197	15,650,389	93,793	[9,525,247]	108,760,549	
Loan receivables	-	-	1,525,362	-	20,771	1,546,133	
Tangible fixed assets	245,671	232,493	406,474	35,729	[55]	920,312	
Intangible fixed assets	255,802	392,881	314,464	14,640	-	977,787	
Other assets	251,357	897,447	433,080	104,027	[18,470]	1,667,441	
TOTAL ASSETS	101,164,067	14,544,006	21,932,296	377,135	[9,779,266]	128,238,238	
LIABILITIES							
Short-term liabilities	16,875,806	3,487,989	369,839	52,940	[79,399]	20,707,175	
Long-term liabilities	79,069,004	7,910,157	640,999	27,996	[19,701]	87,628,455	
TOTAL LIABILITIES	95,944,810	11,398,146	1,010,838	80,936	[99,100]	108,335,630	
OWNERS' EQUITY	5,219,257	3,145,860	20,921,458	296,199	[9,680,166]	19,902,608	
TOTAL LIABILITIES AND OWNERS' EQUITY	101,164,067	14,544,006	21,932,296	377,135	[9,779,266]	128,238,238	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [continued]

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38. COMMITMENTS AND CONTINGENCIES

38.1 Commitment under operating leases

The total lease commitments in the future under other non-cancellable lease agreements including the assets such as offices, working places are as follows:

	31 December 2020 VND	31 December 2019 VND
- Less than 1 year	78,302,512,182	91,194,703,484
- From 1-5 years	113,038,054,387	150,477,799,031
- More than 5 years	70,062,124,605	87,426,402,141
	261,402,691,174	329,098,904,656

38.2 Outstanding disputes, litigations

During the years 2008 and 2009, the Group entered in term deposit contracts with Agribank Leasing Company No. II ("ALCII"), with the deposits' original maturities ranging from 6 months to one year and interest rates ranging from 10.5% to 17.5% per annum. Starting from 2009, due to financial difficulties, ALCII has failed to repay the principals and related interests of some deposit contracts to the Group. Therefore, in 2016, the Group filed a lawsuit against ALCII following the regulations of Civil Laws regarding ALCII's failure to perform the obligations regulated in the signed contracts. According to the decision of the Verdict No. 1009/2016/KDTM-PT dated 05 September 2016 and Verdict No. 1158/2016/HDTM-PT dated 30 September 2016 issued by the Court Appeal - Ho Chi Minh City People's Court, ALCII is obliged to settle all outstanding debts owed to the Holdings as at 31 May 2016 comprising: unpaid principals of VND 326,600,000,000, unpaid due interest of VND 52,990,388,887, unpaid overdue interest of VND 421,212,752,500 and the overdue interests calculated on the overdue unpaid interests of VND 69,068,967,356 and interests arising during the year from 01 June 2016 until the full settlement of all outstanding debts calculated on the outstanding principals and remaining due interests at the rates set forth in the signed contracts. The Holdings and its subsidiaries are currently carrying out the collection of related debts following the court's verdict, monitoring the bankruptcy procedures at ALC II.

As at 31 December 2020, Bao Viet Insurance was in litigation with policy holders of several loss cases in which Bao Viet Insurance refused to pay the claims in full or only accepted to pay a part of the claims. Total claim amount of mentioned above cases as at 31 December 2020 was VND 154.1 billion, in which the residual liability due to Bao Viet Insurance was VND 19.9 billion. The ultimate impact of those litigation cases can only be determined based on the final decision made by the Court or the Conciliation Commission and therefore, Bao Viet Insurance has not yet set up claim reserves for those cases.

39. OFF BALANCE SHEET ITEMS

ITEMS	31 December 2020	31 December 2019
1. Insurance policies signed but not yet effective [VND]	215,722,244,159	263,903,326,567
2. Bad debt written off [VND]	7,436,521,813	7,046,121,813
3. Foreign currency [USD]	941,499	2,203,667
4. Securities under custody [VND]	29,420,061,882,810	26,472,274,208,189
5. Securities not in custody [VND]	2,767,950,787,600	2,667,009,170,000
6. Cash at bank of trusted sources [VND]	1,175,873,185,276	589,451,865,603
7. Trusted investment portfolio [VND]	247,873,383,596	290,697,748,025
8. Receivables of trusted sources [VND]	7,034,397,261	7,776,055,464
9. Payables to trusted sources [VND]	[1,176,118,011,151]	[591,556,462,418]
10. Interest receivables from term deposits, bonds and trusted loan [VND]	2,424,552,722,009	2,196,508,157,957

40. RISK MANAGEMENT FRAMEWORK

The primary objective of the Holdings and the subsidiaries' risk management framework is to take preventive actions and minimize possible inherent risks in order to sustain the Holdings and the subsidiaries' business operation in a stable, safe and efficient manner; help to create a transparent management environment as well as to safeguard the Holdings and the subsidiaries' assets and reputation.

Risk Management activities are uniformly implemented from the Holding's management to each relevant unit or staff of the Holdings and the subsidiaries using the same principle to actively identify, evaluate and control the impact of different types of risks on business operation of the Group.

The Holding's Board of Directors ("BOD") takes responsibility for approving the structure, function and duty of the Group's risk management system; issuing strategy, risk management policies of the Group as well as supervising risk management activities of the entire Group.

The Chief Executive Officer ("CEO") of the Group shall be entitled to issue regulated documents and guidelines on internal risk management and implement risk management strategies and policies which have been approved by the BOD. Policies and risk management system are periodically reviewed to timely reflect all market's movements as well as the Group's business operations.

Risk Management Council ("RMC") of the Group is a supporting agency for the Group's CEO to implement risk management practices. RMC's meetings are conducted on a periodic basis to assess the level of risk exposure for the Group, identify emerging risks and their preventative actions; approve models, risk measurement tools, limits of different risk types and supervise the execution/application of those approved risk limits.

In this note, the Group would like to present basic understanding of risk management activities in general as well as objectives, policies, procedures of risk management and assessment methods in relevance with the use of financial instruments particularly.

Capital management

The primary capital management objectives of the Holdings and the subsidiaries are to maintain an adequate capital base to support business development and cover the inherent risks. Besides, capital management should comply with solvency margin requirements and strategic requirements of the Group.

The Holdings and the subsidiaries are aware of the impact on shareholders' returns of the level of equity capital employed. The subsidiaries manage their own capital with an aim to develop their business, fulfil legal requirements and conform to the Group's capital plans as well. The Holdings and the subsidiaries have met all the capital requirements on fulfilling obligations and solvency position as at 31 December 2020 in Vietnam.

Regulators are primarily interested in protecting the rights of policyholders and monitor the insurance companies closely to ensure that they are operating effectively for the policyholders' benefit. At the same time, regulators are also interested in ensuring that the insurers maintain appropriate solvency position to meet unforeseen liabilities arising from economic downturn or natural disasters.

The tables below summarize solvency margin for the Bao Viet Insurance and Bao Viet Life:

	Solvency margin [million VND]	Minimum solvency margin [million VND]	Solvency margin ratio [%]
Bao Viet Insurance			
As at 31/12/2020	2,069,190	1,441,877	144
As at 31/12/2019	1,939,933	1,791,317	108
Bao Viet Life			
As at 31/12/2020	5,656,346	5,287,750	107
As at 31/12/2019	4,659,661	4,351,385	107

The solvency margin ratio of the Bao Viet Life and Bao Viet Insurance is an indicator of the overall solvency position for insurance business and is calculated based on the relevant regulations promulgated in Circular No. 50 /2017/TT-BTC dated 15 May 2017 and Circular No.01/2019/TT-BTC dated 02 Jan 2019 by the Ministry of Finance.

