

BÁO CÁO THƯỜNG NIÊN 2018

ANNUAL REPORT

BIDV INSURANCE CORPORATION



BÁO CÁO THƯỜNG NIÊN 2018
ANNUAL REPORT



With the consensus of BIC's Board of Management and nearly 1,000 staff, we will pass all difficulties and challenges to achieve the goal of becoming one of the leading insurance companies in Vietnam.



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MESSAGE
FROM CEO



2,079 BILLION DONG OF GROSS WRITTEN PREMIUM OF THE PARENT COMPANY BIC, GROWING BY 16.7%

2025 BILLION DONG OF CONSOLIDATED PROFIT BEFORE TAX, UP 8.6%

DEAR VALUED SHAREHOLDERS, PARTNERS AND CUSTOMERS,

In 2018, Vietnam's insurance market grew positively, yet non-life insurance companies still faced difficulties. In particular, automobile sales fell short in meeting targeted growth in 2018. According to the Vietnam Automobile Manufacturers' Association (VAMA), total sales in 2018 across the automobile market increased by just 5.8% from 2017. Disbursement of state investment capital was also slower compared to plan. According to the Ministry of Finance, the estimated state capital investment in 2018 was only 59.9% compared to the National Assembly's plan and 61.6% compared to the Prime Minister's plan. These significantly affected traditional insurance lines which account for a large proportion of total non-life insurance premium revenue of the market. The growth rate of the non-life insurance market in 2018 was around 11%.

Despite a challenging market, BIC strived to innovate and improve in all aspects including its organizational model, business process, service quality, network and promotion of bancassurance, posting positive figures as a result. Gross written premium and consolidated pre-tax profits fulfilled over 100% of the plan assigned at the company's General Meeting of Shareholders. In particular, gross written premium of the parent company BIC, was VND 2,079 billion, growing by 16.7% from 2017. Consolidated pre-tax profit exceeded VND 202.5 billion, up 8.6% year-on-year.

During the year BIC's credit rating was upgraded by A.M. Best from B+ to B++. The company was also honored with prestigious awards recognizing BIC as a Top 10 Most Prestigious Non-life Insurance Company in Vietnam, Top 50 Highest Performing Company in Vietnam, Top 100 Strongest Brand in Vietnam, Top 500 Largest Enterprise in Vietnam and Top 500 Most Prosperous Vietnamese Business.

2018 also marked 10 years since BIC first implemented the distribution of insurance product through banks (Bancassurance). As one of the leading non-life insurers in bancassurance in Vietnam, BIC expanded its network of associated banks, signing comprehensive cooperation agreements with Vietnam Cooperative Bank (Co-op Bank), and Vietnam - Russia Joint Venture Bank (VRB). BIC also continued to improve its products and services and focused on settling customers' insurance claims as quickly as possible. Premium revenue through bancassurance grew by over 50% compared with 2017.

Vietnam's economy is forecasted to continue its positive growth in 2019. The automobile market is expected to grow at an encouraging rate, the number of projects is expected to increase nationwide, and the general demand for health insurance is increasing. These are all favorable factors for the non-life insurance market to develop. The growth rate of the non-life insurance market is expected to exceed 15% in 2019.

In 2019, BIC will continue to pursue its effective goals. BIC will focus on: finalizing the organization structure model; improving governance, risk management and service quality and focusing on developing retail distribution channels, particularly bancassurance. The company will also employ advanced technology to respond quickly to the development of new products and modern distribution channels.

Following our 2018 achievements, I believe that BIC will continue its efforts to successfully complete challenging business targets in 2019. I also hope that you will support and companion with BIC in 2019 and the coming years.

Yours faithfully.



SUSTAINABLE DEVELOPMENT

GENERAL INFORMATION

Official name:

BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM INSURANCE JOINT STOCK CORPORATION.

Transaction name in English:

BIDV INSURANCE CORPORATION

Stock symbol (HOSE): BIC

HEAD OFFICE:

16th Floor, Block A, Vincom Tower, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi, Vietnam

CONTACT

Tel: (84-24) 22200282

Fax: (84-24) 22200281

Hotline: 1900 9456

Website: www.bic.vn

Email: bic@ bidv.com.vn

CHARTER CAPITAL

VND 1,172,768,950,000

A.M Best Rating:

- **Financial strength rating: B++ (Good)**
- **Issuer credit rating: bbb**
- **Prospect: Stable**

MILESTONES

- 1999 - Bank for Investment and Development of Vietnam (BIDV) and QBE International Insurance Company cooperated to establish the BIDV - QBE Insurance Joint Venture.
- 2006 - BIDV bought the shares of QBE in the joint venture and changed its name to the Bank for Investment and Development of Vietnam Insurance Company (BIC).
- 2007 - BIC increased its chartered capital to VND 500 billion with the expansion of 11 branches and 30 regional sales offices.
- 2008 - BIC cooperated with Lao Viet Joint Stock Commercial Bank (LVB) and Lao Commercial Bank (BCEL) to establish Lao Viet Insurance Joint Venture Company (LVI).
- 2009 - BIC became the first insurance company in Vietnam with a full network of operations in all three countries of Indochina (Vietnam - Laos - Cambodia).
- 2010 - BIC officially changed its form from 100% state owned to Joint Stock Company with the new name of Bank for Investment and Development of Vietnam Insurance Corporation.
- 2011 - BIC officially provided insurance products through online channel via www.baohiemtructuyen.com.vn, which contributed to promote retail insurance. In September 2011, BIC also officially listed 66 million shares on the Ho Chi Minh Stock Exchange (HOSE).





- 2012 - BIC initiated a strong shift to retail with a variety of new personal insurance products and the development of our distribution channels with particular focus on the Bancassurance and Online channels. BIC fulfilled its business plan in 2012 and was one of the most profitable insurance companies in the market despite the difficult business environment due to the impact of the recession.

- 2013 - BIC purchased back shares of LVB in Lao Viet Insurance Joint Venture Company to increase its shareholding in LVI to 65% and officially released consolidated financial statements from Quarter III/2013.

- 2014 - BIC raised its charter capital to VND 762,299,820,000. For the first time in BIC's history A.M. Best, a leading financial credit rating agency rated BIC a B+ for good financial strength and bbb- for issuer capacity.

- 2015 - BIC officially opened its representative office in Myanmar as a bridge to connect commercial trade and promote insurance business between Vietnam and Myanmar. During 2015 BIC also completed a strategic equity acquisition agreement with Fairfax, a leading global insurer and reinsurer from Canada.

- 2016 - A.M Best raised BIC's outlook to Positive and continued to affirm the financial strength rating of B+ (Good), and issuer credit rating of bbb- .

- 2017 - BIC provided satisfactory and sustainable business results and maintained its position as a top 5 non-life insurance company with the highest income in the market. BIC also became one of the few insurance companies with an in-house Actuary under the new requirements of the Ministry of Finance.

- 2018 - BIC's credit rating was upgraded by A.M. Best from B+ to B++. Business results were also impressive. Consolidated gross written premium exceeded VND 2,000 billion and consolidated pre-tax profit exceeded VND 200 billion.



TITLES AND AWARDS

- **Top 10 most prestigious non-life insurance company in Vietnam** awarded by Vietnam Report Joint Stock Company (Vietnam Report) in collaboration with VietnamNet Newspaper announced in 2016, 2017, 2018.
- **Top 50 most efficient listed company in Vietnam** for 4 consecutive years from 2014 to 2018 (according to Investment Bridge Magazine and Thien Viet Securities Company).
- **Top 500 fastest growing business in Vietnam** for 7 consecutive years from 2010 to 2016 (according to the Independent report of Vietnam Report).
- **Top 50 Fastest Growing Company of Vietnam** for the period of 2009 - 2014 (according to the Independent report of Vietnam Report).
- **Best leverage index in the insurance sector** in 2014 under the “Vietnam Best Company” (according to the assessment of Vietnam Chamber of Commerce and Industry- VCCI).
- **Labor Order, third class** awarded by the Government’s President.
- **Central Enterprise Party Award** 2008, 2013.



- **Ministry of Finance Award** in 2009, 2010, 2013 recognizing the active contribution of BIC to the sustainable development of the financial market of Vietnam.
- **Prime Minister's Award** in 2010 recognizing BIC's contribution to national construction.
- **"Best non-life insurer in 2010" Certificate** by the Vietnam Economic Forum.
- **Emulation Flag, Award Certificate of the Governor of the State Bank of Vietnam** in 2008, 2010.
- **Vietnam Golden Star Award** 2010.
- **Excellent Brand Award in Vietnam** for consecutive years 2007 to 2009 and from 2013 to 2018.
- **Top Trade Service Award** in 2008 and 2013 of Ministry of Industry and Trade.
- **Golden FDI Award** in 2008.
- **Top 500 Largest Enterprise in Vietnam** announced by Vietnam Report in 2018.



08 NOTABLE EVENTS IN 2018

- BIC successfully organized the Annual General Meeting of Shareholders in which, Ms. Lai Ngan Giang, former Chief Accountant of BIC, was elected a new member of the Board of Supervisors after the resignation of Mr. Cao Cu Tri, Head of BIC's BOS. Ms. Lai Ngan Giang was elected Head of BIC's BOS on April 10, 2018.

- A.M. Best upgraded BIC's Financial Strength Rating from B+ to B++, its Long-Term Issuer Credit Rating from bbb- to bbb. The outlook of these Credit Ratings was Stable.

- Despite lower than expected non-life insurance market growth BIC successfully achieved business plan targets for 2018. Consolidated gross written premium reached VND 2,079 billion, up 16.7% compared to 2017, completing 101.9% of plan. Consolidated pre-tax profit reached VND 202.5 billion, an increase of 8.6% compared to last year, fulfilling 106.6% of plan.

- 2018 marked 10 years since BIC first implemented the distribution of insurance product through banks (Bancassurance). Over the past 10 years, BIC has shared risks with more than 1,300 borrowers and enterprises nationwide. For banks, BIC's insurance products also became effective risk management tools, contributing to ensuring the stability and safety of banks.





