No.: 1206/BC-TDBV *Hanoi dated 29th April 2016*

REPORT OF THE CHIEF EXECUTIVE OFFICER ON 2015 BUSINESS PERFORMANCE AND 2016 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 2015 business performance and 2016 business plan of Baoviet Holdings, as follows:

I. BUSINESS PERFORMANCE IN 2015

1. 2015 business performance

In 2015, thanks to the recovery of the world economy and the managing efforts of the Government, the Vietnam's economy witnessed a positive sign. GDP grew at 6.68% - the highest growth since 2011. The industry and construction sector continued to be the main forces of growth. Inflation increased by 0.63% - the lowest increase in 14 years. Exports and foreign investment grew well. However, beside these achievements, the Vietnam's economy still faced with many challenges including the slow restructuring process, risk of budget deficits, and increasing public debt.

The clear recovery of macroeconomy helped promote the demand for insurance of businesses and individuals. The insurance market in 2015 recorded positive growth with the estimated total premium of VND 68,374 billion , growing by 21.9% over the same period. The insurers have been contributing to the economic - social development with financial investment into the economy was VND 152,543 billion, rising by 14% compared to 2014. The total assets of the market was VND 201,132 billion, growing by more than 17%, higher than 10.5% of the same period in 2014.

In this economic context, implementing the Resolution of 2015 Annual General Meeting of Shareholders, with the motto of "**Unleashing potentials for developments**", the Board of Management concentrated on directing frequently and strictly to implement initiatives in order to fulfill the business objectives, as follows:

The total consolidated revenue in 2015 was VND 20,789 billion, exceeded 10% of the plan, increased by 9.1% compared to 2014. The total consolidated profit

before tax achieved VND 1,469 billion, completed 102% of the plan. The consolidated profit after tax was VND 1,175 billion, equal to 103% of the plan.

Baoviet Holdings (BVH) - the parent company completed 100% and 102.3% of the plan of revenue and profit after tax respectively. The ratio of profit after tax over charter capital reached 14.7%.

The business performance in each business line is as follows:

- *Insurance – the core business of Baoviet grew strongly*

In life insurance, the total revenue from Baoviet Life Corporation reached VND 13,072 billion, completed 116.7% of the plan and grew by 21.4% in comparison with 2014. Profit after tax completed 101.3% of the year plan, increased by more than 8.2% compared to 2014. The ratio of profit after tax over charter capital reached 31.9%. Especially in 2015, Baoviet Life Corporation launched "Huu tri vung nghiep" – a voluntary pension product for enterprises and institutions which helps businesses develop a professional working environment with an attractive and long-term welfare package in order to increase staffs' loyalty. This is a key strategic solution of many enterprises to improve the coherence between businesses and employees for the purpose of sustainable development.

The total revenue from Baoviet Insurance Corporation achieved VND 6,832 billion, completed 100.9% of the plan and grew by 5% compared to 2014. Profit after completed 112,5% of 2015 plan and increased by 15.9% compared to 2014. Baoviet Insurance Corporation continuously took the leading position in retained premiums in non-life insurance market.

- *Investment and financial services remained stable growth:*

Regarding fund management, the revenue of Baoviet Fund completed 119.7% of 2015 plan, grew by 14.5% compared to 2014; profit after tax exceeded 25.5% of the year plan and grew by 22% compared to 2014. Besides, the operational highlight of BVF in 2015 was that the Company had launched Baoviet Value Investment Fund (BVIF) with the initial investment of VND 1,000 billion, which is one of the largest local fund in the market.

Regarding securities, in the context that the stock market still witnessed many difficulties with sharply decrease of transaction in both exchanges, Baoviet Securities had positive business performance and basically completed 2015 business plan with profit after tax completed 103.4% of the year plan.

The above business performance showed that despite difficult economic context, with the efforts and determinations of the whole Group, Baoviet Holdings has successfully completed the business objectives approved by the 2015 Annual General Meeting of Shareholders, which help develop a sound foundation for the rapid growth in the next 05-year-period (2016-2020).

2. Implementation results of key initiatives in 2015

In 2015, in order to completed the set business plan, with the motto of "**Unleashing potentials for developments**", Baoviet Holdings has drastically implemented strategic solutions to improve the effectiveness of core businesses, enhance internal cooperation, increase professionalism and affirm brand and service quality of Baoviet, as follows:

- *Basically completed the restructuring project of Baoviet financial – insurance group:* with the focuses on completing the governance structure, completing internal regulations on centralized governance machanism throughout the Group to subsidiaries, in which Baoviet Hodings – the parent company plays the role of the coordinator, the core factor of the whole system in key areas such ashuman resource, finance, investment, offices construction, branding, information technology;

- *Successfully implemented the Synergy Project of Baoviet Holdings*, which has been positively recieved in the whole group, unleashing resources and potentials within Baoviet on human resources, network, development of intergrated products, enhancing cross selling among subsidiaries in order to promote consolidated strengths on a sustainable basis;

- *Regarding orientations on development and operation model of information technology (IT):* Baoviet Holdings completed the transformation from IT Block to IT Center which had been certificated to implement the orientation of providing IT services to the whole Baoviet Group, and steply proceed to provide IT products, services and solutions to external customers, thereby, self control of revenue, expense, operation effectiveness, reducing dependence on Baoviet Holdings – the parent company.