41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

The Group has exposure to the following risks from its operating activities:

- Insurance risk;
- Financial risks including credit risk, liquidity risk and market risk.

Risk management is integral to the whole business of the Group. Management continually monitors the Group's risk management process to ensure an appropriate balance between the cost of risks occurring and the cost of managing the risks. The management reviews and agrees policies for managing each of the above summarized risks as below:

41.1 Management of insurance risk

Insurance risk is the risk related to the possibility that an insurance company incurs losses due to premium income being insufficient to cover insurance events. The insurance activities are carried out by Bao Viet Insurance and Bao Viet Life - two subsidiaries of Bao Viet Holdings.

41.1.1 Objectives and policies for insurance risk management

Risk management objectives of Bao Viet Insurance and Bao Viet Life are to control the scope and level of losses incurred, keeping these within the risk acceptance level.

Insurance risk management policies in Bao Viet Life

The major insurance activity carried out by Bao Viet Life is to establish assumptions of risk of loss relating to individuals or organizations that are directly subject to the risk. Such risks may relate to life, accident, health, financial risks of the insured or other perils that may arise from insured events. Therefore, Bao Viet Life is exposed to the uncertainty of timing and amount of insurance claims under the contracts. Risk management is critical in controlling such insurance risks and maximizing Bao Viet Life's profits simultaneously.

Bao Viet Life fully applies risk management methods in designing new insurance products, adjust existing products design, underwriting, policy terms development, experience monitoring, survey process, claim payments to achieve the target insurance business profits. Bao Viet Life regularly reviews the key assumptions (table of mortality rates, technical interest rates and parameters of losses), the insured to verify the compliance with principles of underwriting process, survey process and claim payments; focuses on review of risks that have a high likelihood of occurring and potential insurance frauds; regularly reassesses accumulated risks and provisioning adequately for all insurance reserves.

Insurance risk management is emphasized in all relevant stages of the business process. Firstly, insurance risks are closely monitored through the development of appropriate assumptions for expected losses related to the insured under insurance policies. Bao Viet Life may be exposed to the risk of uncertain timing, frequency and amount of compensation payments related to the accidental loss, health, insurance frauds or other risks that may arise from the insured event. Therefore, Bao Viet Life has issued and implemented relevant regulations and strictly managed processes of: product design and management; monitoring implementation; periodically assessment of product profitability and sales revenue; scenario analysis; timely completion of products and the revaluation of assumptions.

Besides, Bao Viet Life also manages its insurance risk by setting insurance underwriting limits, the approval procedures for transactions related to new contracts or transactions exceed the limits, diversifying risk portfolios, providing valuation principles, principles of reinsurance and monitoring of other affairs.

Bao Viet Life has used several methods to assess and monitor insurance risk exposures for both specific and overall risks. These methods include internal risk measurement models, sensitivity analyses, scenario analyses and stress testing. The theory of probability is applied to the pricing and establishment of insurance products portfolios to be provided. The significant risk is that the frequency of occurrence of insured events is greater than expected. Insurance events are random, and the actual number of insured events occurred during any one-year period may vary from estimated figures using practical statistical techniques.

41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.1 Objectives and policies for insurance risk management (continued)

Insurance risk management policies in Bao Viet Life (continued)

The process applied by Bao Viet Life to determine the assumptions is intended to result in stable and prudent estimates of future outcomes. This is achieved by adopting relatively conservative assumptions, which can withstand a reasonable range of fluctuation of actual experience. Annual review of the relevant experiences is performed to ensure the margin exists between the assumptions adopted and the most likely estimates of future outcome are acceptable.

For traditional life products, the insurance reserves are generally calculated on modified net premium basis, a modified net premium basis with Zillmer adjustment or a modified gross premium basis. The net premium is the level of premium payable over the premium payment period whose discounted value at the effective date of the policy would be sufficient to cover the discounted value of the guaranteed benefits at maturity or at loss events. The policy reserve is then calculated by subtracting the present value of future modified net premiums from the present value of the benefits guaranteed at maturity or loss events (such as death, injuries) up to the statement of financial position date. For health insurance, the net premium reserve method or the 1/8 method or a combination of these two methods is used.

Under the modified gross premium method, the official premium will be used in the calculation of reserves. No allowance made for voluntary policy cancellation by policyholders so as to comply with the Vietnamese insurance regulation.

Under all circumstances, the declared reserves are not lower than the minimum reserves in accordance with the law.

For universal life and voluntary pension products, the policy reserve is determined as the policy account value of all in-force policies with an additional provision for the unexpired insurance risk (reserve calculated on cash flow basis) and reserve for loyalty bonus and benefit as well as reserve for other insurance benefits under the contract.

Unearned premium reserve is calculated for insurance contracts with the duration of equal to or less than one (01) year.

The principal assumptions underlying the calculation of the long-term business provisions are:

(i) Tables of mortality rates

The table of mortality rates used in reserve calculation are based on the approved actuarial basis, which is consistent with the local statutory requirement. The mortality table CSO 1980 is used for reference and comparison.

For the life annuity products, a separate rate table is used to ensure prudent and complete provision.

(ii) Morbidity, disability, hospitalization incidences rates

The morbidity, disability, hospitalization incidences rates used in reserving are based on the filed actuarial basis. The morbidity, disability incidence rates, which mainly cover major illness and disability, are generally derived from total paid benefit payment and average annualized premium.

In additions, for insurance policy where the insured has a greater risk exposure than standard cases (which means there is an additional premium), the additional reserve amounts will be established accordingly with the increased risks.

(iii) Valuation interest rate

Bao Viet Life used the same interest rates for similar traditional products. At the same time, to ensure the regulation on the minimum reserve, the result according to the public reserve method, which were declared, will be compared with the statutory minimum reserve to ensure that publish reserve is not less than the statutory minimum reserve. Specifically, if the result lower than the statutory minimum reserve, the statutory minimum reserve will be used.

41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.1 Objectives and policies for insurance risk management (continued)

Insurance risk management policies in Bao Viet Life (continued)

Bao Viet Life has issued strict regulations, especially in product design activities and excluding rules in order to minimize the possibility of insurance fraud and adverse selection. Simultaneously, Bao Viet Life provides rules on underwriting process such as specified acceptable insurance subjects, the maximum sum insured, the insurance products, the eligible hospitals for claim requests, perform fully the procedures of premiums pricing, ensuring profitability and solvency positions in situations whereby the actual compensation differs from assumptions to the extent of a certain limit. The methods and tools used by Bao Viet Life to assess and monitor insurance risks, such as risk measurement models, sensitivity analysis, scenario analysis. Advanced actuary methods are applied to premium pricing and determine portfolio of insurance products to be provided.

The assessment of risk, insurance approval process, inspections and resolving insurance claim requests have been enhanced through the improvement of regulations, operation procedures, staff training and building good business relationships and effective cooperation with relevant parties... In particular, this work has been centrally managed consistently throughout Bao Viet Life.

Insurance risk management policies at Bao Viet Insurance

To achieve risk management objectives, Bao Viet Insurance has established and applied comprehensive risk assessment before accepting insurance on all operation process including underwriting, reinsurance, loss survey and claim settlement.