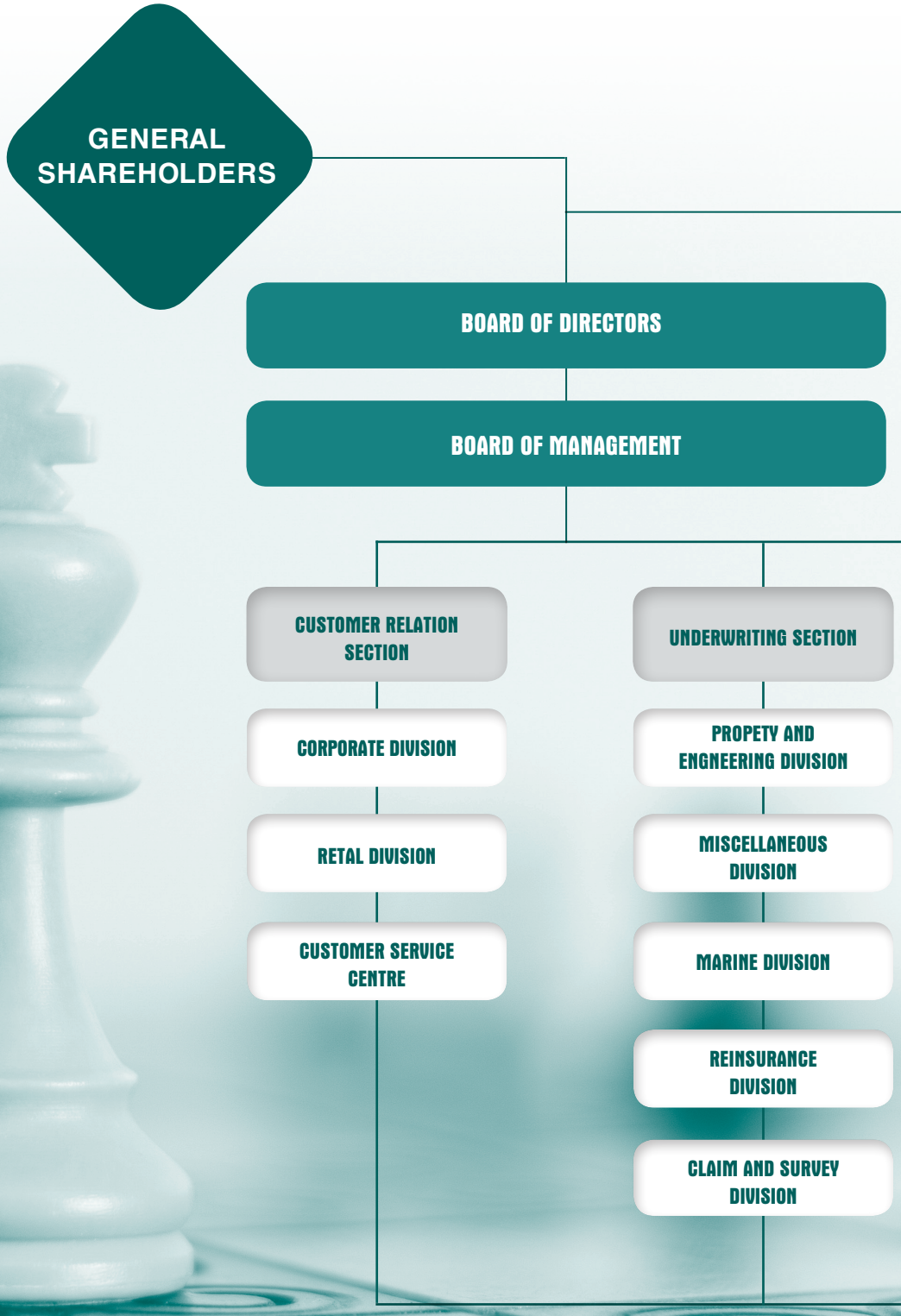
- In 2018, BIC expanded its network of associated banks, signing comprehensive cooperation agreements with Vietnam Cooperative Bank (Co-op Bank) and Vietnam - Russia Joint Venture Bank (VRB).

- BIC entered Vietnam's list of Top 500 largest enterprises (VNR500) announced by Vietnam Report for the first time. BIC continued to be honored with many prestigious titles and awards, including: Top 10 Most Prestigious Non-life Insurance Company in Vietnam, Top 50 Highest Performing Company in Vietnam, Top 100 Strongest Brand in Vietnam and Top 500 Most Prosperous Vietnamese Business.

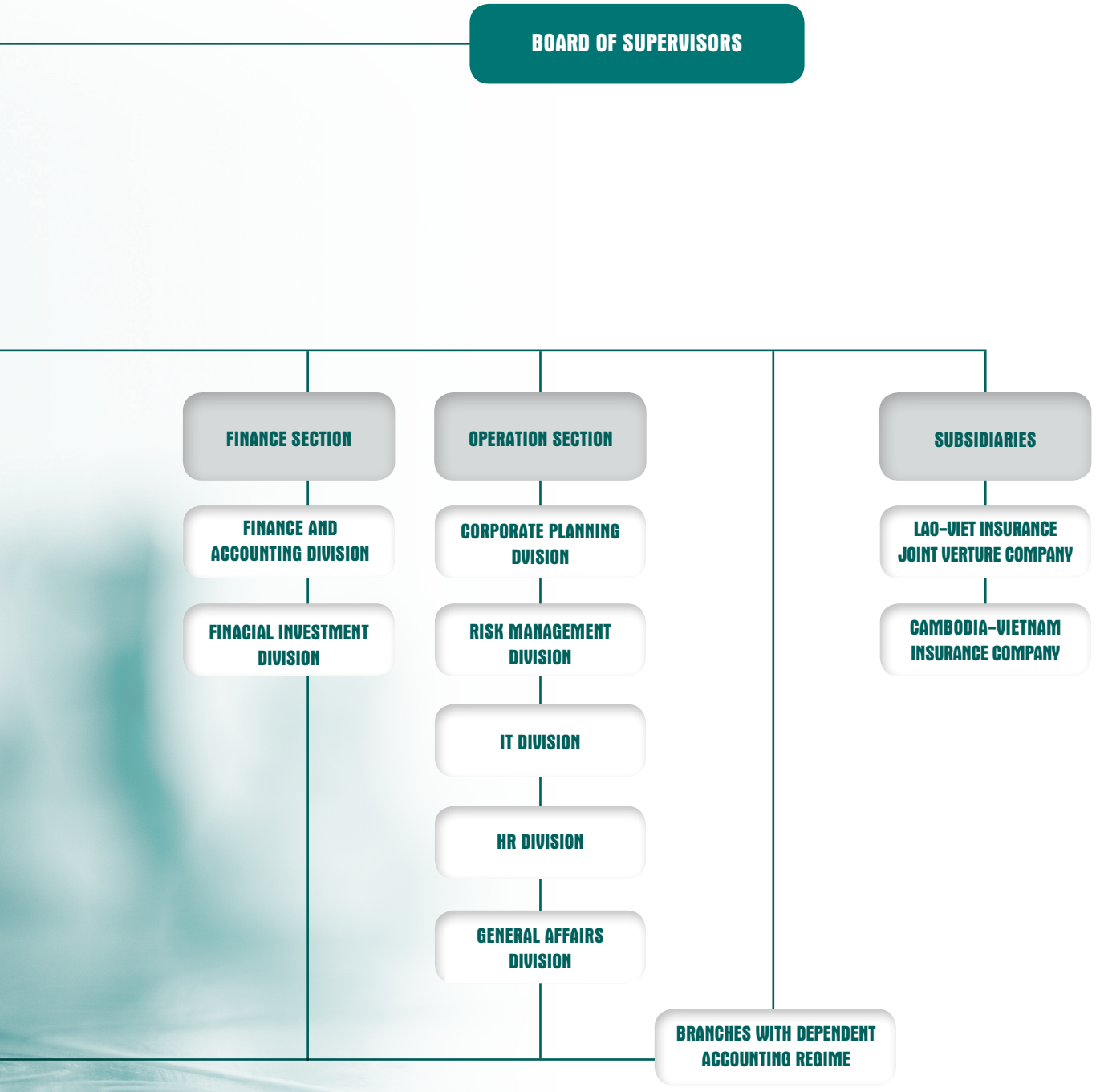
- Lao Viet Insurance Company (LVI) celebrated its 10th anniversary. After 10 years, LVI's revenue has increased more than 41 times and profit has been continuously maintained a high level since 2012. Currently LVI is firmly entrenched as the second largest non-life insurer by market share of written premium and is among the top insurance companies in Laos with the highest ROE.

- Cambodia - Vietnam Insurance Company (CVI) also achieved much success in 2018, improving to become the 3rd largest non-life insurer by market share of GWP.




GENERAL SHAREHOLDERS
BOARD OF DIRECTORS
BOARD OF MANAGEMENT
CUSTOMER RELATION SECTION
CORPORATE DIVISION
RETAL DIVISION
CUSTOMER SERVICE CENTRE
UNDERWRITING SECTION
PROPETY AND ENGNEERING DIVISION
MISCELLANEOUS DIVISION
MARINE DIVISION
REINSURANCE DIVISION
CLAIM AND SURVEY DIVISION

GOVERNANCE STRUCTURE,
MANAGEMENT SYSTEM, BRANCHES AND JOINT-VENTURES:





BUSINESS SERVICE AND BUSINESS NETWORK

BUSINESS SERVICES

- BIDV Insurance Corporation operates under Business License No. 11/GP/KDBH issued by the Ministry of Finance dated 10th April 2006 and Adjusted License No. 11/GPDC16/KDBH dated 06th June 2016.
- BIC's services cover non-life insurance, reinsurance, and financial investment services.

BUSINESS NETWORK

- BIC has 26 branches, 158 sales offices and over 1,500 insurance agents nationwide.
- BIC provides more than 100 non-life insurance products that meets the needs of most customers.

