

**REPORT OF THE CHIEF EXECUTIVE OFFICER  
ON 2017 BUSINESS PERFORMANCE AND 2018 BUSINESS PLAN  
OF BAOVIET HOLDINGS**

**Dear honored shareholders,**

On behalf of Baoviet Holdings's Board of Management, I would like to report to the Annual General Meeting of Shareholders on 2017 business performance and 2018 business plan of Baoviet Holdings, as follows:

**I. BUSINESS PERFORMANCE IN 2017**

**1. 2017 business performance**

2017 has closed with positive changes of the national economy, GDP growth exceeded 6.7% and higher than the growth of the years from 2011 to 2016. Business environment is improved, facilitate the business development. The economy is recovering and returning to the growth cycle.

Implementing the Resolution of the Annual General Meeting of Shareholders in 2017, the Management Board concentrated on directing frequently and strictly to implement initiatives in order to fulfill the business objectives set in 2017, as follows:

The total consolidated revenue of the group in 2017 achieved VND 32,748 billion, surpassing the year plan by 13.4%, growing by 27.5% compared to 2016, equivalent to USD 1.5 billion of total revenue, maintained the no.1 position in both non-life and life insurance market.

The consolidated profit before tax reached VND 1,934 billion, surpassing the year plan by 29.9%, growing by 38.2% compared to 2016. The consolidated profit after tax reached VND 1,603 billion, surpassing the year plan by 34.2%, growing by 37.6% compared to 2016.

Bao Viet Holdings' parent company reached VND 1,056 billion in profit before tax, surpassing the year plan by 3.0%, growing by 1.2% compared to 2016; Profit after tax reached VND 1,026 billion, fulfilling 100% of 2016 plan. The ratio of profit after tax over charter capital was 15.1%.

Baoviet's subsidiaries in core businesses also completed the 2017 business plan. Baoviet Insurance Corporation and Baoviet Life Corporation kept its strong growth, maintained the no.1 position in both non-life and life insurance market; Baoviet Fund Management Company continued being the leading fund management company in Vietnam; Baoviet Securities Company belonged to the Top 5 companies with the largest market share in the brokerage segment. Baoviet's brand value reached USD 108 million, increased by USD 19 million compared with 2016 and was the highest in the financial - insurance sector.

The business results showed that despite difficult economic context, thanks to the efforts and determination of the whole system, Baoviet Group has exceeded the business objectives set by the 2017 Annual General Meeting of Shareholders, creating a solid foundation for rapid development in the next period.

## **2. Implementation results of key initiatives in 2017**

In 2017, in order to complete the set business objectives, with the motto of "Ready for take off", Bao Viet has resolutely implemented the following key solutions:

- *Continued to complete the regulatory system of internal governance mechanism* in order to create the united legal framework from the Holdings to subsidiaries.

- *Continued to enhance the implementation of Synergy Project* focus on investment, brand communication and training, promoting the cross-selling of products ... and achieving remarkable results. (over 550 billion VND of cross-selling)

- *Opened Bao Viet's first financial supermarket - Baoviet One Stop Shop* provides customers with a wide range of products and financial solutions.

- *Launched a series of integrated and specialized products*, the first in the market to meet the diverse needs of customers, promote the development of new products for individual customers through the bank channel with many privileges.

- *Expanded business network*: in 2017, Baoviet General Insurance established 6 more member companies, bringing the total number of companies up to 79 companies across the country. Baoviet Life also launched 10 new member companies, bringing the total number of member companies to 75 companies.

- *Information technology (IT)*: Baoviet Holdings focused on completing modern and advanced IT infrastructure, speeding up the progress of key IT projects (including InsureJ, New Core, Core Fund, DR...).

- *Regarding social security activities:* in 2017, Baoviet has invested more than VND 220 billion for community activities.

In summary, in 2017, Baoviet Holdings and subsidiaries have successfully implemented solutions to complete 2017 business plan. These results confirmed the properness, timeliness and effectiveness of the solutions set by the Board of Directors and Board of Management, as well as reflecting the effort and strong determination of subsidiaries, and all employees of the Group.

## **II. 2018 BUSINESS PLAN**

In 2018, Vietnam's economy is forecasted to continue in the recovery cycle, the government accelerates the disbursement of public investment and support from FDI enterprises, Vietnam GDP in 2018 is forecasted to grow positively in 6.7 - 7%. Besides, there are still difficulties and challenges remaining due to the impact of unpredictable changes from the world economies.

In that context, being clearly aware of difficulties, evaluating strengths, weaknesses and development potentials of Baoviet, Baoviet Holdings continues sticking to the strategic orientation for the period of 2016 -2020, with a view to sustainable development in the future, towards to Baoviet's vision to 2025 of "*Maintaining the position of the leading Finance – Insurance Group in Vietnam, enhancing international competition capacity, with strong financial potential and sustainable and efficient growth*".

### **1. 2018 business plan**

In 2018, Baoviet Holdings targets the consolidated revenues of VND 36.799 billion, growing by 12.4% compared to 2017. The Consolidated profit after tax is estimated at VND 1,348 billion.

Total revenues of Baoviet Holdings – the parent company in 2018 is expected at VND 1,428 billion, increasing by 3.1% compared to 2017. Profit after tax is estimated at VND 1,050 billion.

*The 2018 business plan is based on technical interest rate on life insurance of 4% (equal to 2017 technical interest rate). In the context of the market for variable coupon rate of Government bonds, based on actual technical interest rate and the market situation, the Board of Directors will report on 2018 performance of Baoviet Holdings in 2019 at the AGM.*

## 2. Key initiatives in 2018

With the motto “**Affirming the Vietnamese brand**”, in 2018, Baoviet Holdings will concentrate on implementing the following key initiatives to readily prepare resources for effective and sustainable development:

- *Improve productivity*: Actively research, renew working methods, build new business solutions, streamline human resources in order to improve business efficiency, optimize labor productivity.

- *Synergy Project*: continue to enhance the implementation of Synergy Project focus on developing integrated and specialized products, building customer data management solutions, managing agent, training, brand communications and building of shared offices.

- *Human resource management*: to review, renovate, minimize the mechanism, Improve the quality of human resources, promote the training and rotating employees across the system; recruiting, attracting high quality human resources.

- *Information technology (IT)*: Boost the progress of key IT projects in order to develop and complete IT infrastructure of the Group, ensuring synchronous, connected and modern to meet the objective of being the enterprise in the digital era.

- *Governance model and customer services*: Complete the centralized management model in line with characteristics of subsidiaries; To focus on developing the key markets; diversified distribution channel; Improve the quality of customer service, after-sales service, always stick with the principle of “Providing customers with the best services for development”.

- *Implement social and environmental objectives towards sustainable development* by implementing community activities and social security projects to support Bao Viet's business and promote the Bao Viet brand.

With the determination to implement the above solutions within the entire group, together with endless efforts and spirit of Unity - Sharing - Synergy - Innovation - Pioneer of all employees and consultants of the system, Baoviet Holdings and subsidiaries have been preparing necessary resources for Baoviet to develop strongly in 2018 and develop sustainably in the future.

On behalf of the Board of Management, I would like to wish you good health and happiness, and wish the Meeting success./.

**ACTING CHIEF EXECUTIVE OFFICER**

***Recipients:***

- As above;
- BOD, SB;
- File: Admin, Corporate Secretary Div.

*(signed & sealed)*

**Do Truong Minh**