For underwriting, Bao Viet Insurance has diversified the insurance risks through individual customers and retail channels. Furthermore, Bao Viet Insurance applies risk acceptance criteria which where they will not assume the insurance risks with high probability of claims or potential fraud. Besides, Bao Viet Insurance also has enhanced cumulative risk evaluation and established regulations on insurance acceptance for different product categories, for each location in order to diversify risks and avoid cumulative risk.

In 2020, Bao Viet Insurance has revised the premium rate for each risk categories based on analysis of the loss experience and trends of risks, inflation, competition and change in regulations. With the high loss rate and expense categories, Bao Viet Insurance only accepts to enter the insurance contracts with higher premium or limited insurance coverage or increased deductible amount. For the risk categories with loss rate still ensuring insurance profit, Bao Viet Insurance advocates to increase the insurance acceptance rate to increase market share and increase cash inflows to profit from finance activities.

For in-force insurance contracts, if they incur additional credit risk (the insured is unable to pay premiums), Bao Viet Insurance actively terminates the contracts to avoid obligations on reinsurance premiums, taxes, or compensation for occurred loss.

Bao Viet Insurance also applied all risk transfer solutions to share risks with other insurance companies and the policyholders such as co-insurance, reinsurance and deductible amount application. For other business lines, Bao Viet Insurance has also required reinsurance arrangements before issuing an insurance policy or entering excess of loss reinsurance contracts.

Loss assessment and claim settlement have been executed at two levels. The large and complicated losses are handled and settled at Head Office. Small and less complicated ones which the member companies have experience in receiving and settling are handled at branch level. Bao Viet Insurance has also enhanced claims processing and compensation procedure to avoid the additional risks that may arise such as exchange rate, additional claim cost, inflation, ethics risks, etc.

Bao Viet Insurance has successfully developed and implemented customer service center to improve underwriting, loss notification, loss adjustment and claim settlement processes. Bao Viet Insurance has initially implemented InsureJ software and developed underwriting and claim settlement center model to assess risk and handle claim at branch level. The software supports the timely and accurate recording of policyholder information, insurance contract information, loss information for analysis, evaluation and risk management decisions.

41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.2 Cash flow management from insurance activities

Bao Viet Life's business strategy is to diversify to ensure a balance among business operations based on a large portfolio with similar risks for a few of years. Such strategy would help Bao Viet Life reduce the volatility of operation results. Details on main products of Bao Viet Life and the methods Bao Viet Life uses to manage the associated risks are as below:

Life insurance contracts - traditional products

Product features - The basic feature of long-term traditional insurance products is to provide guaranteed death benefit determined at the time of policy issuance. The benefits of insurance products with a savings component are guaranteed with surrender value and maturity benefits, reduced sum insured when stop premium payments and periodic benefits (for some products). For some products (such as products applied for juvenile), the waiver of premium ("WP") benefit is provided when the policyholder dies or is in Total and Permanent Disability ("TPD") status, or when the insured is in TPD status. The TPD benefit is also paid in case the insured is in TPD status for juvenile products. Besides, in some accidental serious injury insurance products or serious medical insurance benefits are provided in the event the corresponding insurance event occurs with the assured.

Traditional products, which include discretionary participating features, allow policyholder to receive a distribution of the profits of the life insurance fund. These plans offer a discretionary annual bonus in the form of an accumulated cash dividend at the end of financial year and payable to the policyholder at the policy anniversary date for each five (05) years. With participating product in the form of dividends, annual dividend and contract-closing dividend are provided.

The principles upon which the distribution of profit among the policyholders is made are:

- (i) To recognize the financial condition of Bao Viet Life;
- (ii) To take into consideration the reasonable expectation of policyholders;
- (iii) To balance the interests between the shareholders and policyholders; and
- (iv) To comply with regulations.

Risk management - Bao Viet Life has complete discretion over the decision of declared bonuses subjects to fully compliance with current regulations. In practice, Bao Viet Life considers policyholders' reasonable expectations when setting bonus levels. It is Bao Viet Life's intention to maintain a stable dividend rates based on the long-term rate of return. Annual review is performed to confirm the appropriateness of the current dividend rate taking into account the overall experience on investments, claims, operating expenses and cancellations.

Investment risks are managed through matching of assets and liabilities. Investment strategies are developed to satisfy policy holders' reasonable expectations on the basis of fully compliance with current regulations. Risks of death, injury and illness are managed through proper implementation of underwriting, issuing contracts, survey and claim settlement procedures and experience monitoring.

Life insurance contracts - universal life products

Product features - Bao Viet Life issues universal life insurance contracts, which provide policyholders with life insurance protection and investment opportunity in the universal life fund including endowment universal life product which has insurance term of fifteen (15), twenty (20) or twenty-five (25) years, universal life product for children and whole life universal life product.

41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.2 Cash flow management from insurance activities (continued)

Life insurance contracts - universal life products (continued)

The universal life products provide guaranteed death benefit, which is either the greater of the Policy Account Value ("PAV") and the Increasing Sum Insured or the sum of Policy Account Value and Increasing Sum Insured and Maturity benefit to be the Policy Account Value according to the choice of policyholders. In addition, with universal life products for juvenile, policyholder can choose the level of Financial assistance benefit at the time of joining insurance.

The universal life contracts provide minimum committed investment interest in the event of death, contract cancellation and contract are matured.

The universal life products also provide Loyalty benefit and Fund size benefit in order to increase the value for policies which have large fund size and/or adequate premium payments.

Premiums received are deposited into Bao Viet Life's universal life fund after the deduction of initial charges. Other fees and charges including the cost of insurance, policy administration and investment fund management fee are deducted from the policy's PAV.

Voluntary pension products

Product features - Bao Viet Life has 02 voluntary pension products, including group of pension products and individual pension products, which provide retirement plan and protection for different types of customers. The policyholder may choose retirement age for the life insured and the contribution type (single contribution or regular contributions until retirement age). For group pension product, the contributions may come from both policyholder and the life insured (member).

The main benefits of pension products including Pension benefit, Death benefit, TPD benefit, Funeral allowance benefit, Loyalty benefit, Withdrawal benefit. From retirement age of the life insured, Pension benefit will be paid out from PAV regularly by a frequency and in a predetermined period or until the life insured died (depending on the choice and the Sum Insured or the sum of PAV and Sum Insured. Funeral allowance benefit is paid immediately when the life insured dies and will be deducted from death benefit or any later payment(s). Up to policy wordings of each product, the Life insured can transfer or withdraw the PAV in some specific situations. Pension products also provide Loyalty benefit in order to increase the PAV for Pension accounts which have large fund size and/or adequate contributions.

Minimum investment return for pension products is guaranteed for each Pension account year (hard guarantee).

Contributions received are deposited into the Company's voluntary pension fund after the deduction of initial charges. Other fees and charges including the cost of insurance, policy administration and investment fund management fee are deducted from the PAV. For group pension product the fees and charges may be applied differently depending on features of each group.

Health Insurance products

Product features - Health insurance products are guaranteed benefit in the insured events without maturity benefits and surrender value. Health insurance products are non-participating products.

For insurance period, Bao Viet Life is providing two types: annual re-enforce (insurance period is 01 year) and long term (insurance period is more than 01 year).

Risks of injury, illness and hospitalization, etc... are managed through product design, pricing, strict compliance with sale processes, insurance contract issuance, survey and claim settlement procedures, experience monitoring.

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.2 Cash flow management from insurance activities (continued)

Non-life insurance products

Bao Viet Insurance has fully complied with the Ministry of Finance's regulations on premium receivable to avoid fund misappropriation.