HEAD OFFICE:
16th FLOOR, BLOCK A, VINCOM TOWER,
191 BA TRIEU STREET, HAI BA TRUNG DISTRICT,
HANOI, VIETNAM

1. **Ha Noi BIDV Insurance Company**
   Address: No. 46-48 Ba Trieu, Hang Bai Ward, Hoan Kiem District, Ha Noi City.
2. **Thang Long BIDV Insurance Company**
   Address: 6th floor, Hapulico Complex Tower, No.01 Nguyen Huy Tuong, Thanh Xuan Ward, Ha Noi City.
3. **Dong Bac BIDV Insurance Company**
   Address: No.1, Nguyen Dang Dao, Bac Ninh City.
4. **Vinh Phuc BIDV Insurance Company**
   Address: No.1 Ly Bon, Ngo Quyen District, Vinh Yen City, Vinh Phuc.
5. **Thai Nguyen BIDV Insurance Company**
   Address: 7th floor, No. 653 Luong Ngoc Quyen, Thai Nguyen City.
6. **Hai Phong BIDV Insurance Company**
   Address: Thanh Dat 1 Tower, No. 3 Le Thanh Tong, May To Ward, Ngo Quyen District, Hai Phong City.
7. **Bac Bo BIDV Insurance Company**
   Address: 5th floor BIDV Tower, No. 92C Hung Vuong, Vi Xuyen Ward, Nam Dinh City.
8. **Hai Duong BIDV Insurance Company**
   Address: No.115 Tran Hung Dao Street, Tran Hung Dao Ward, Hai Duong City, Hai Duong.
9. **Quang Ninh BIDV Insurance Company**
   Address: No. 88 Le Thanh Tong, Hong Gai Ward, Ha Long City, Quang Ninh.
10. **Bac Trung Bo BIDV Insurance Company**
    Address: 8th floor BIDV Tower, No. 08 Le Nin Boulevard, Hung Dung Ward, Vinh City, Nghe An.
11. **Da Nang BIDV Insurance Company**
    Address: No. 40-42 Hung Vuong, Hai Chau District, Da Nang City.
12. **Binh Dinh BIDV Insurance Company**
    Address: No.72 Le Duan, Quy Nhon City, Binh Dinh.
13. **Nam Trung Bo BIDV Insurance Company**
    Address: 6th floor, No. 35 2/4 Street, Nha Trang City, Khanh Hoa.
14. **Bac Tay Nguyen BIDV Insurance Company**
    Address: 6th floor Duc Long Gia Lai Tower, No. 117 Tran Phu, Dien Hong Ward, Pleiku City.
15. **Tay Nguyen BIDV Insurance Company**
    Address: No. 389 Phan Chu Trinh Street, Tan Loi Ward, Buon Ma Thuoc City, Daklak.

16. **Mien Dong BIDV Insurance Company**
Address: No. 4-5, Street 3, Tam Hoa Ward, Bien Hoa City, Dong Nai.

17. **Binh Duong BIDV Insurance Company**
Address: 12A floor, Becamex Tower, No. 230 Binh Duong Boulevard, Phu Hoa Ward, Thu Dau Mot City, Binh Duong.

18. **Ho Chi Minh BIDV Insurance Company**
Address: 2nd floor, No. 108-110 Nguyen Van Troi, Ward 8, Phu Nhuan District, Ho Chi Minh City.

19. **Sai Gon BIDV Insurance Company**
Address: 08th floor, No. 472 Nguyen Thi Minh Khai, District 3, Ho Chi Minh City.

20. **Vung Tau BIDV Insurance Company**
Address: No. 72A Tran Hung Dao, Ward 1, Vung Tau City, Ba Ria - Vung Tau.

21. **Mien Tay BIDV Insurance Company**
Address: No. 53 - 53A Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City.

22. **Dong Do BIDV Insurance Company**
Address: No. 263 Cau Giay, Dich Vong Ward, Cau Giay District, Hanoi City.

23. **Cuu Long BIDV Insurance Company**
Address: 08th floor Post-Office Tower, No. 71A Nam Ky Khoi Nghia, Ward 4, My Tho City, Tien Giang.

24. **Lao Cai BIDV Insurance Company**
Address: 2th and 3rd floor BIDV Tower, No. 002 Hoang Lien, Duyen Hai Ward, Lao Cai City, Lao Cai.

25. **Tay Bac BIDV Insurance Company**
Address: 4th floor Viettel Son La Tower, No.1 Chu Van Thinh, Son La City

26. **Ben Thanh BIDV Insurance Company**
Address: Pearl Plaza 561A Dien Bien Phu, Ward 25, Binh Thanh District, Ho Chi Minh City.



OVERSEAS
JOINT-VENTURES



LAO - VIET INSURANCE COMPANY (LVI)
Address: No. 44, Lanxane, Vientianes, Laos

Business services:
Non-life insurance, reinsurance, and financial investment services

Chartered capital: 3 million USD

The ownership rate of BIC: 65%



CAMBODIA-VIETNAM INSURANCE COMPANY (CVI)
Address: No.99, Norodom Boulevard, Boeung Raing, Daun Penh, Phnom Penh, Cambodia

Business services:
Non-life insurance, reinsurance, and financial investment services

Chartered capital: 7 million USD
(*) BIC is scheduled to complete all legal procedures to receive 51% CVI capital from the IDCC shareholder.

DEVELOPMENT ORIENTATION

STRATEGIC TARGETS TO 2022

- To expand operation scale in association with sustainable development, good claims control and sound business results.
- To grow to become among the Top 3 largest non-life insurance companies in terms of profitability in Vietnam and Top 3 largest non-life insurance companies in terms of Bancassurance.
- To be continuously among the leading insurance companies in terms of international credit rating in Vietnam.
- To apply modern management skills to optimize the operation of the company and build corporate culture with high efficiency.
- To strongly apply information technology, diversify insurance banking products and services, improve skills and professionalism in line with best practices and further develop Bancassurance to gain competitive advantages.

SUSTAINABLE DEVELOPMENT OBJECTIVE

BIC understands that sustainable development is a long-term and important aim for all enterprises including BIC. Besides economic growth, BIC is keenly aware of our need to care for the environment and our social responsibility. BIC commits to connect its economic development objectives with environmental and social responsibility, which will be the necessary foundation to ensure the sustainable development of BIC in the long run.

BIC has selected and integrated its development goals with some of the 17 Sustainable Development Goals of the United Nations as part of BIC's economic growth objectives, as follows:

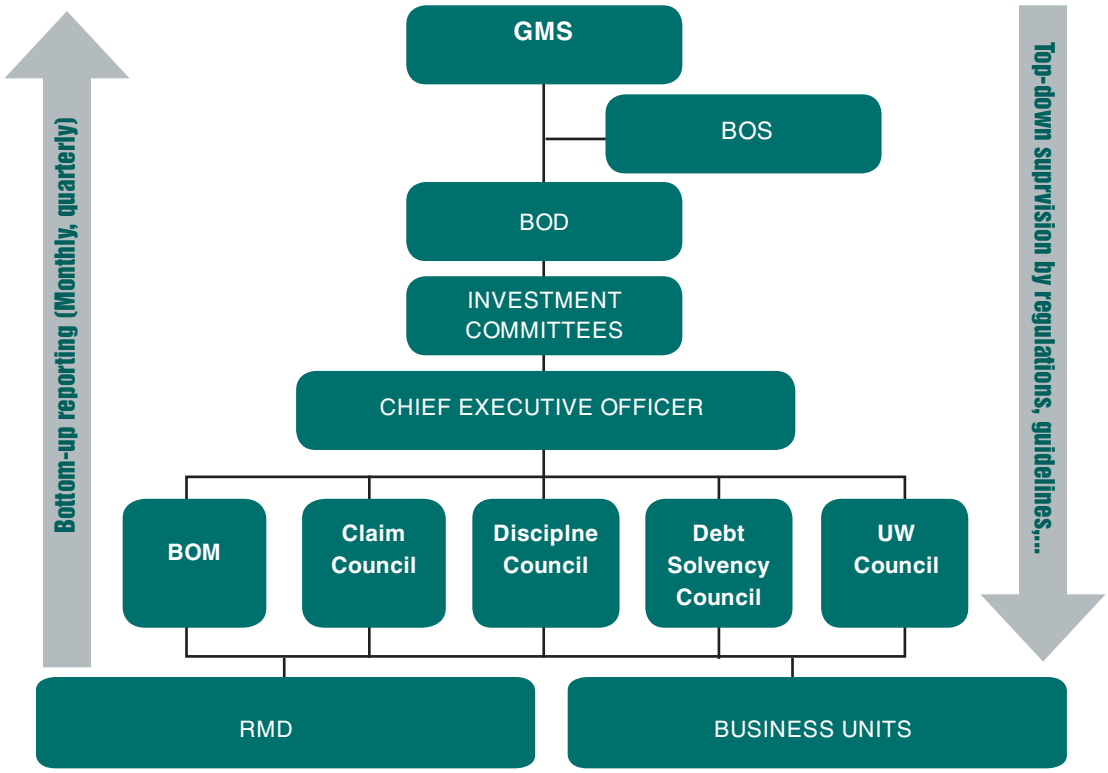
- Eradication of hunger and alleviation of poverty
- Ensuring education quality
- Ensuring a healthy lifestyle and improving social welfare
- Promoting sustainable economic growth, creating job opportunities in a responsible and sound manner



RISK MANAGEMENT

The primary objective of risk management framework is to protect shareholders from risk and help BIC consistently achieve its objectives. The Board of Directors and Board of Management recognize the importance of an effective risk management system and have established a risk management team with clear functions. A Risk Management Framework and related regulations set out the main risk profile and risk management standards and responsibility of units as well as personnel in business operations.

RISK MANAGEMENT STRUCTURE



GMS: General meeting of Shareholders
BOS: Board of Supervisors
BOD: Board of Directors
BOM: Board of Management
RMD: Risk Management Division

Business Units:

- Underwriting Divisions
- Claims Division
- Reinsurance Division
- Financial Division
- Investment Division
- Subsidiaries

The following are some of the major risks that may affect BIC's business or the performance of BIC's goals:

INSURANCE RISK

The primary insurance activity carried out by BIC is the assumption of risk of loss from persons or organizations that are directly subject to the risk. Such risks may relate to property, liability, accident, health, financial or other perils that may arise from an insurable event. As such BIC is exposed to uncertainty surrounding the timing and severity of claims under the contract. Underwriting and reinsurance divisions are responsible for reviewing differences in terms and conditions between BIC's branches and the Insured and for ensuring that all accepted risks are safe. BIC also has exposure to market risk through its insurance and investment activities. BIC manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or those that exceed set limits, risk diversification, pricing guidelines, reinsurance and monitoring of emerging issues.

REINSURANCE RISK

BIC reinsures a portion of the insurance risks it underwrites in order to control its exposures to losses and protect its capital, through treaty and facultative reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured. The amount of each risk retained depends on BIC's evaluation of the specific risk, subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, BIC remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes. Ceded reinsurance contains credit risk, and to minimize such risk, only those reinsurers whose credit rating are either assessed by credit rating agencies or internally assessed by BIC and satisfy BIC criteria are selected for business with the Corporation. BIC strictly follows conditions of overseas reinsurers as detailed in Decree No. 73/2016/NĐ-CP dated July 1, 2016 issued by the Government of Vietnam and Circular No. 329/2016/TT-BTC dated December 26, 2016 and issued by the Ministry of Finance in order to engage with reputable reinsurers. BIC requires a minimum A- as rated by A.M. Best as part of its reinsurer criteria.

