

Ref: *02/2018/QĐ-HĐQT*

Hanoi, 22nd March 2018

**DECISION OF THE BOARD OF DIRECTORS
12TH MEETING OF 3RD TERM**

THE BOARD OF DIRECTORS

- Pursuant to the Enterprise Law, the Insurance Business Law and the implementation guiding documents;
- Pursuant to Licence of Establishment and Operation 28GP/KDBH dated 15/11/2004, Amended Licence 28/GPDC4/KDBH dated 12/8/2014 of the Ministry of Finance;
- Pursuant to the Charter of Organization and Operation of Vietnam National Reinsurance Corporation;
- Based on the discussions and voting results at the 12th meeting of the Board of Directors, 3rd term, on March 22nd, 2018;

DECIDES

Article 1: To approve the financial statements 2017 audited by Deloitte and submit to the General Meeting of Shareholders for approval.

1.1 To approve unconsolidated financial statements 2017:

- Total assets: VND 6,313,778,006,353
- Owner's equity: VND 2,585,247,709,757
- Technical reserves:
Outward reinsurance technical reserves: VND 1.591.083.715.991
Inward reinsurance technical reserves: VND 2.500.922.811.785

Criteria	2017 VND	2016 VND	2017 Plan VND	2017/ Plan	2017/16
1. Gross written premium	1,651,205,993,827	1,655,557,770,806	1,635,000,000,000		
- Not including Agriculture	1,651,471,980,448	1,655,557,770,806	1,635,000,000,000	101.0 %	99.8%
- From Agriculture	(265,986,621)	0			
2. Net written premium	586,786,416,338	561,523,389,013	532,000,000,000		
- Not including Agriculture	586,893,214,249	561,523,389,013	532,000,000,000	110.3%	104.5%
- From Agriculture	(106,797,911)	0			

Criteria	2017 VND	2016 VND	2017 Plan VND	2017/ Plan	2017/16
3. Profit from financial investment and other activities	233,042,254,147	213,464,863,990	225,000,000,000		
- <i>In which:</i> Undistributable profit (<i>foreign exchange gain</i>)	(1,559,226,438)	4,683,574,955			
- Profit from financial investment and other activities (<i>excluding foreign exchange gain</i>)	234,601,480,585	208,781,289,035	225,000,000,000	104.3%	112.4%
4. Pre-tax profit (<i>Excluding undistributable profit gained from foreign exchange</i>)	286,849,014,069	266,042,744,080	285,000,000,000	100.7%	107.8%
5. Total revenue – (minus) Total expenses (<i>not including salary fund</i>)	337,914,066,184	309,936,142,633	324,000,000,000	104.3%	109.0%

VINARE has fulfilled the business plan assigned.

1.2 To approve consolidated financial statements 2017:

- Total assets: VND 6,350,350,437,470
- Owner's equity: VND 2,755,345,415,787
- Technical reserves:
 - Outward reinsurance technical reserves: VND 1,724,101,545,186*
 - Inward reinsurance technical reserves: VND 2,563,847,704,518*

(Audited Balance sheet and Income Statement attached)

Article 2: To approve the allocation of profit 2017 and submit to the General Meeting of Shareholders for approval:

2.1 Profit:

Profit indicators	VND
Undistributed profit as at 1/1/2017	302,266,542,258
- Distributable profit	229,641,446,284
- Undistributable profit (<i>foreign exchange gain</i>)	72,625,095,974
Profit after tax realized in 2017	233,852,647,190
- Distributable profit	235,411,873,628
- Undistributable profit (<i>foreign exchange gain</i>)	(1,559,226,438)
Accumulated profit after tax as at 31/12/2017	536,119,189,448
- Distributable profit	465,053,319,912

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- Undistributable profit (<i>foreign exchange gain</i>)	71,065,869,536
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2.2 Allocation of profit after tax 2017 submitted to General Meeting of Shareholders for approval:

Allocation of profit after tax	VND
Allocation of Compulsory Reserve Fund (<i>5% of after-tax profit</i>)	11,770,593,681
Allocation to Business Development Fund (<i>2% of after-tax profit</i>)	4,708,237,473
Bonus Fund (<i>1,5% of after-tax profit</i>)	3,531,178,104
Corporate Welfare Fund (<i>one-month salary</i>)	3,805,632,872
Dividend payout in 2017 (12%) (<i>included 10% advanced on 29th January 2018</i>)	157,291,124,400
Retained profit	355,012,422,918
- Distributable profit	283,946,553,382
- Undistributable profit (<i>foreign exchange gain</i>)	71,065,869,536

❖ The GMS approved the allocation of profit after tax in Resolution 07/NQ-DHDCD/2006 and amended in Resolution 08/NQ-DHDCD/2008.