Bao Viet Insurance continued to maintain its cash flow management policy, ensuring liquidity, meeting the needs of claim payment and maximizing the use of free cash flow to generate income in 2020.

41.1.3 Additional information on insurance risk

Claim development table

The table below presents estimates of cumulative claim incurred and cumulative payment to date:

Currency: VND million

ITEMS	Accident year					
	2016	2017	2018	2019	2020	Total
At the end of accident year	1	2	3	4	5	6
I. Estimate of cumulative claims incurred						
1	2,434,993	2,954,365	4,034,625	3,751,268	3,088,899	
2	2,605,523	3,718,676	4,210,835	4,406,726	-	
3	2,450,660	3,532,364	4,069,402	-	-	
4	2,596,553	3,583,345	-	-	-	
5	2,495,666	-	-	-	-	
Current estimate of cumulative claims incurred [1]	2,495,666	3,583,345	4,069,402	4,406,726	3,088,899	17,644,038
II. Cumulative claim payment						
1	1,992,373	2,424,100	2,757,013	3,146,324	1,407,772	-
2	2,364,512	3,294,708	3,811,575	3,720,755	-	-
3	2,409,102	3,415,379	3,929,080	-	-	-
4	2,470,259	3,491,930	-	-	-	-
5	2,481,838	-	-	-	-	-
Cumulative claim payment to date [2]	2,481,838	3,491,930	3,929,080	3,720,755	1,407,772	15,031,374
III. Net outstanding claim reserve [3] = [1] - [2]	13,828	91,415	140,322	685,971	1,681,127	2,612,664
IV. Current estimate of surplus or deficit [4]	[60,673]	[628,979]	[34,777]	[655,458]	-	
V. Percentage of current estimate of surplus/ [deficit] over current estimate of cumulative claims incurred [5] = [4]/[1]*100%	-2%	-18%	-1%	-15%	0%	

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.3 Additional information on insurance risk (continued)

Impacts on reported profits and equity

Insurance and investment activities are 2 main sources of income of Bao Viet Insurance, in which, insurance profit is less significant.

Profit from insurance operation of Bao Viet Life depends heavily on risks such as interest rate risk or mortality rate. Bao Viet Life has run valuation models based on a variety of assumptions. A sensitivity analysis in various scenarios provides an insight into the key risks to which Bao Viet Life is exposed to. The following table demonstrates the sensitivity of estimates of insurance liabilities to particular movements in assumptions used in the estimation process. Certain variables are expected to impact more significantly on insurance liabilities than others, and consequently have a greater degree of sensitivity.

Impacts on reported profits to changes from key variables are:

Currency: VND million

	Change in variable [%]	Change in insurance liability	Impact on equity
31 December 2020			
Valuation rate	+0.25	[1,110,687]	888,550
Valuation rate	-0.25	1,230,826	[984,661]
Mortality rate	+10	201,596	[161,277]
Mortality rate	-10	[198,934]	159,147
Mortality rate	+20	409,519	[327,615]
Mortality rate	-20	[393,475]	314,780
31 December 2019			
Valuation rate	+0,25	[933,366]	746,693
Valuation rate	-0,25	1,078,789	[863,031]
Mortality rate	+10	212,853	[170,282]
Mortality rate	-10	[173,814]	139,051
Mortality rate	+20	464,880	[371,904]
Mortality rate	-20	[309,546]	247,637

The analysis above has been prepared with assumption that when one variable changes all other assumptions remain constant and ignores the changes in values of the related assets.

Concentration of insurance risk

Insurance risks of Bao Viet Insurance include most types of non-life insurance risks such as cargo, marine, aviation, oil and gas, property, personal and accident, engineering risk, etc. Aside from concentration risk in the same insurance risk category, Bao Viet Insurance also faces concentration of related insurance risks e.g. combination of vessel and cargo insurance, asset and human insurance, etc. In 2020, Bao Viet Insurance continues implementing policies and procedures to manage concentration risks and to maintain reinsurance protection contracts to limit liability when concentration risk events or disaster occur.

41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.3 Additional information on insurance risk (continued)

Concentration of insurance risk (continued)

There are no significant differences of Bao Viet Life's primary risks including mortality risk, morbidity risk, longevity risk, investment risk, expense risk, or risk from the insured's decision making, among various regions, product types, or sectors.

Bao Viet Life's underwriting strategies in life insurance are designed to ensure insurance risks are diversified in both product lines and the degree of insurance benefits. This is achieved mostly by underwriting in almost all sectors and geographical areas; utilizing healthcare facility in order to guarantee that the product pricing process has already included the current health status, family medical history or career characteristics of the insured; periodically reviewing practical claim cases and product pricing along with claim settlement procedures. Underwriting limits are set to assure that risk criteria are properly chosen.

For instance, Bao Viet Life has the right to refuse re-enforcement of separate insurance contracts, apply discounts or deny claim payment in fraud cases. Insurance contracts also allow Bao Viet Life to recover a part of or total expenses from third parties. Bao Viet Life further improved the active management and claim recovery to reduce unpredicted risks in the future, which might have an adverse impact on Bao Viet Life.

Reinsurance

Reinsurance is an important and effective risk management solution in Bao Viet Insurance, including one-year treaty arrangements and facultative reinsurance agreement for each single risk. The reinsurers contracted with Bao Viet Insurance are insurers/reinsurers with highly credit ratings and have been cooperating with Bao Viet Insurance for many years, such as Munich Re, Swiss Re. The reinsurance program built and applied in Bao Viet Insurance up to now has increased insurance capacity of Bao Viet Insurance, protected Bao Viet from high risks and big losses, as well as supported Bao Viet Insurance meeting solvency requirement.

Bao Viet Life also manages insurance risks by implementing reinsurance policy. Bao Viet Life transfers a portion of the insurance policy risks to reinsurer companies through treaty reinsurance arrangements. The retained amount depends on financial capability and risk level of the insured. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the loss events occurred. However, Bao Viet Life remains liable to its policyholders with respect to full amount of sum insured whether or not the reinsurers meet their assumed obligations. Reinsurance contracts contain credit risks, and to minimize such risk, Bao Viet Life only enters into reinsurance contracts with those who meet the rating standards in accordance with the current regulations.

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.1 Management of insurance risk (continued)

41.1.3 Additional information on insurance risk (continued)

Estimates of insurance benefits

The following table sets out the concentration of life insurance contract liabilities by type of contract:

	Currency: VND million		
	Insurance contract liabilities with DPF	Insurance contract liabilities without DPF	Total insurance contract liabilities
31 December 2020			
Rider insurance	439	535,593	536,032
Whole Life insurance	89,177	-	89,177
Term Life insurance	-	11,177	11,177
Endowment insurance	19,089,556	23,879,914	42,969,470
Universal life insurance	-	52,312,900	52,312,900
Annuity insurance	1,180,743	-	1,180,743
Voluntary pension insurance	-	738,757	738,757
Others	-	2,892	2,892
Total	20,359,914	77,481,234	97,841,148
31 December 2019			
Rider insurance	1,551	440,256	441,808
Whole Life insurance	88,321	-	88,321
Term Life insurance	-	10,656	10,656
Endowment insurance	15,776,858	20,727,431	36,504,288
Universal life insurance	-	39,850,603	39,850,603
Annuity insurance	1,172,793	-	1,172,793
Voluntary pension insurance	-	604,564	604,564
Others	96,425	-	96,425
Total	17,135,947	61,633,510	78,769,457

Claim estimation

In order to effectively manage insurance risk, Bao Viet Life and Bao Viet Insurance have paid significant attention on the process from loss notification, estimation, statistics to loss data management.