CAPITAL RISK

The primary capital management objective of BIC is to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements at all times. BIC recognizes the impact on shareholders returns from the level of equity capital employed and seeks to maintain a prudent balance. Regulatory capital requirements arising from the operations of the Corporation require BIC to hold sufficient assets to cover liabilities and satisfy solvency margin requirements in Vietnam.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risks, such as share price risk.



CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Corporation is exposed to credit risk from its operating activities (primarily for trade receivables from original insurance and reinsurance activities) and from its financing activities, including deposits at banks and other financial instruments. Another risk is rating downgrade due to bad performance however BIC tries to maintain or improve its A.M. Best rating.

LIQUIDITY RISK

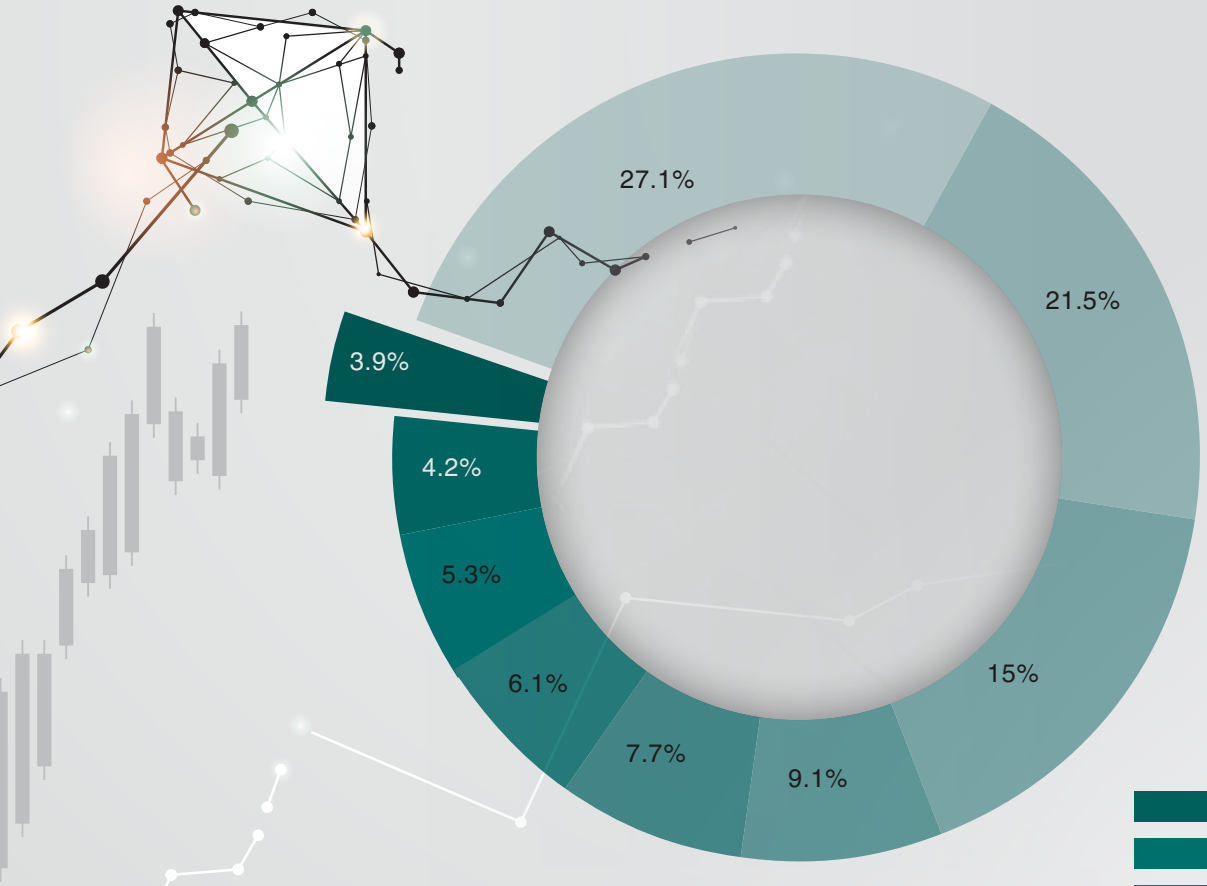
BIC has to meet daily calls on its cash resources, notably from claims arising on its insurance contracts. There is therefore a risk that cash will not be available to settle liabilities when due at a reasonable cost. BIC manages this risk by monitoring and setting an appropriate level of operating funds to pay these liabilities. The solvency requirements of BIC now are higher than those set out in Circular No. 50/2017/TT-BTC dated May 15, 2017 issued by the Ministry of Finance and Decree No. 73/2016/NĐ-CP dated July 1, 2016 issued by the Government of Vietnam.

LEGAL RISK

Risk on violating law provisions such as violating the regulations on compulsory insurance, premiums, insurance payment periods. Non-compliance or failure to promptly update processes under the current law provisions may lead to legal risks for BIC. BIC controls these risks by updating and revising regulations, policies, and procedures in accordance with legal regulations and constantly improving legal training for all staff...

BUSINESS PERFORMANCE





Estimated Market share 2018

NON-LIFE INSURANCE MARKET IN 2018

VIETNAM'S ECONOMIC SITUATION IN 2018

The Vietnamese economy in 2018 was affected by the slow growth of the global economy and other unpredictable factors. Global trade increased at a slower than expected rate due to changes in U.S. trade policy as well as the US-China trade war which has escalated. Global inflation in the early months of the year rose higher than in 2017 due to increased energy prices, especially rising oil prices. In addition, trade tension among major countries along with the trend of increasing trade protectionism had an impact on Vietnam's manufacturing and export sectors along with other countries in the region. Domestically, despite positive performance in 2017, the Vietnamese economy faced adverse weather situations which affected food prices and hence affected inflation control. Low disbursement of public investment funds negatively impacted performance of insurance companies including BIC.

2018 GDP grew by 7.08%, the highest growth rate since 2008. Agriculture, forestry and fishery sectors increased by 3.76%; industry and construction sectors increased by 8.85%, the service sector increased by 7.03%, of which financial, banking and insurance activities increased by 8.21%.

NON-LIFE INSURANCE MARKET OF VIETNAM FOR 2018

According to updated data from the Insurance Association of Vietnam, the estimated total premiums of the non-life insurance market increased by 11% compared to the same period in 2017. According to data of the first 9 months of 2018, growth focused on large enterprises, specifically: PTI 30.12%, Bao Viet 21.78%, PJCO 11.01%, VBI 66.9%, ABIC 15.82%, BIC 9.81%.

BUSINESS PERFORMANCE

GROSS WRITTEN PREMIUM

Consolidated gross written premium (BIC and LVI) reached VND 2,277 billion an increase of 15.5% compared to 2017, of which, direct written premium increased by 12.5% and reinsurance grew by 58.5%.

Gross written premium of the Parent company - BIC in 2018 reached VND 2,079 billion, an increase of 16.7% compared to that of 2017, of which, the direct written premium grew by 11.4% and inward reinsurance decreased dramatically by 62.1%.

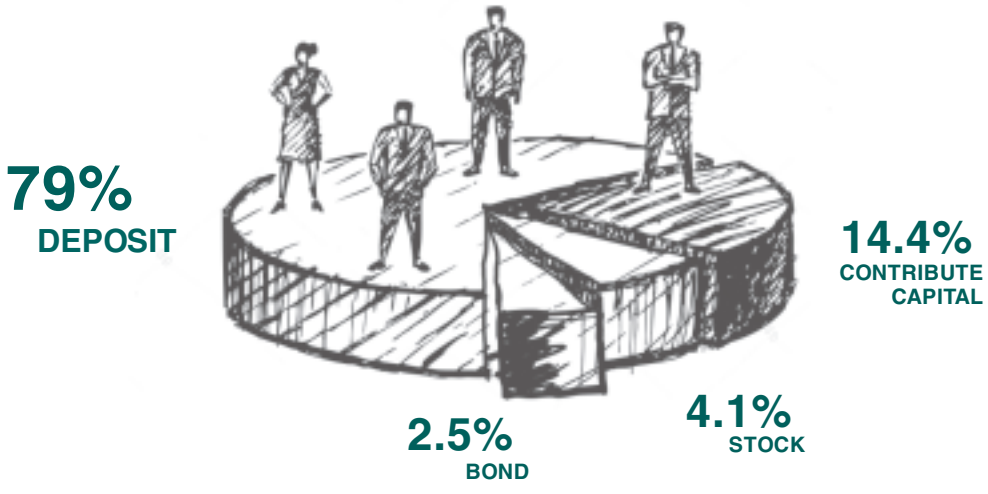
Gross written premium

Unit: Billion VND



FINANCE AND INVESTMENT

Invesment Portfolio Structure





Profit from invesment:

Total consolidated profit from investment (BIC and LVI) in 2018 reached VND 238.7 billion, an increase of 19.9% compared to 2017.

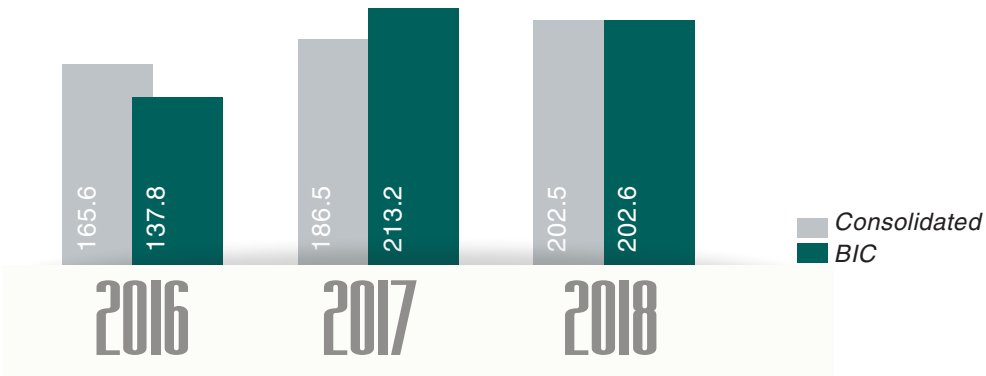
BIC's profit from investments reached VND 238 billion, an increase of 3.5% compared to 2017.

PROFIT BEFORE TAX

Total consolidated profit before tax (BIC and LVI) reached VND 202.5 billion outperforming PBT plan of VND 190 billion.

Seperate pre-tax profit of the parent company in 2018 reached VND 202.6 billion, a decrease of 5.0% compared to that of 2017.

