

No.: /BC-HDQT

Hanoi, ... April 2021

REPORT ON
OPERATION RESULTS OF THE BOARD OF DIRECTORS
VIETINBANK INSURANCE JOINT STOCK CORPORATION

Respectfully to: THE GENERAL MEETING OF SHAREHOLDERS

Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020; Law on Insurance Business No. 24/2000/QH10 dated December 9, 2000 and the Law amending and supplementing some articles of the Law on Insurance Business No. 61/2010/QH12 dated November 24, 2010;

Pursuant to the Charter on organization and operation of VietinBank Insurance Joint Stock Corporation, promulgated with the Decision No. 26/QD-HDQT dated April 26, 2018 of the Board of Directors of VietinBank Insurance Joint Stock Corporation;

Pursuant to the Regulations on organization and operation of the Board of Directors promulgated with the Decision no. 27/QD-HDQT dated April 26, 2018 of the Board of Directors of VietinBank Insurance Joint Stock Corporation;

The Board of Directors (**BOD**) of VietinBank Insurance Joint Stock Corporation would like to report the operating results for the period from the 2020 Annual General Meeting of Shareholders (April 2020) to the 2021 Annual General Meeting of Shareholders (April 2021) as follows:

A. OPERATION RESULTS

I. General results:

- The Board of Directors has carried out the administration, management and supervision of the Corporation and the General Director in accordance with the provisions of Law, Resolutions and decisions of the General Meeting of Shareholders and Board of Directors.

- Approve the establishment of 03 Sales Departments of VBI- Northwest Branch, 03 Sales Departments of VBI- Ca Mau Branch. In addition, VBI established the sales department under VBI Thanh Hoa, Sales Department under VBI Quang Ninh and VBI Binh Duong in charge of exploiting consultancy and online channels, local products and non-bank services.

- Complete procedures for 2 new affiliates, VBI Hai Duong and VBI Vinh Phuc, increasing the total number of affiliates and transaction offices to 35 units, spreading across 63 provinces and cities.

- Successfully hold the Extraordinary General Meeting of Shareholders on September 11, 2020 to approve the dismissal of the Board of Directors' member - Mr. Hong Sang Hyuk and to elect additional members of the Board of Directors for the term of 2017-2022 - Mr. Hur Jung Hoe who was nominated by strategic shareholder Hyundai MFI.

- Review, supplement/adjust/perfect and basically complete the conversion of the internal document system, mechanisms, regulations, processes, professional instructions to operate all activities of the Corporation in uniform manner and in accordance with the practice and in compliance with the current legal regulations.

- Supervise the implementation of the business plan of the Board of Directors, directing the whole system to complete the 2020 business plan approved by the 2020 Annual General Meeting of Shareholders.

- The Board of Directors has held its monthly meetings to discuss and assess the operating results of the Corporation and provide essential directions to achieve the targets as set forth in the 2020 business plan and to complete the duties assigned to the Board of Directors by the 2020 Annual General Meeting of Shareholders. In 2020, the Board of Directors has issued 63 resolutions and decisions serving the organization and operating activities of the Corporation.

II. 2020 operating results and results of implementing resolutions of the 2020 Annual General Meeting of Shareholders (according to the Resolution No. 01/NQ-DHDCĐ.2020 dated April 29, 2020)

1. Results of the implementation of business plan

On the basis of the business plan targets set out for the year 2020, the Board of Directors and the Board of Management focus and take best efforts to implement the business targets assigned, specifically:

No.	Item	Business targets assigned for the year 2020 (billion dong)	Result of implementation (billion dong)	Percentage of plan completion	Growth compared to 2018
1	Total Insurance premium revenue	2,500	2,223	88.93%	9.44%
2	Total financial investment revenue	190	172	90.6%	18.61%
3	Total profits before tax	160,4	151,8	94.65%	16.62%

In 2020, total insurance premium revenue reached VND 2,223 billion, growing 9.44% over the same period in 2019. Of which, the core insurance premium revenue reached VND 2,069.3 billion, increasing 9.4%, and reinsurance revenue reached VND 154 billion, increasing 10%. Profit before tax reached VND 151.8 billion, completing 94.65% of the plan.

2. Selection of the auditing firm for the 2020 financial statements

According to the approval and authorization of the General Meeting of Shareholders, the Board of Directors implemented the procedures and decided to select Ernst & Young Vietnam Limited as the auditor for the 2020 Financial Statements. The auditor issued the auditor's opinion on March 23, 2021 that agreed that the financial statements had reflected honestly and reasonably, in all material aspects, of the Corporation's financial position as at December 31, 2020 and the Corporation officially released the audit report and made publicly available on VBI's official website.

3. Supervision results on the operation of the General Director and the Board of Management

In 2020, the Board of Directors assesses that the General Director and the Board of Management have complied with the provisions of Law, the Charter and Internal Regulations of VBI; at the same time, closely following the set objectives, orientations and tasks and complying with the requirements and arising problems in business practice to promptly make solutions and issue suitable directional decisions, specifically:

- Research and develop new products such as corona insurance; breast cancer; expanded critical illness; new expanded accident packages such as VBI Safe, VBI Shield; dengue; high-quality health; insurance for children; conservation of wind power output. For the expansion of sales channels, in addition to continuing to develop sales associated with VietinBank's existing network. In 2020, the Corporation implemented sales promotion programs through motivational mechanisms, emulation and rewards and KPIs with partners Shinhanbank, Dong A Bank; expanding bancassurance channel through new partners such as: Wooribank, Bac A Bank and NCB. Besides, the Corporation also continues to promote sales through General Agent Channels such as: TCA, Brics, Abank, Aviva.