For year ended 31 December 2020, Bao Viet Insurance has continued to improve the statistical processes and claim management to estimate and record the payments to the correct expense period. In 2020, Bao Viet Insurance applied centralized management in surveying, claiming of automobile insurance, health insurance in the key areas in Hanoi, Da Nang and Ho Chi Minh City in order to improve the surveying quality.

Claim reserves include outstanding claim reserve is established for claims submitted but still in the course of settlement as at the balance sheet date and reserve for incurred but not reported claims. Loss information will be input into the system when insurance companies receives claim notice from customers. There is normally not much difference between claim estimation and claim paid since claim reserve was estimated based on loss information and compensation rate applied to each insurance product.

The Covid-19 Pandemic has caused a decline in insurance revenue due to a decrease in social isolation orders and decline in customer income. However, the Government is subsidizing all costs related to disease testing and treatment, therefore the disease has not increased compensation costs of insurance companies. In the long term, insurance companies will continue to monitor disease developments closely and analyze the impact of the Covid-19 Pandemic on mortality and morbidity rates on insured customers. In the event of a material effect, the Group will consider adjusting the calculation assumptions during the design of new products as well as making additional provisions for existing products to ensure responsibility to customers.

41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.2 Management of financial risk

Financial instruments of the Group and its subsidiaries are exposed to financial risks. Such risks include credit risk, liquidity risk and market risk. The management reviews and agrees policies for managing each of these above summarized risks as below:

41.2.1 Credit risk

Credit risk is defined as the risk of loss resulting from adverse changes in borrowers/counterparties' ability to repay their debts on time.

The Group is exposed to credit risk from insurance credit risk, financial investment activities (including term deposits, bonds and other financial instruments), and from other business activities. The Board of Management has issued credit risk management framework in order to manage credit quality and concentration of credit risk.

Insurance credit

Insurance credit risk is defined as probability that policyholders do not make premium payment sufficiently and timely according to insurance policy. This risk emerges mainly at Bao Viet Insurance. Although the premium payment is not made, since the policies are effective, Bao Viet Insurance has obligations to pay VAT, policy issuance and management fees, ceded premium as well as to make claim payment in case of claim incurred, if any.

In order to mitigate this risk, Bao Viet Insurance has issued regulations and required related parties to strictly comply with the Law and regulations on premium debt.

Regarding ceded contracts, after allocating insured liabilities to reinsurers, Bao Viet Insurance faces credit risk of being unable to recover claim liability from reinsurers. To minimize these risks, Bao Viet Insurance only contracted with reinsurers who have been highly credit rated by international rating firms and can meet requirements of the MOF of Viet Nam.

Term deposits

Credit risk related to term deposits is defined as the probability that the deposits' principal and interest are not collected at pre-determined time as credit institutions go bankrupt, lose credit rating or are insolvency.

On 03 August 2020, the Holdings issued Decision 1018/2020/QĐ-TĐBV accompanied by Regulation on evaluating, categorizing of and setting up the credit limit for commercial banks and financial companies. This regulation is developed based on Circular 52/2018/TT-NHNN dated 31 December 2018 of State Bank of Vietnam in order to standardize the internal credit rating model applied at the Holdings and its subsidiaries. RMC of the Holdings has set up the credit limit at each financial institution where the Holdings could place deposits and these limits shall be periodically reviewed. The Holdings also establishes investment monitoring measures to timely respond to any signal of downgrading in credit quality of counter party. RMC of the Holdings shall review risk exposure and recommend corrective actions.

Bond investments

Credit risk related to bond investments is defined as probability that issuers are unable to pay principal and coupon on time. In order to manage credit risk arising from bond investments, the Group has established plan, approved limit to match with investment strategy and asset - liability structure issued Regulations on risk management of corporate bond investment accompanied by the Decision No. 1129/2020/QĐ-TĐBV dated on 27 August 2020 [replaced the Regulation on risk management in corporate bond investment accompanied by the Decision No. 1762/2019/QĐ-TĐBV dated 26 December 2019] in order to manage tightly financial and non-financial positions and movements of collateral assets.

In the case where the bond issuer lost its liquidity capability, the Group and subsidiaries will set a council to manage irrecoverable debts and dispose the secured assets (if any).

Government bonds are less risky than corporate bonds and currently account for significant part of total bond investment portfolios, therefore, the risk in bond investments is considered relatively low. Currently, there is no recognition of Covid-19 pandemic's impacts to the credit risk of the bond portfolio of the Group.

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.2 Management of financial risk (continued)

41.2.1 Credit risk (continued)

Margin transactions

Margin activities create credit risk when customers are unable to fully pay principal and interest of the loan even when all of their stocks which serve as collateral assets have been sold. BVSC continues to maintain governance policies that have been proven effectiveness as follows:

- Perform customer's credit rating and classification to grant proper credit limits in accordance with customers' financial capacity and collateral assets. Perform periodically reviews on customers with accumulated risk for compliance with risk limitation issued by BVSC;
- Select stock portfolios qualified for margin transactions in accordance with regulations of State Securities Commission and Stock Exchanges. Regularly update stock information in the market to identify and provide early warnings of stocks with signs of illiquidity or market price downtrend;
- Set up a set of safe margin ratios, accordingly, early alert customers about the status of their loan and request for additional margin; handle collateral assets to preserve capital safety of BVSC during margin transactions.

Credit risk of margin activities during this year is rated at medium.

Trade and other receivables

Outstanding customer receivables are regularly monitored to mitigate credit risk. The impairment is analyzed at each reporting date on an individual basis for major clients. The Group's trade receivables relate to a large number of diversified customers, hence there is no significant concentration credit risk. The Group makes provisions for the receivables that have evidence of default based on their estimated credit losses.

Details of credit risk for each group of assets as at 31 December 2020 are as follows

Currency: VND million				
As at 31 December 2020	Not yet due and not impaired VND	Past-due but not individually impaired VND	Individually impaired [*] VND	Total VND
ASSETS				
Cash and cash equivalents	6,780,742	-	-	6,780,742
Receivables from insurance operations	732,123	41,409	15,784	789,316
Reinsurance receivables	704,066	-	-	704,066
Reinsurance assets	2,246,696	-	-	2,246,696
Other receivables	77,855	-	-	77,855
- Deposits, mortgages or collaterals	71,586	-	-	71,586
- Dividends receivable	6,269	-	-	6,269
Held-to-maturity investment	121,507,403	-	-	121,507,403
- Term deposits	85,165,335	-	-	85,165,335
- Bonds	36,342,068	-	-	36,342,068
Trading securities	365,575	-	-	365,575
- Bonds	365,575	-	-	365,575
Loans and advances to customers	4,608,567	802	1,286	4,610,655
Other assets	173,831	3,053	3,136	180,020
TOTAL	137,196,858	45,264	20,206	137,262,328

[*] Provision is included.