Profit Before Tax *Unit: Billion dong*



ORGANIZATION STRUCTURE



BOARD OF MANAGEMENT

(On February 28, 2019)



CHIEF EXECUTIVE OFFICER

MR. TRAN HOAI AN

Prior to joining BIC in 2009 Mr. **TRAN HOAI AN** was a leading official in the Customs sector. With BIC Mr. An has successfully led and managed both the BIC Binh Dinh and BIC Ho Chi Minh branches before becoming Deputy General Director in BIC on April 1st, 2013 overseeing customer development in the Southern region cum Director of the BIDV Ho Chi Minh Branch. On October 31st, 2014, BIC's Board of Directors issued Decision No. 189/QD-HDQT appointing Mr. Tran Hoai An, CEO of BIC from November 1st, 2014.



DEPUTY GENERAL MANAGER

MS. DOAN THI THU HUYEN

Ms. **DOAN THI THU HUYEN** has many years of experience at BIDV with many important positions in Human Resources. Formerly Ms. Huyen was the Deputy Director of Human Resources for BIDV before being appointed as Chief Operating Officer of BIC.

Ms. Doan Thi Thu Huyen has been a Deputy Director of BIC since May 1st, 2012.





DEPUTY GENERAL MANAGER

MR. TRAN TRUNG TINH

Mr. **TRAN TRUNG TINH** is a well-regarded professional in the Vietnamese insurance sector. Prior to joining BIC, Mr. Tinh held many significant positions in large insurance companies such as Deputy Head of the Non-Marine Department, Deputy Head of Property and Engineering Insurance Department of Ho Chi Minh Insurance Company - Hanoi Branch, Head of Property and Engineering Insurance Department of Bao Minh Insurance Corporation - Hanoi Branch, Deputy Director of Bao Minh Insurance Corporation - Hanoi Branch, Head of Business Development Department of BIC.

Mr. Tran Trung Tinh was first appointed Deputy Director of BIC on October 1st, 2008 and Chief Underwriting Officer of BIC on October 1st, 2010.

DEPUTY GENERAL MANAGER

MR. VU MINH HAI

Mr. **VU MINH HAI** has been with BIC since 2007 and has held important positions such as Deputy Head of Claims and Survey Department at Head Office and, Deputy Director in charge of BIC - West Ha Noi Branch (now BIC Thang Long). Mr. Hai formerly served as CEO of Lao-Viet Insurance Joint Venture Company (LVI) from March 2009 until April 2012.

Mr. Vu Minh Hai was first appointed Chief Marketing Officer of BIC on April 16th, 2012.



DEPUTY GENERAL MANAGER

MR. HUYNH QUOC VIET

Mr. **HUYNH QUOC VIET** has been with BIC since its establishment and throughout his time at BIC has held many important positions such as Head of Sales Department, Ho Chi Minh City Branch; Deputy Director and Acting Director of BIC, Ho Chi Minh City Branch; Director of BIC Ho Chi Minh Insurance Branch and Director of BIC Saigon Branch.

Mr. Huynh Quoc Viet was officially appointed as Deputy General Manager of BIC on November 1st, 2015.



CHIEF ACCOUNTANT

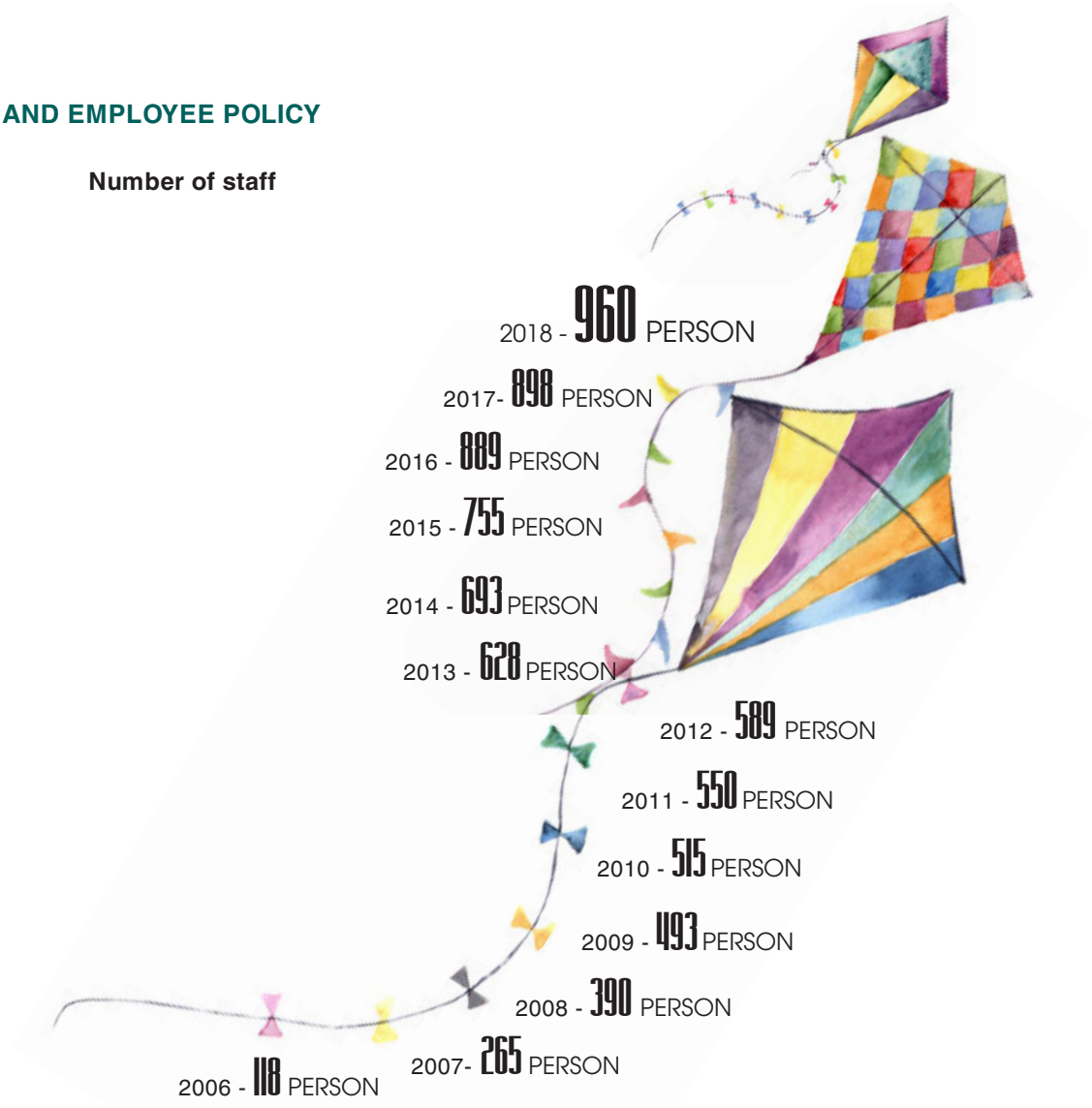
MS. NGUYEN THANH MAI

Ms. **NGUYEN THANH MAI** joined BIC in 2007 and has held many significant positions such as: Deputy Head of the Finance and Accounting Department; Head of the Accounting Department, Deputy Director, Acting Director of Finance and Accounting Division. Ms. Mai also holds the position of Head of the Board of Supervisors, Laos - Vietnam Insurance Company (LVI).

On April 10, 2018, Ms. Nguyen Thanh Mai was assigned duties of the Chief Accountant and currently holds the position of Acting Director of the Finance and Accounting Division.

STAFF AND EMPLOYEE POLICY

Number of staff



Employee Policy

Defining labor as a core factor for sustainable development, BIC focuses to develop human resources in three aspects: benefits policy, training and improvement of living standards for employees.

Policy for employees

Over the past 13 years BIC has developed an employee policy that is meaningful, unique, competitive and balances between income and other benefits with the desire to become an ideal environment for employees to work and develop themselves:

Salary

BIC's bonuses include: monthly salary, monthly sales salary, effective salary (6 months and 1 year), bonus for individuals and team reward for good performance. The allowance policy continues from the previous year and includes recruitment allowances, part-time allowances, position allowances and telephone allowances. These allowances are paid in addition to monthly income.



Health care for employees

BIC provides special health care and treatment programs for its employees which include: free annual health checkup, healthcare treatment for employees and their dependents (BIC Care) to help reduce economic burden for access to high quality medical services.

Social insurance

BIC adheres to all Social insurance, Health insurance and unemployment insurance practices required under Vietnamese regulations.

Other welfare

In addition to salary, bonus, social insurance and health care policies, BIC maintains a yearly welfare regime providing uniforms and bonuses distributed on New Year's Day , Lunar New Year, Liberation Day, International Labor Day, National Day, BIDV/BIC anniversary, annual holiday and Woman's Day.

Training

BIC recognizes the need for continuous, effective employee training to help staff improve their professional skills and meet their job requirements. In 2018, the total number of training member was 3,966 , including training programs organized by Head Office according to the overall plan of the Corporation and internal training programs of branches.

The number of training course and participating member

No.	Scope of training	The number of training course held by Head office	The number of training course held by branches	The number of participating member
1	Insurance	13	89	2,450
2	Other	23	59	853
3	Soft skill	13	14	639
4	Workshop	7	0	14
5	Oversea training	7	0	10
	Total			3,966

In addition to supporting staff to improve their skills, BIC also placed great importance on assessment of staff throughout the company through online professional examination software, so BIC could evaluate the effectiveness of training programs and set up a better plan for further training in the future.

Quality of Life Improvement

In order to improve the spirit of solidarity throughout the company and achieve corporate objectives BIC seeks to enhance the quality of life of all employees through sport, culture and social activities, such as:

- Sports festivals and art competitions organized annually;
- Providing presents and organizing contests (flower arrangement, birthday cake, cooking) on International Women's Day and Vietnamese Women's Day;
- Awarding prizes to children with good academic results and providing gifts on International Children's Day;
- Visiting, distributing gifts, supporting families of staff with challenging circumstances.





OVERSEAS JOINT-VENTURES

LAO-VIET INSURANCE COMPANY

OVERALL INFORMATION
Company's name: Lao Viet Insurance Company
Chartered capital: USD 3 million
Registration no.: 009 - 08/KHDT
Head office: No.44, Lanxane, Vientianes, Laos
Tel: (+856) 21264975 I **Fax:** (+856) 21264971
Website: lvi@laovietinsurance.com

SHAREHOLDERS
BIDV Insurance Corporation (65%)
Banque pour le Commerce Exterieur Lao (BCEL) (35%)

BOARD OF DIRECTORS:
Mr. **TRAN HOAI AN -** Chairman
Mr. **Bouavanh SIMALYVONG -** Vice Chairman
Mr. **Bounxort FONGSANITH -** Member
Mr. **PHAM DUC HAU -** Member
Mr. **NGUYEN VIET HAI -** Member/Chief Executive Officer

BOARD OF MANAGEMENT:
Mr. **NGUYEN VIET HAI -** Chief Executive Officer
Mr. **Somsay NHOTSAVANH -** Deputy General Officer
Mr. **VU PHUONG TUAN -** Deputy General Officer

SCOPE OF OPERATION:
Non-life insurance, Reinsurance, Investment.