- The Corporation concurrently expanded cooperation with distribution partners and retail chains such as The Gioi Di Dong, Pharmacy, Coopmart, Shopee, Sendo, Lazada, Global Care, AmTrust, Save Money, etc; cooperating in insurance cross-selling cooperation with Mai Linh Taxi; cooperating with Vietnam Airline to integrate Flight Delay insurance sale.

- With the direct exploitation channel, the Corporation transformed the consultant model to the professional Personal Agent model and the consultant software to the agent, adding the online function of commissions and bonuses.

- Aiming to become one of the leading insurance companies in retail, making information technology to be a strength, by 2020, the Corporation focused on developing and applying information technology on operations such as: OCR application, loss image recognition application: as a result, customers now only need to take pictures and the information will be automatically recognized and processed by the system; Chatbot to answer questions and advise Insurance to customers; Sale Activities software to assist the job management of staff; Automatic renewal software; E-learning software; implementing sales model via QR Code; testing artificial intelligence (AI) into compensation, etc. Moreover, the Corporation also rebuilt a completely new MyVBI app with the strategy of merging 2 App MyVBI and VBI4Sale into one unity in the form of ecosystem; planning and redesigning websites; implementing the automatic commission payment tools for Consultants and Agents on the App.

- Launch Telesales division under the Customer Experience Board, pilot Telesales for recurring customers, potential customers from online channels.

- Complete the procedure for establishing 2 new affiliates, VBI Hai Duong and VBI Vinh Phuc, increasing the total number of affiliates and transaction offices to 35 units nationwide.

- Concretize targets and take measures to implement business plans, strengthen management towards the targets set out to grow safely, efficiently and sustainably.

- Strengthen and perfect the apparatus towards increasing the initiative for affiliates, always promptly expand the business network and add high-ranking personnel along with the appropriate decentralization of authority to promote operating activities to achieve the positive results and continuously develop in the context of the increasingly difficult non-life insurance market and volatile market economy.

B. FOCUS OF OPERATION IN 2021

In 2021, based on the business plan and operational orientation of the Corporation, the Corporation's Board of Directors determines to focus on some following key tasks:

1. Focus on directing the General Director to complete the 2021 business plan targets assigned by the General Meeting of Shareholders, especially ensuring the objectives of safe and effective operation. The direction of the Board of Directors to the General Director and the Board of Management will be attached to the Corporation's strategy, focusing on some of the following contents:

- ***Expansion of sales channels and organization of the business apparatus:***

- ✓ Develop new digital distribution channels to sell VBI insurance products aimed at diversifying and spreading VBI's presence in all business channels in the market.
- ✓ Expand bancassurance channel through new partners such as Wooribank, North Asia bank, VIB, NCB ...; expand chain distribution channels such as Drugstores, Phano, Long Chau etc.; driver partners of taxi companies (Mai Linh, Thaco etc.) or technology car companies (Grab etc.); focus resources to promote the development of individual agent channels, general agent channels.
- ✓ Establish strategic business units to strongly focus on the market segments that do not yet have high competition.
- ***Research and development of products:***
 - ✓ Launch new products that focus on specific groups of customers with flexible and easy-to-advise mechanisms.
 - ✓ Assess multi-dimensional risk, apply A.I technology to support the risk assessment and pricing process to bring the best quality products to the market.
- ***Improvement of the quality of compensation and customer care services:***
 - ✓ Continue to improve the model of centralized inspection and compensation nationwide; Improve compensation settlement speed by automation technology.
 - ✓ Build commitment on service time on all processing steps to ensure consistent quality throughout the system.
- ***Construction of modern information technology system:***
 - ✓ Continue to upgrade and standardize software data to improve safety and security of information systems.
 - ✓ Build centralized database (datawarehouse) to exploit data consistently, deploy BI tools, upgrade VBI4Sales sales application and applications for MyVBI users; develop new technologies such as AI, OCR, Chatbot, etc.

2. Build, perfect and improve the operation and governance mechanism of the Corporation to create proactivity, increase responsibility, and promote the capacity of executive levels at all levels to boost business and increase competitiveness.

3. Strengthen the inspection and supervision of all activities in the whole system. Issue the Risk Management Process and Regulations to assess the Corporation's risks, clarify the causes of risks to take corrective measures and remedies; at the same time, update the risks of general insurance market and draw lessons for VBI.

4. Continue to direct the implementation of reviewing, supplementing/adjusting/completing internal documents, regulations and regulations

to operate all activities of the Corporation consistently, in accordance with the practice and comply with applicable laws.

5. Deploy master plan to train, attract and develop high-quality human resources to meet development requirements in the next stage.

With the trust and consensus of the Shareholders, the Board of Directors is determined to well implement the set targets, making VBI become a sustainable growth and development company, ensuring the interests of Shareholders.

Respectfully report to the General Meeting of Shareholders.

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN

DRAFT

Nguyen Hong Van