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.2 Management of financial risk (continued)

41.2.1 Credit risk (continued)

Details of credit risk for each group of assets as at 31 December 2019 are as follows:

Currency: VND million

As at 31 December 2019	Not yet due and not impaired VND	Past-due but not individually impaired VND	Individually impaired (*) VND	Total VND
ASSETS				
Cash and cash equivalents	4,742,602	-	-	4,742,602
Receivables from insurance operations	1,528,120	51,583	11,404	1,591,107
Reinsurance receivables	909,630	-	-	909,630
Reinsurance assets	3,041,375	-	-	3,041,375
Other receivables	68,012	-	-	68,012
- Deposits, mortgages or collaterals	64,044	-	-	64,044
- Dividends receivable	3,968	-	-	3,968
Held-to-maturity investment	104,479,624	-	-	104,479,624
- Term deposits	70,779,138	-	-	70,779,138
- Bonds	33,700,486	-	-	33,700,486
Trading securities	250,402	-	-	250,402
- Bonds	250,402	-	-	250,402
Loans and advances to customers	3,482,161	2,015	1,457	3,485,633
Other assets	243,942	4,212	2,730	250,884
TOTAL	118,745,868	57,810	15,591	118,819,269

(*) Provision is included

The Group's assets that are neither past due nor impaired include investment in securities, other receivables and other financial assets which are not overdue nor impaired under Circular 48.

In which:

- **Not yet due and not impaired:** the assets or loans with interest and principal are not yet due and there is no evidence of decline in value.
- **Past-due but not individually impaired:** the assets with overdue interest and principal but the Group believes that these assets will not be devalued because they are secured by the collaterals and the Group has trust in the customers' credibility and other credit security measures.
- **Individually impaired:** debt instruments and loans to customers that the Group assessed that they cannot repay the interest and principal under the terms of the contract.

The Group has made an adequate amount of provision for impairment of receivables in accordance with Circular 48. Out of the total overdue assets, the Holdings is in the process of writing off default debts which have sufficiently supporting basis for the writing off. For default debts that have insufficient basis to be written off, the Group is conducting court procedures against them. For overdue debts whose debtors still have an ability to pay, the Group conducted debt confirmation and collection procedures.

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.2 Management of financial risk (continued)

41.2.2 Liquidity risk

Liquidity risk is defined as the potential inability to honor financial commitments when due, because of a mismatch between short term liabilities and cash/liquid assets.

The Group's targets are to maintain the balance between cash inflows and outflows, and to ensure that financial commitments are fulfilled when due. To avoid and mitigate this risk, the Group continuously analyzes the remaining maturity based on liability contracts, and estimated cash flows. Past liquidity demand analysis is also performed to understand the movement in these demands and the impacting factors. The Group's liquidity position is regularly monitored and is reported to the Asset-Liability Committee [ALCO]. The ALCO reviews the liquidity position and the investment performance and then determines suitable course of actions.

The liquidity of the Group has remained stable because the impacts of the Covid-19 pandemic to slightly reduce revenue from non-life insurance and

The table below summarizes the maturity profile of the Group's financial assets as at 31 December 2020 based on their undiscounted contractual cash flows:

						Currency: VND million
As at 31 December 2020	Overdue	On demand	Up to 1 year	1-5 years	Over 5 years	Total
FINANCIAL ASSETS						
Cash and cash equivalents	-	-	6,780,742	-	-	6,780,742
Receivables from insurance operations	57,193	-	732,123	-	-	789,316
Reinsurance receivables	-	-	704,066	-	-	704,066
Reinsurance assets	-	-	2,246,696	-	-	2,246,696
Other receivables	-	-	77,855	-	-	77,855
- Deposits, mortgages or collaterals	-	-	71,586	-	-	71,586
- Dividends receivable	-	-	6,269	-	-	6,269
Financial investments	-	2,681,635	76,817,790	27,691,448	57,506,110	164,696,983
Held-to-maturity investments	-	-	76,444,345	27,691,448	57,506,110	161,641,903
- Term deposit contracts	-	-	72,911,395	15,191,301	-	88,102,696
- Bonds	-	-	3,532,950	12,500,147	57,506,110	73,539,207
Held-for-trading securities	-	1,927,850	373,445	-	-	2,301,295
- Listed shares	-	1,453,086	-	-	-	1,453,086
- Unlisted shares	-	198,892	-	-	-	198,892
- Fund certificates	-	275,872	-	-	-	275,872
- Bonds	-	-	373,445	-	-	373,445
Other financial investments	-	753,785	-	-	-	753,785
Loans and advances to customers	2,088	-	4,608,567	-	-	4,610,655
Other assets	6,189	-	173,831	-	-	180,020
TOTAL	65,470	2,681,635	92,141,670	27,691,448	57,506,110	180,086,333

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 december 2020 and for the year then ended

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.2 Management of financial risk (continued)

41.2.2 Liquidity risk (continued)

The table below summarizes the maturity profile of the Group's financial liabilities as at 31 December 2020 based on undiscounted contractual cash flows:

Currency: VND million

As at 31 December 2020	Overdue	On demand	Up to 1 year	1-5 years	Over 5 years	Total
FINANCIAL LIABILITIES						
Insurance contract liabilities	13,778	-	(11,514,011)	(33,239,317)	168,262,091	123,522,541
Insurance payables	-	-	1,328,277	-	-	1,328,277
Reinsurance payables	-	-	1,338,293	-	-	1,338,293
Other financial liabilities	-	-	15,292,402	-	-	15,292,402
- Deposits received	-	-	246,647	-	-	246,647
- Others	-	-	15,045,755	-	-	15,045,755
TOTAL	13,778	-	6,444,961	(33,239,317)	168,262,091	141,481,513

The table below summarizes the maturity profile of the Group's financial assets as at 31 December 2019 based on their contractual undiscounted cash flows:

Currency: VND million

As at 31 December 2019	Overdue	On demand	Up to 1 year	1-5 years	Over 5 years	Total
FINANCIAL ASSETS						
Cash and cash equivalents	-	-	4,742,602	-	-	4,742,602
Receivables from insurance operations	62,987	-	1,528,120	-	-	1,591,107
Reinsurance receivables	-	-	909,630	-	-	909,630
Reinsurance assets	-	-	3,041,375	-	-	3,041,375
Other receivables	-	-	68,012	-	-	68,012
- Deposits, mortgages or collaterals	-	-	64,044	-	-	64,044
- Dividends receivable	-	-	3,968	-	-	3,968
Held-to-maturity investments	-	-	67,499,226	22,559,513	54,169,486	144,228,225
- Term deposit contracts	-	-	63,169,049	10,885,258	150,500	74,204,807
- Bonds	-	-	4,330,177	11,674,255	54,018,986	70,023,418
Held-for-trading securities	-	2,318,679	268,454	-	-	2,587,133
- Listed shares	-	1,531,584	-	-	-	1,531,584
- Unlisted shares	-	541,299	-	-	-	541,299
- Fund certificates	-	245,796	-	-	-	245,796
- Bonds	-	-	268,454	-	-	268,454
Other financial investments	-	598,177	-	-	-	598,177
Loans and advances to customers	3,472	-	3,482,161	-	-	3,485,633
Other assets	6,942	-	243,942	-	-	250,884
TOTAL	73,401	2,916,856	81,783,522	22,559,513	54,169,486	161,502,778



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS [continued]

as at 31 December 2020 and for the year then ended

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK [continued]

41.2 Management of financial risk [continued]

41.2.2 Liquidity risk [continued]

The table below summarizes the maturity profile of the Group's financial liabilities as at 31 December 2019 based on their contractual undiscounted cash flows:

Currency: VND million						Total
As at 31 December 2019	Overdue	On demand	Up to 1 year	1-5 years	Over 5 years	
FINANCIAL LIABILITIES						
Insurance contract liabilities	10,641	-	[7,908,665]	[23,549,138]	185,755,155	154,307,993
Insurance payables	-	-	1,313,143	-	-	1,313,143
Reinsurance payables	-	-	1,934,910	-	-	1,934,910
Other financial liabilities	-	-	16,496,708	-	-	16,496,708
- Deposits received	-	-	222,129	-	-	222,129
- Others	-	-	16,274,579	-	-	16,274,579
TOTAL	10,641	-	11,836,096	[23,549,138]	185,755,155	174,052,754

41.2.3 Market risk

Market risk is the risk of changes in fair value of a financial instrument due to changes in key drivers such as interest rates, equity prices, exchange rates and commodity prices.