2018 BUSINESS PERFORMANCE

Currency: USD

No.	Items	2017	2018	Δ 2018/2017
1	**Total assets**	**18,476,052**	**17,945,044**	**(2.87%)**
2	**Equity**	4,251,252	3,922,864	(7.72%)
3	**Gross written premium**	11,192,905	13,261,341	18.48%
3.1	Direct written premium	11,192,905	12,829,802	14.62%
3.2	Reinsurance	-	431,539	
4	**Investment income**	651,526	467,249	(28.28%)
5	**Net claim ratio**	27.61%	24.96%	(9.60%)
6	**Combined ratio**	93.94%	100.11%	6.56%
7	**Profit before tax**	911,987	551,407	(39.54%)

IMPROVEMENTS IN 2018

Gross written premium in 2018 grew by 18.5% as compared to 2017. Expenses were kept within the limit approved by the Board of Directors of LVI and claims ratio was 24.96%.

2019 BUSINESS PLAN

500,000 USD
PROFIT BEFORE TAX

14,370,000 USD
DIRECT WRITTEN PREMIUM



CAMBODIA-VIETNAM INSURANCE PLC

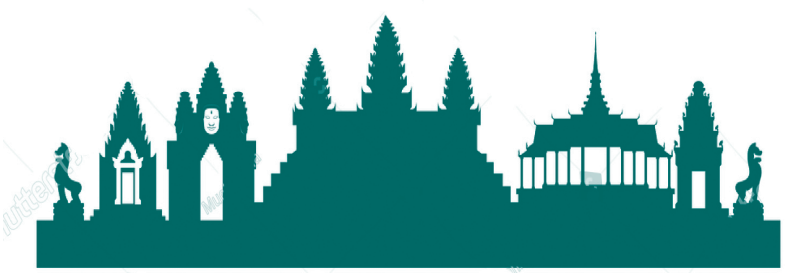
OVERALL INFORMATION
Company's name: Cambodia-Vietnam Insurance Plc
Equity: USD 7,000,000
Registration no.: Co. 6037/09E
Head office: 8th floor, No. 398, Monivong Boulevard, Sangkat Beung Keng Kang 1, Khan Chamkar Mon, Phnom Penh, Kingdom of Cambodia
Tel: (+855) 23 212 000 | **Fax:** (+855) 23 215 505
Website: www.cvi.com.kh

SHAREHOLDERS
I.D.C.C. Cambodian Investment and Development Co., Ltd. (51%)
Diamond Island Development Co., Ltd. (29%) (Canadia Bank Group)
Kasimex Co., Ltd. (10%)
Ms. Brich Bophang (10%)

BOARD OF DIRECTORS:
Mr. **TRAN TRUNG TINH** - Chairman
Mr. **VANN CHARLES CHUON** - Vice Chairman
Mr. **CHEA CHAN POV**
Ms. **HANG CHANTHOU**
Mr. **NGUYEN HUY TRUNG**
Mr. **NGUYEN DUC NGHIA**
Mr. **DANG THE VINH**

MANAGEMENT TEAM:
Mr. **NGUYEN HUY TRUNG -** Chief Executive Officer
Mr. **VO HUY TOAN -** Deputy Chief Executive Officer
Mr. **TAING SOK KIENG -** Deputy Chief Executive Officer

PRINCIPAL ACTIVITY:
Underwriting of general insurance business.



2018 BUSINESS PERFORMANCE

(Currency: USD)

TT	Items	2018	2017	Δ2018 / 2017
1	Gross written premium	9,717,083	7,837,320	23.98%
2	Net revenue from insurance business	1,613,961	1,371,048	17.72%
3	Underwriting profit before tax	591,555	427,434	38.40%
4	Investment income	577,385	628,863	(8.19%)
5	Profit before tax	1,168,940	1,056,297	10.66%
6	Profit after tax	826,840	724,002	14.20%
7	Total assets	17,477,320	14,164,034	23.39%
8	Owner's Equity	8,982,503	8,155,663	10.14%
9	Net (retained) claim ratio	34.80%	33.44%	4.07%

IMPROVEMENTS IN 2018

- CVI continued to be the leader in the field of aviation insurance in the Cambodian insurance market. CVI currently is the insurer for 9 airlines in Cambodia. To achieve this success, CVI maintains good relationships with and receives support from the international reinsurance market. CVI management teams also foster and maintain good relationship with the Aviation Ministry for their support.
- CVI grew to become the third largest non-life insurance company in Cambodia by GWP steadily improving from number 5 in 2016 and the 4th ranked general insurer in 2017. In 2018, CVI continued to maintain revenue growth increasing by 23.98% which outperformed market growth of 16%..

2019 TARGETS

- Maintain leading positions for main lines of business such as aviation, develop non-aviation businesses: property, engineering, miscellaneous, develop the retail composition of the insurance product portfolio in a more balanced and stable manner to help ensure sustainable long-term growth.
- New product campaign: develop distribution channels for revenue growth through channels such as BIDC, Canadia Bank, MB Bank, Sacombank, and other banks.
- Underwriting and Reinsurance: Negotiate with Cambodia Re, BIC, PVI Re, Vina Re and others to maintain competitive terms with good reinsurance commission to improve underwriting profit.
- Claim handling activities:
  - Review claim handling processes to improve productivity and enhance speed of claim settlement.
  - Continue to expand garage network to have at least one network garage in each district in Phnom Penh. Clinic and hospital network will be extended in big city like Siem Riep and Sihanoukville.
  - Human resources: Continue strengthening human resources for all departments to maintain stable operation and achieve targets assigned by the BOD. One of the most important missions in 2019 is keeping talented staff despite pressure from new insurance companies and to recruit more experienced staff to reinforce all departments.

2018
FINANCIAL INDICATORS

CONSOLIDATED INDICATORS (BIC AND LVI)

(Unit: million dong)

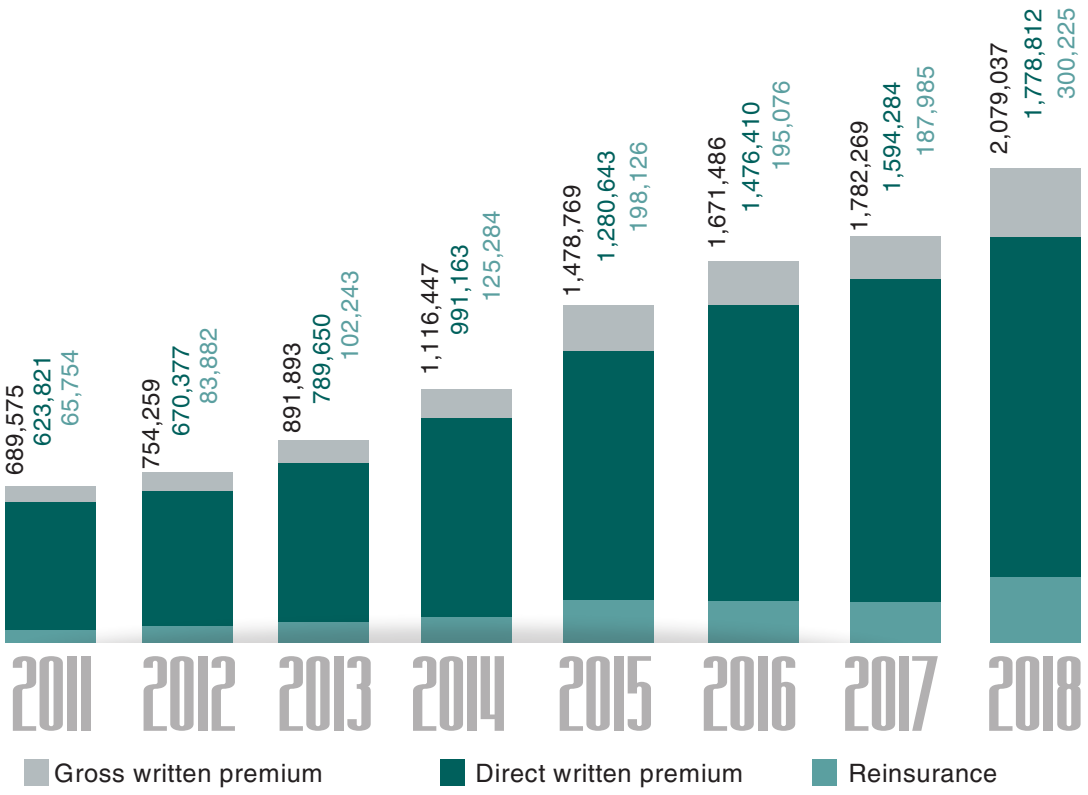
Items	2016	2017	2018
Total assets	4,474,538	4,716,494	5,133,418
Equity	2,083,066	2,095,148	2,128,219
Gross written premium	1,794,406	1,972,251	2,277,527
Direct written premium	*1,668,508*	*1,842,742*	*2,072.302*
Reinsurance	*125,898*	*129,509*	*205,224*
Investment income	208,145	219,694	263,773
Net Claim ratio	44.70%	45.24%	44.42%
Profit before tax	165,645	186,455	202,478
Total reservations	1,819,766	2,012,036	2,243,316
ROE	6.54%	6.86%	6.83%
ROA	3.05%	3.12%	2.92%



BIC BUSINESS INDICATORS (on a standalone basis)