❖ The GMS approved expected dividend payout of 12% in 2017 in Resolution 07/2017/NQ-DHDCD. Actual dividend payment in 2017 submitted to the GMS is 12%.

Article 3: To approve the Remuneration (including tax) for Board of Directors, Board of Control and secretaries in 2017: **VND2,644,000,000.**

The General Meeting of Shareholders approved the remuneration in Resolution 06/2013/NQ-DHDCD dated 25/4/2013

Article 4:

4.1 To agree with the divestiture of equity investment at PJICO.

4.2 To delegate to the Chief Executive Officer to execute the divestment plan to ensure compliance with legal requirements and the best benefits for VINARE

Article 5: To approve the Business plan for 2018 with key targets as follows:

5.1 Overall business plan 2018 – Key indicators:

Unit: VND million

Criteria	2018 Plan	2017 Performance	Growth
Gross written premium	1,770,000	1,651,742	7.2%
Net written premium	677,000	586,893	15.4%

Profit before tax	308,000	285,290	7.9%
- Foreign exchange difference	(not yet determined)	(1,559)	
- Profit excluding foreign exchange gain	308,000	286,849	
Total revenue minus Total expenses (not including salary fund)	358,000	338,000	5.9%
Projected dividend payment	12%	12%	

5.2 Investment allocation plan:

- To approve the allocation plan of investment asset in 2018 as follows:

No	Investment portfolio	Allocation in 2018	Allocation in 2017	Increase / Decrease	Percentage (31/12/2018)
1	Deposits	2,222,000	2,180,000	+ 42,000	61.2%
2	Bonds	370,000	270,000	+ 100,000	10.2%
3	Equities	645,445	655,445	- 10,000	17.8%
4	Listed securities, fund certificates and entrusted investment	305,000	275,500	+ 29,500	8.4%
5	Office leasing	9,600	10,983	- 1,383	0.3%
6	Real estate investment	13,304	13,304	0	0.4%
7	Current account	65,000	65,003	0	1.8%
	Total	3,630,349	3,470,235	+160,117	100.0%

- To delegate to the Chief Executive Officer to conduct investment activities following the above-mentioned asset allocation. During the implementation, if there is a need for any adjustment in the allocation of investment assets, the Chief Executive Officer shall act upon his mandates and report to the competent authorities the issues beyond his mandates in compliance with legal regulations and VINARE's regulations on investment activities.

Article 6: To approve the Related Party Transactions in 2017.

Article 7: To approve the Report of the Board of Directors 2017 and 1st Quarter 2018.

Article 8: To agree with and submit to the General Meeting of Shareholders to approve the proposal of the Board of Control:

8.1 To approve the list of auditing companies for 2018 as follows:

- KPMG Vietnam Ltd
- Deloitte Vietnam Ltd
- Ernst & Young Vietnam Ltd (E & Y)
- Pricewaterhouse Coopers Vietnam Ltd (PWC)

8.2 To delegate to the Board of Directors to select one of the above-mentioned auditing companies to audit 2018 financial statements.

Article 9:

9.1 The Board of Director has had Decision No. 01/2018/QĐ-HĐQT approving the convention of the Annual General Meeting of Shareholders 2018 on 19 April 2018 with the agenda as follows:

- Approving the adjusted business plan 2017 (*which has been approved by the Board of Director and submitted to the General Meeting of Shareholders in Decision No.15/2017/QĐ-HĐQT*)
- Report on 2017 business results and business plan for 2018
- Approving the allocation of profit after tax and dividend payout 2017
- Approving the remuneration for Board of Directors, Board of Control and secretaries 2017
- Report of the Board of Directors 2017
- Report of the Board of Control 2017
- Selection of independent auditing company for 2018
- Other issues (if any)

9.2 The Board of Directors delegate to the Chairman to approve the documents to submit to the General Meeting of Shareholders and to decide on other issues which may arise relating to the convention of 2018 Annual General Meeting of Shareholders.

Article 10: This decision is of full force and effect from the date of signing. The Chief Executive Officer and the relating personnel are responsible for the implementation of this decision./.

Receivers: BOM, BOC, BOD

Filing: G.A, Investment

For and on behalf of **BOARD OF DIRECTORS**

CHAIRMAN



Le Song Lai