The Group's objective is to manage and control market risk exposures in order to optimize return on risk while maintaining a market risk profile consistent with its investment strategy.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in exchange rates. Fluctuations in exchange rates between VND and other currencies in which the Group conducts business may affect its financial condition and results of operations. Subsidiary which is affected by foreign currency risk is Bao Viet Insurance; however, the total exposure is insignificant.

The table below indicates the effect of a reasonably possible movement of the USD rate against the VND, with all other variables held constantly, on the consolidated income statement.

Currency: VND million	
Variation	Impact on profit before tax
Current year	
+10%	6,002
- 10%	(6,002)
Prior year	
+10%	21,941
- 10%	(21,941)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 december 2020 and for the year then ended

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.2 Management of financial risk (continued)

41.2.2 Market risk (continued)

Interest rate risk (continued)

The fixed interest of bond and deposit investments account for a significant portion of the Group's investment portfolio which is principally managed to match forecasted liabilities. In 2020, the reduction of bank interest rates under the SBV's direction to stimulate the economy could affect the Group's reinvestment income of the fixed interest portfolio. The Group has balanced cash flows, investment portfolio, and appropriate investment terms to ensure investment profit.

Interest rate risks related to traditional products of Bao Viet Life can be minimized by sharing income with the insured under the policy of discretionary participating features.

Equity price risk

Equity price risk is the risk of losses when price of listed and unlisted equities fluctuated significantly in the stock market. Equity price risk occurs when investing materially in one industry, one company or group of co-owner companies. The Group manages this risk by setting limits for investing in one industry, one company or a group of companies; analyzing systematic risk to investment portfolios when the market fluctuates significantly.

The Covid-19 pandemic is strictly controlled by the Government. The Group adopts a prudent strategy in equity investment and maintains equity investment at a reasonable proportion in its investment portfolio.

The Group uses Value at risk ("VaR") tool to monitor and limit listed equity price risk. VaR is a technique that estimates the maximum losses that could result from movements in market rates and prices over a specified time, and to a given level of confidence.

			Currency: VND million
Value at Risk [VaR] as at 31 December 2020	HOSE	HNX	Total
Book value	1,511,560	476,298	1,987,858
Market value	2,255,994	565,152	2,821,146
VaR [95%, 1 day]	[52,015]	[19,736]	[71,751]
Diversified VaR [95%]	51,162	4,658	55,820
Weekly VaR [95%, 1 week]	[116,310]	[44,132]	[160,441]
Monthly VaR [95%, 1 month]	[243,97]	[92,571]	[336,545]
Annually VaR [95%, 1 year]	[825,717]	[313,304]	[1,139,021]
Value at Risk [VaR] as at 31 December 2019			
Book value	1,589,979	486,575	2,076,554
Market value	1,813,409	620,077	2,433,485
VaR [95%, 1 day]	[28,832]	[20,417]	[49,249]
Diversified VaR [95%]	27,268	4,401	31,669
Weekly VaR [95%, 1 week]	[64,471]	[45,654]	[110,125]
Monthly VaR [95%, 1 month]	[135,236]	[95,764]	[231,000]
Annually VaR [95%, 1 year]	[457,701]	[324,109]	[781,810]

VaR [95%, 1 day] of listed equity portfolio as at 31 December 2020 was VND 71.75 billion. This implies that with confidence level of 95%, the estimated potential loss of the listed share portfolio is no more than VND 71.75 billion within 1 day.

VaR [95%, 1 day] as at 31 December 2020 is higher than VaR [95%, 1 day] as at 31 December 2019; VaR [95%, 1 day] as a proportion market value as at 31 December 2020 [2.54%] is higher than this proportion as at 31 December 2019 [2.13%].



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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41. MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

41.2 Management of financial risk (continued)

41.2.2 Market risk (continued)

Equity price risk (continued)

The Group also uses stress testing method to evaluate the potential impact on investment portfolio under certain scenarios. The analysis below shows impact on profit before tax when there are reasonably possible movements in market indexes [VN- Index or HNX- Index] where all other variables are held constant. The correlation of variables will have a significant effect in mitigating price risk:

		Currency: VND million
	Change in indexes	Impact on profit before tax of listed equity portfolio [*]
31 December 2020		
Scenario 1	+10%	16,347
Scenario 2	-10%	[36,168]
31 December 2019		
Scenario 1	+10%	42,583
Scenario 2	-10%	[68,652]

[*] The impacts are calculated based on the accounting policy applied for the provision of impairment of shares in accordance with Circular 48. Therefore, we only consider listed shares which have fair value below the cost when calculating impact on profit before tax.

Fund certificate price risk

The Holdings and BVF have reviewed, controlled and assessed regularly the volatility of the price of fund certificates which the Group and its subsidiaries have invested. The Net Asset Value ["NAV"] per Fund Unit may increase or decrease, depending on the total assets and the total liabilities during the Fund's operating period. This risk stems from the price reduction of securities, such as bonds, listed and unlisted securities in the investment portfolio. Consequently, a Fund's NAV will decrease and has a direct impact on market price of fund certificates.

A Fund's investment is carried out through a rigorous appraisal process, based on the fund's objectives to grab the opportunities in high-yield, high-growth investment at the acceptable risk. Moreover, BVF has monitored closely the changes and trends of the economic factors as well as performance and future prospects to design appropriate investment strategies.

The Covid-19 pandemic has had a negative impact on Vietnam's stock market. In order to minimize the impacts arising from adverse changes in the market and investment sector, the Holdings' stock portfolio was diversified and the proportion of stocks in the investment portfolio of the Holdings was maintained at an appropriate level.

42. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 06 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ["Circular 210"] which is effective from financial years beginning on or after 01 January 2011. Circular 210 provides definitions of financial instruments which include financial assets and financial liabilities, derivative instruments, equity instruments as well as prescribes the classification, presentation and disclosures of these instruments.

As Circular 210 only prescribes the presentation of the financial statements and the disclosures of financial instruments, definitions of financial assets and financial liabilities and definitions of related items as disclosed as following are only applicable in this Note. The financial assets and liabilities of the Group are still recognized and accounted for in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and relevant regulatory requirements.

42. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets

Financial assets of the Group, within the scope of Circular 210, include cash and cash equivalents, fixed term investments, listed and unlisted equity instruments, loans and receivables and other financial receivables. According to Circular 210, for the purpose of disclosure in the notes to the consolidated financial statements, financial assets are classified as appropriate into either of the following categories:

- **Financial asset at fair value through profit or loss:**

Financial asset at fair value through profit and loss is a financial asset that meets either of the following conditions:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - (i) it is acquired or incurred principally for the purpose of reselling or repurchasing it in the short-term;
 - (ii) there is evidence of a recent actual pattern of short-term profit-taking; or
 - (iii) it is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
- b) Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

- **Held-to-maturity investments:**

Held-to-maturity investments are non-derivative financial assets with determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity other than:

- a) those that the entity upon initial recognition designates as at fair value through profit and loss;
- b) those that the entity designates as available-for-sale; and
- c) those meet the definition of loans and receivables.