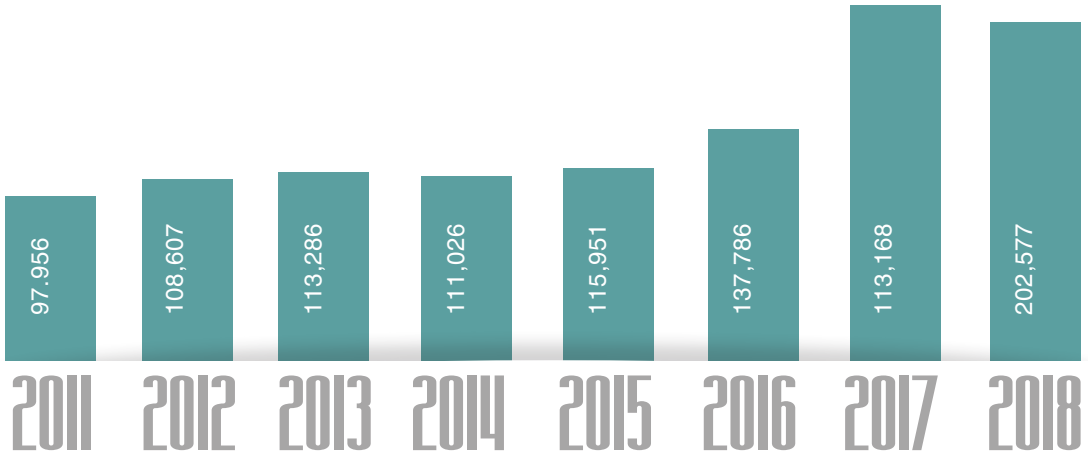
Gross written premium

(Unit: million dong)



Pre-tax profit

(Unit: million dong)



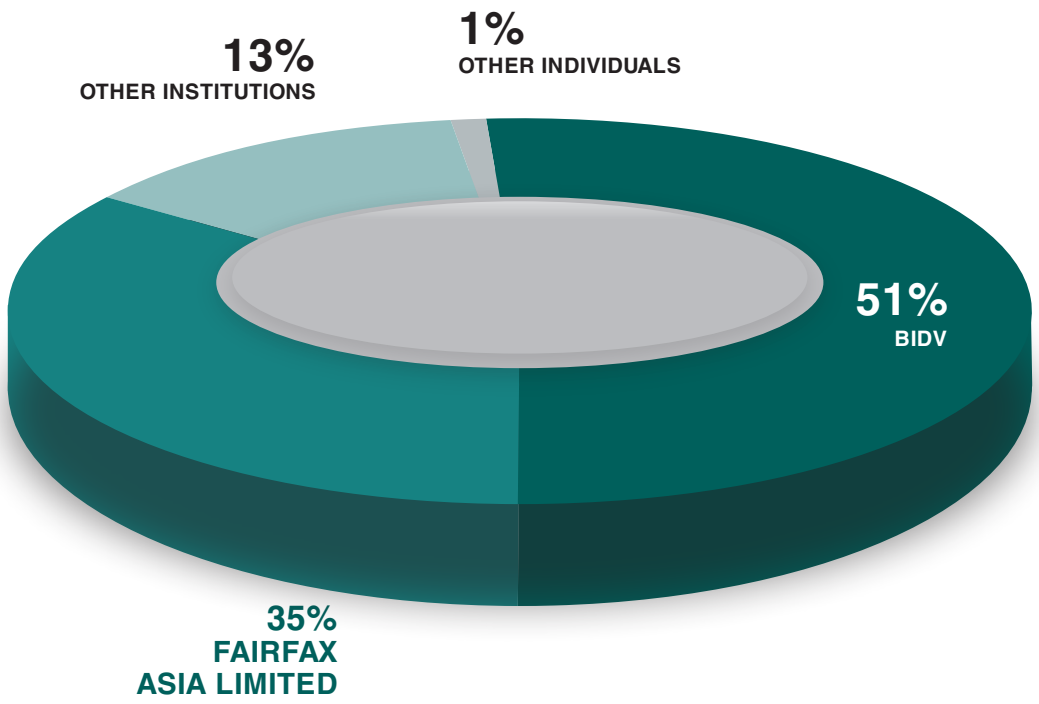
Stock information, shareholder structure and change in owner's equity

Information on BIC's stock

As at December 31st, 2018

Charter capital	**1,172,768,950,000 dong**
Number of listed shares	117,276,895 shares
Stock type	Common stock
The number of outstanding shares	117,276,895 shares
Treasury stock	0 stock
Par value	10,000 dong/share

Ownership Structure



INVESTMENT INFORMATION OF THE OWNERS

BIDV Insurance Corporation did not issue shares to increase capital in 2018. Capital contribution of shareholders as at 31/12/2018 remained unchanged from the end of 2017, specifically:

	Common share (VND)	Preferred Share	Tổng số (VND)
(VND)	Total (VND)	-	1.172.768.950.000
Shareholder capital	1,172,768,950,000	-	1,172,768,950,000
Share premium	655,565,033,362	-	655,565,033,362
Total	1,828,333,983,362	-	1,828,333,983,362

SHAREHOLDER STRUCTURE

Ownership structure (Basing on List of shareholders as at 26/06/2018)

No.	Subject	Number of shares	Ownership rate (%)	Number of shareholders	Shareholder structure (*)	
					Institution	Individual
1	State shareholder	59,819,259	51.0%	1	√	
2	Founding shareholder					
	- Vietnam:					
	- Foreign:					
3	Large shareholder (owns from 5%)					
	- Vietnam:					
	- Foreign: Fairfax Asia Limited	41,046,913	35.0%	1	√	
4	Union					
	- Vietnam:					
	- Foreign:					
5	Treasury share					
6	Shareholder with preferred shares (if any)					
7	Others	16,410,723	14.0%	549	44	505
	- Vietnam:	1,700,642	1.45%	483	13	470
	- Foreign:	14,710,081	12.55%	66	31	35
TOTAL		117,276,895	100.0%	551	46	505
	- Vietnam:	61,519,901	52.05%	484	14	470
	- Foreign:	55,756,994	47.05%	67	32	35

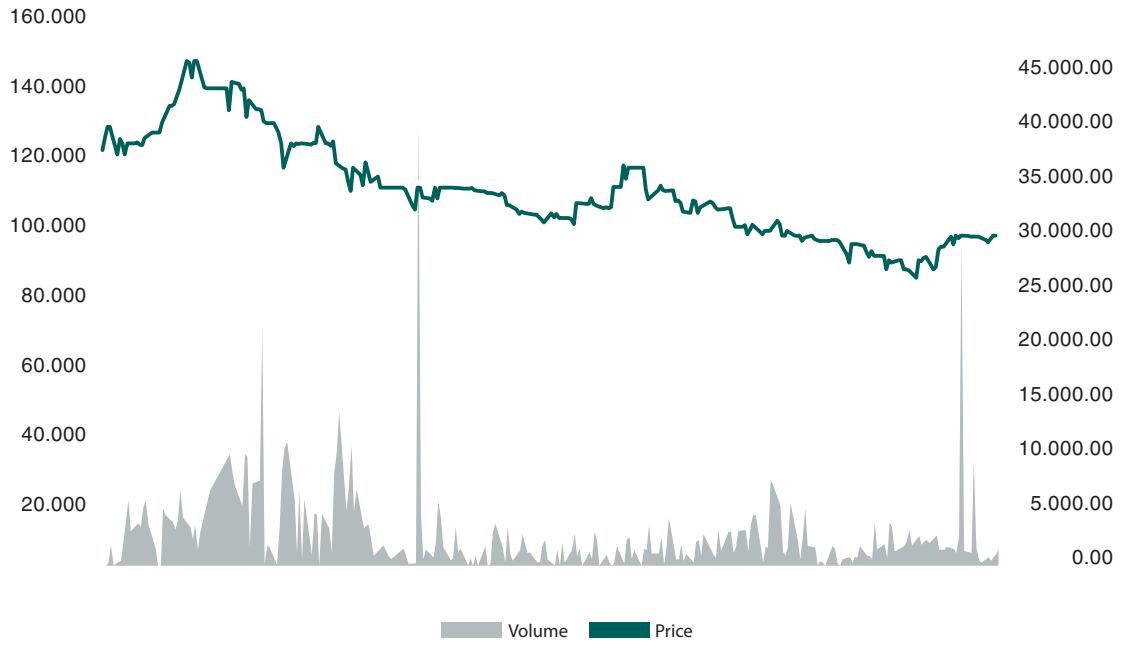


BIC STOCK PRICE IN 2018

In 2018, BIC's share price decreased by 24% from VND 34,400 per share in the opening session of the year to VND 26,000 per share in the session closing on 28/12/2018. BIC's shares price moved according to the same trend as the VN-Index in 2018 which decreased by nearly 10% from earlier in the year. The drop in BIC share price was more pronounced due to the small floating rate of BIC shares and limited liquidity and may not accurately reflect BIC's actual business results and intrinsic value.

Liquidity of BIC's shares is quite low averaging approximately 10,000 shares traded per session as is commonly the case for listed insurance companies with shares mostly held by domestic and foreign organizations.

BIC stock movement in 2018



CORPORATE RESPONSIBILITY

BIC is keenly aware of its responsibility to protect the environment and promote green business and strategy of sustainable development. In addition to ensuring business efficiency, BIC prioritizes the following initiatives.



PROTECTING THE ENVIRONMENT:

- **Establishing a friendly and fresh working environment:** we work to ensure a green, healthy and safe working environment for employees with proper arrangement of natural amenities and ample natural light in work spaces.
- **Energy conservation:** we reduce the use of energy-consuming equipment by applying green initiatives that seek to reduce paper usage, reduce electricity consumption and promote responsible recycling practices.
- **"Green" work processes:** application of advanced software in management, operation and products and services has saved considerable resources for BIC. Some of these initiatives are as follows:
  - Online document management software allows employees to keep up to date with Head Office documents and regulations while saving printing and postage.
  - Digital signatures for electronic insurance policies (at www.baohiemtructuyen.com.vn) has saved printing and postage costs.
  - Online insurance software at banking counters (BIDV and other Bancassurance channels) provides prompt servicing helping to provide greater convenience to our customers.
- **Ensuring clean, fair and transparent business practices:** Over the past 13 years of operation, BIC has always emphasized "trust" and fair competition. BIC has become recognized for its sustainable business strategy and efficiency. Despite a very competitive non-life insurance market, BIC still strives to promote healthy competition with prestige and quality through product improvement efforts and quality of customer service. Information transparency is an important factor in the business operations of BIC. Since its foundation, BIC's business results have always been audited by reputable and leading auditing firms. BIC strives to fully disclose information in a timely manner while strictly complying with regulations.





EMPLOYEE POLICY

BIC acknowledges that employees are the most important resource for sustainable development. BIC always strives to ensure a good working environment for our employees, including:

- Ensuring a proper salary, bonus and material treatment for workers. Income funds are allocated transparently and fairly, in line with the capacity and contribution of each employee. Average income per staff in 2018 was VND 18.4 million/ person/month. BIC continues to maintain a comprehensive package of accident insurance and employee health insurance.
- Organizing professional training courses for new staff, retraining and upgrading professional skills for cadres. BIC also encourages and creates conditions for all staff to train themselves to improve their knowledge. In 2018, the number of employees trained was 3,966.
- Ensuring proper discipline, rules and labor safety. All staff are equipped with the necessary tools and working environment to ensure the best conditions. There is also a regime of convalescence and health promotion for employees to create peace of mind.