- *Risk management*: enhanced risk management for fix income investment and premium debt; robusted bad debt recovery; continued the completion of risk management framework of the Group;

- *Communication – branding*: implemented the renewal of brand image nationwide, bringing the image of young, dynamic and modern One Baoviet, which is

friendlier to customers, more professional in providing services and products; promoted unified brand identity across the Group;

- *Cooperation with strategic partner*: in 2015, Baoviet Holdings and strategic partner Sumitomo Life signed the Technical Support and Capability Transfer Agreement (TSCTA) – 3rd phase and works are in progress;

- *Regarding general insurance business:*speed up the transformation process of centralization with successfully application of IT system, strengthend the distribution channel of professional agents to ensure the objective of sustainable development;

- *Regarding life insurance business*: continued completing the centralization model; diversified distribution channel; launched pension product – "Huu tri vung nghiep"–a solution of voluntary pension for institutions and enterprises which helps develop a professional working environment with attractive and long-term welfare schemes in order to increase staffs' loyalty;

- *Regarding financial services and others*: focused on improving service quality; continued seeking new customers and widening distribution channels by taking advantages of exsisting network, human resources to maximize overall strengths of the Group; launched BVIFwith initial investment scale of VND 1,000 billion, which is one of the largest domestic fund in the market;

- *Regarding the cooperation and policy counseling to State's agencies and departments:* based on the intensive research on financial – insurance market, Baoviet continued advising and proposing effectively to the Ministry of Finance for the development of insurance market, implemented new products and services such as medical healthcare, voluntary pension...

In summary, in the context that the Vietnam's economy still faced with difficulties, Baoviet Holdings and subsidiaries have successfully implemented solutions to complete 2015 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. BUSINESS OBJECTIVES IN2016

According to the economic growth objective in 2016, GDP will grow by 6.7%, total export turnover will increase by 10%, the rate of import surplus compared to export turnover will be less than 5%, consumer price growth will below 5%, and the total investment for social development will be about 31% of the GDP. With these objectives, the macroeconomic policies will be conducted positively and flexibly to

control inflation, stabilize macro-economy and continue solving difficulties for business and contribute to promote economic growth.

Besides, in 2016, Vietnam will integrate deeply in the ASEAN economic community (AEC), TPP, enforcing free trade agreements with South Korea, EU... This both opens great opportunities and brings challenges to the country's economy in general and the development of domestic enterprises in particular, including Baoviet.

In the context that the economy is forecasted to have both advantages and disadvantages, being clearly aware of challenges, evaluating strengths, weaknesses and development potentials of Baoviet, Baoviet Holdings has been completing strategy for the period of 2016-2020 with the objective of sustainable development in the future, toward the vision to 2025 of Baoviet "Maintain the position of the leading Financial – insurance Group in Vietnam, enhance international competition capacity, strong financial potentials, sustainable and efficient growth".

1. 2016 business plan

In 2016, Baoviet Holdings set target consolidated revenue of VND 22,504billion, growing by 8.2% compared to 2015, profit after tax is estimated at VND 1,190 billion, growing by 1.3% compared to 2015.

Total revenue of Baoviet Holdings - the parent company in 2016 is expected at VND 1,398 billion, increasing by 6.2%. Profit after tax reaches VND 1,005billion. Return on charter capital (ROCC) is expected at 14.8%. With this ratio, Baoviet Holdings ensures accumulated capital for the next step of development as well as bringing sustainable benefits for shareholders.

2. Key initiatives in 2016

In 2016, with the targets of the total consolidated revenues of USD 1 billion, Baoviet Holdings will focus on intensive investment to crear sustainable value to customers, shareholders and stakeholders by implementing the following key solutions:

- ***Firstly***, Increase financial capacity for Holdings and subsidiaries in order to enhance business competency of the whole Group;

- ***Secondly***, Boost investments in IT platform and application in line with international standards, ensuring synchronous, modern, effectiveness and safety to better

meet business needs of the Group as well as enhance centralized governance competency throughout the Holdings to subsidiaries in the age of digital technology.

- ***Thirdly***, Enhance the implementation of the Synergy Project of Baoviet Holdings in order to unleash resources, promote consolidated strengths for ensuring rapid and sustainable growth for the future.

- ***Fourthly***, Invest for research and development of integrated products; develop distribution channel and expand business network in which concentrate on key locations; develop Baoviet brand to be professional, modern in providing products and services.

- ***Fifthly***, invest for training in line with human resource management throughout the Group.

- ***Sixthly***, implement social responsibility though such activities as investing to education and the youth; developing local community; implement gratitude program to senior officials, poverty reduction; responsible investment, researching and developing of green products; Providing voluntary pension products combine the benefits of protection, accumulation, ensuring peace of mind for employees; Development of medical products, healthcare serving by the growing of society.

2016 is the premise year for the implementation of business strategy for the period of 2016 – 2020 of Baoviet Holdings. Therefore, in order to achieve development objectives in the coming years, Baoviet Holdings and its subsidiaries determine to implement successfully business targets, preparing necessary resources to create strong development momentum in 2016 and sustainable development 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./.

CHIEF EXECUTIVE OFFICER

(Signed and sealed)

Archieves:
- As above;
- BOD, Supervisory Board;
- For filing: Admin, Corporate Secretary Division.

Nguyen Quang Phi