- **Loans and receivables:**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- a) those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit and loss;
- b) those that the entity upon initial recognition designates as available for sale; or
- c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

- **Available-for-sale financial assets:**

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as:

- a) loans and receivables;
- b) held-to-maturity investments; or
- c) financial assets at fair value through profit or loss.

42. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial liabilities

According to the Circular 210, financial liabilities of the Group includes trade payables, other payables and borrowings. Financial liabilities within the scope of Circular 210 are classified, for disclosures in the notes to the consolidated financial statements, are classified into either of the followings:

• **Financial liability at fair value through profit or loss:**

Financial liability at fair value through profit and loss is a financial liability that meets either of the following conditions:

- a] It is classified as held for trading. A financial liability is classified as held for trading if:
 - (i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the short-term;
 - (ii) there is evidence of a recent actual pattern of short-term profit-taking; or
 - (iii) it is a derivative [except derivative that is a financial guarantee contract or effective hedging instrument].
- b] Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

• **Financial liabilities at amortized cost:**

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are off-set and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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42. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Set out below is a comparison between the carrying value and fair value of the Group's financial instruments that are carried in the consolidated financial statements as at 31 December 2020:

Currency: VND million

	Carrying amount			
As at 31 December 2020	Book value	Provision for impairment	Net carrying amount	Fair value
FINANCIAL ASSETS				
Held-to-maturity investments	122,624,756	[1,117,352]	121,507,404	142,103,925
- Term deposits	85,607,936	[442,600]	85,165,336	88,102,697
- Bonds	37,016,820	[674,752]	36,342,068	54,001,228
Held-for-trading securities	2,449,646	[156,221]	2,293,425	3,191,633
- Listed shares	1,563,800	[110,714]	1,453,086	2,180,487
- Unlisted shares	244,399	[45,507]	198,892	221,054
- Fund certificates	275,872	-	275,872	416,647
- Bonds	365,575	-	365,575	373,445
Other financial investments	874,538	[120,753]	753,785	1,218,309
Loans and advances to customers	4,603,098	[75,402]	4,527,696	4,527,696
Receivables from insurance operations	1,050,798	[261,483]	789,315	799,790
Reinsurance receivables	704,066	-	704,066	700,958
Reinsurance assets	2,246,696	-	2,246,696	2,246,696
Other receivables	341,618	[83,743]	257,875	257,875
- Deposits, mortgages or collaterals	71,586	-	71,586	71,586
- Dividends receivable	6,269	-	6,269	6,269
- Other receivables	263,763	[83,743]	180,020	180,020
Cash and cash equivalents	6,780,742	-	6,780,742	6,780,742
TOTAL	141,675,958	[1,814,954]	139,861,004	161,827,624



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42. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Set out below is a comparison between the carrying value and fair value of the Group's financial instruments that are carried in the consolidated financial statements as at 31 December 2019:

Currency: VND million

	Carrying amount			
As at 31 December 2019	Book value	Provision for impairment	Net carrying amount	Fair value
FINANCIAL ASSETS				
Held-to-maturity investments	105,596,976	[1,117,352]	104,479,624	117,137,536
- Term deposits	71,221,738	[442,600]	70,779,138	71,290,767
- Bonds	34,375,238	[674,752]	33,700,486	45,846,769
Held-for-trading securities	2,831,287	[262,206]	2,569,081	3,065,724
- Listed shares	1,740,427	[208,843]	1,531,584	1,898,412
- Unlisted shares	594,221	[52,922]	541,299	566,537
- Fund certificates	246,238	[441]	245,796	342,074
- Bonds	250,402	-	250,402	258,701
Other financial investments	809,596	[211,419]	598,177	992,849
Loans and advances to customers	3,488,848	[74,703]	3,414,145	3,414,145
Receivables from insurance operations	1,835,808	[244,701]	1,591,107	1,603,811
Reinsurance receivables	909,630	-	909,630	906,518
Reinsurance assets	3,041,375	-	3,041,375	3,041,375
Other receivables	396,333	[77,436]	318,897	318,897
- Deposits, mortgages or collaterals	64,044	-	64,044	64,044
- Dividends receivable	3,968	-	3,968	3,968
- Other receivables	328,320	[77,436]	250,884	250,884
Cash and cash equivalents	4,742,602	-	4,742,602	4,742,602
TOTAL	123,652,455	[1,987,817]	121,664,638	135,223,457

Set out below is a comparison between the carrying value and fair value of Group's financial liabilities that are carried in the consolidated financial statements:

Currency: VND million

	Carrying value	Fair value
31 December 2020		
Financial liabilities		
Insurance contract liabilities	100,166,026	100,166,026
Insurance payables	1,313,552	1,313,552
Reinsurance payables	1,338,293	1,338,293
Other financial liabilities	15,292,402	15,292,402
- Deposits received	246,647	246,647
- Others	15,045,755	15,045,755
Total	118,110,273	118,110,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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42. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Currency: VND million

	Carrying value	Fair value
31 December 2019		
Financial liabilities		
Insurance contract liabilities	81,407,660	81,407,660
Insurance payables	1,313,143	1,313,143
Reinsurance payables	1,934,910	1,934,910
Other financial liabilities	16,496,708	16,496,708
- Deposits received	222,129	222,129
- Others	16,274,579	16,274,579
Total	101,152,420	101,152,420

The fair value of the financial assets and liabilities are reflected at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate fair values:

- Fair value of fixed maturity investments with fixed rate or floating are evaluated on the basis of information such as interest rates, the country-specific risk, risk of the project which are funded and loan repayment capacity of each customer by the Group. The Group estimates present value of future cash flows by discounting at the market interest rate.
- Fair value of capital investments which are actively traded in organized financial market are determined by the published rates, if any, at the reporting date.
- For capital investments without an active market, fair value is determined by using appropriate valuation methods. These methods include: discounting cash flow, comparing with similar financial instruments which have market prices, net asset values and other relevant valuation models.
- The fair values of cash and cash equivalents, receivables, payables and other short-term accounts approximate their book values because these instruments have short term in nature.
- At the reporting date, the Group assesses whether there exists objective evidence of the decline in the value of individual financial assets in case that individual decline is significant, or general assessment of the financial assets in the case of individual decline is negligible.
- For assets which are individually impaired, impairment losses are determined as the difference between their carrying value and present value calculated by discounting the estimated future cash flows at the original effective interest rate.
- For collective assessment, the assets are grouped on the basis of the credit risk characteristics. Losses due to decrease in value are assessed collectively on the basis of past loss experience of assets with similar characteristics.
- For financial assets and financial liabilities without sufficient market information to determine fair value at reporting date, their book values are presented instead of fair values.



43. OTHER INFORMATION

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group and its subsidiaries operate. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this consolidated financial statements.

44. EVENTS AFTER THE BALANCE SHEET DATE

Other than disclosed elsewhere in the consolidated financial statements, there is no other matter or circumstance that has arisen since 31 December 2020 that requires adjustment or disclosure in the consolidated financial statements of the Group.



Mrs. Nguyen Thi Thanh Van
Preparer

Hanoi, Vietnam
27 August 2021



Mr. Nguyen Xuan Hoa
Chief Accountant



Mr. Do Trung Minh
Chief Executive Officer



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