- Well-organized visits, staff recognition and gifts to staff and their families on birthdays, weddings and while being treated in hospital . BIC also celebrates national holidays on: 08/3, 30/4, 1/5, 27/7, 2/9, 20/10. Organizing gifts and awards for children of staff with outstanding academic achievements, gifts on the occasion of June 1, Mid-Autumn Festival for staff children.

- In order to encourage and promote company departments and their staff BIC has set up many business incentive programs for branches recognizing outstanding Bancassurance staff. These programs have contributed significantly to the fulfillment of BIC's business plan for 2018.

- Continuous education of staff regarding corruption, work place negativity and harmful behavior. 100% of employees have committed not to use drugs.

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In 13 years of operation, BIC is a community leader and responsible business to society. In 2018, BIC continuously put its efforts in community development and contributed to social welfare:

SOCIAL WELFARE

Development of responsible insurance products to provide adequate protection for customers:

BIC Binh An is an insurer product designed to reduce the burden of debt for relatives and families of the insured in case of sudden accident. This product also helps the bank to recover all or part of the loan when customers lose their ability to pay, thereby reducing the risk of bad debt. In 2018, many big cases of BIC Binh An were recorded as follows:

- **Paying more than 555 million dong to a customer in Gia Lai:** Mr. Ngo Van Hung bought borrower insurance product - BIC Binh An for his term loan from October 7th, 2017 to October 6th, 2018 at BIDV Pho Nui Branch. On March 6th, 2018, Mr. Hung went to inspect the pumping system of newly purchased coffee fields in Nhon Tan, Dak Taley Ward, Mang Yang District, Gia Lai Province. Unfortunately, he fell into the reservoir and died from drowning. The total amount paid to Mr. Ngo Van Hung's family was VND 555,076,500.

- **Paying over 500 million dong to an employee of BIDV Bac Hai Duong Branch:** Mr. Vu Dinh Luyen, who was born in 1974 and had worked at BIDV Bac Hai Duong Branch in Chi Linh District, Hai Duong Province for 11 years. During his time at BIDV Bac Hai Duong Branch, Mr. Luyen bought the borrower insurance product - BIC Binh An for a 12-month loan at the Branch. Mr. Luyen had an unfortunate accident when he went home in the area of Linh Chap 6 residential area, Thai Hoc Ward, Chi Linh District, Hai Duong Province and died . The total amount paid to Mr. Luyen's family was VND 525,314,333.

- **Paying over 1.6 billion dong to a customer of BIDV Ba Ria Branch:** Mr. Nguyen Van Nhuong and his family established Hoa Nhan Production and Trading Company Limited (located in Group 4, Phuoc Trung Hamlet, Phuoc Long Tho Ward, Dat Do District, Ba Ria - Vung Tau Province) specialized in producing and trading products from plastic, garbage collection, scrap recycling. During the period from October 11, 2017 to July 27, 2018, Mr. Nhuong took out two loans with a total of 1,565 billion dong at BIDV Ba Ria Branch to supplement his production and business capital, and at the same time bought the borrower insurance product - BIC Binh An. On August 28, 2018, Mr. Nhuong unfortunately suffered an electric shock accident while repairing the pump and died. The total amount paid to Mr. Nhuong's family was VND 1,648 billion.

Deployment of social welfare:

BIC's social welfare program is enthusiastically supported by the all staff. Some of the typical social welfare programs in 2018 were: congenital heart screening and gift giving in Lao Cai Province; donation of warm blankets in Ha Giang, Tuyen Quang, Yen Bai, Hoa Binh; Dien Bien voluntary program; organizing Christmas greetings for children in Quy Nhon SOS village; distributing gifts to disadvantaged elderly people in Binh Da Ward, Dong Nai, participating in social activities of BIDV on the occasion of Mid-Autumn Festival, Lunar New Year and many other voluntary programs nationwide.











ASSESMENT REPORT





ASSESMENT REPORT OF BOARD OF MANAGEMENT

BUSINESS PERFORMANCE

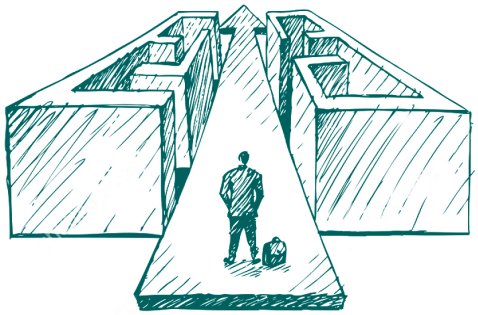
In terms of revenue, written premium of BIC (on a standalone basis) reached VND 2,079 billion, fulfilling 101.9% of target. 2018 was a highly competitive year in the non-life insurance market as many leading insurers prioritized rapid revenue growth. To ensure profitability and fulfillment of the 2018 plan, BIC limited growth of high-risk business and kept premium unchanged to compete with others, which had significant impact on the premium revenue growth.

In terms of profit, BIC fulfilled the consolidated pre-tax profit plan in 2018 with VND 202.6 billion.

No	Item	Plan	Actual	%
1	Gross written premium	2,040	2,079	101.9%
2	Consolidated profit before tax	190	202.5	106.6%

Unit: billion VND





ACHIEVEMENTS IN 2018

Fulfillment of 2018 business plan

The 2018 non-life insurance market provided many challenges however BIC still strived to innovate and improve on all aspects including its organizational model, business process, service quality, branch and service network and promotion of bancassurance, posting positive figures as a result. For the first time in BIC's history, gross written premium (on a standalone basis) exceeded VND 2,000 billion and consolidated pre-tax profit exceeded VND 200 billion.

BIC's overseas business results in 2018 also achieved many positive results. In Laos, LVI's written premium in 2018 was USD 13.3 million fulfilling 103.6% of the year plan. LIV's pre-tax profit was USD 551.4 thousand meeting 100.3% of the 2018 plan. In the Cambodian market, CVI also achieved much success and rose from 4th rank among non-life insurers to 3rd position in market share by GWP.

Bancassurance was a bright spot

2018 marked 10 years since BIC first implemented the distribution of insurance product through banks (Bancassurance). As one of the leading non-life insurers in bancassurance in Vietnam, BIC expanded its network of associated banks, signing comprehensive cooperation agreements with Vietnam Cooperative Bank (Co-op Bank) and Vietnam - Russia Joint Venture Bank (VRB). BIC also continued to improve its products and services focusing on settling customer insurance claims as quickly as possible. Premium revenue through bancassurance grew at over 50% compared to 2017.

In the past 10 years, BIC has shared risks with more than 1,300 borrowers and enterprises nationwide. For banks, BIC's insurance products also became effective risk management tools, contributing to ensuring the stability and safety of banks.

Rating Upgrade by A.M. Best

In 2018, A.M. Best upgraded BIC's Financial Strength Rating from B+ to B++ and its Long-Term Issuer Credit Rating from bbb- to bbb. The outlook of these Credit Ratings was Stable.

BIC is majority owned by the Bank for Investment and Development of Vietnam JSC (BIDV), one of the largest banks in Vietnam, and benefits from this affiliation in terms of branding, networking and customer outreach. Fairfax Financial Holdings Limited (Fairfax), the company's second-largest shareholder, provides BIC with technical support in areas such as personnel training, reinsurance, information technology and product development.



According to A.M. Best, their rating upgrade reflected BIC's capital stability as well as the effectiveness of BIC's financial investment activities. BIC's written premium growth was reasonable and capital adequacy ratios were at a good level compared to other non-life insurers in the market. In particular, BIC's underwriting operations continued to be stable in a highly competitive local insurance market.

Community Recognition

In 2018, BIC was honored to be recognized as one of the 500 largest enterprises in Vietnam for the first time according to the ranking of VNR500 - Top 500 largest enterprises in Vietnam in 2018 announced by Vietnam Report and VietnamNet.

VNR500 has been announced annually by Vietnam Report since 2007 to honor the achievements of Vietnamese enterprises. The ranking is based on independent research and evaluation results according to international standards of Vietnam Report combined with the domestic and foreign expert advice, particularly-, Professor John Quelch, Former Vice President of Harvard Business School who provided analysis of revenue, total assets, total labor, profit after tax and other indicators such as ROA and ROE.

In addition to recognition from VNR500, BIC was also honored with many other prestigious awards such as: Top 10 Most Prestigious Non-life Insurance Company in Vietnam, Top 50 Highest Performing Company in Vietnam, Top 100 Strongest Brand in Vietnam, Top 500 Largest Enterprise in Vietnam and Top 500 Most Prosperous Vietnamese Business.

FOCUS FOR 2019



- Direct written premium growth rate is to be equal to or higher than the market average growth rate to maintain or increase market share, while prioritizing business efficiency.

- Review and optimize underwriting processes, strengthen the close coordination between divisions at Head Office, between Head Office and Branches.

- Developing the information technology system in accordance with the development trend of technology revolution 4.0 and Insurtech.

- Optimize support of the Parent Bank, BIDV to develop Bancassurance; promote cooperation and expand the network of associated banks



- Review and assess branch activities to promptly adjust scale and network accordingly.

- Improve claims management quality to increase customer satisfaction.





ASSESMENT OF BOARD OF DIRECTORS ON BIC'S PERFORMANCE

In 2018, BIC continued to pursue sustainable growth and had relatively satisfactory results.

ASSESSMENT OF OPERATIONS

In terms of business results, BIC achieved a growth rate of 12% in direct written premium, equivalent to Vietnam's non-life insurance market growth rate and continued to maintain its 8th position in market share by GWP. In terms of profit, BIC was still one of the most profitable insurance companies in the market. In 2018, A.M. Best upgraded the Financial Strength of BIC to B++ from B+ and the Long-Term Issuer Credit Rating to "bbb" from "bbb-". The outlook of these Ratings was Stable.

BIC continued to be the leading unit among BIDV's member companies exceeding fulfillment of 2018 business targets.

Other activities:

- *Risk management:* BIC continued to strengthen the risk management function and implement the Risk Management Framework carried out from 2017.

- *Technical Assistance program from Fairfax:* In 2018, BIC continued to receive support from its strategic shareholder as per the Technical Assistance Agreement between the 2 parties across 10 main workstreams of: IT, Distribution channels, New product development, Risk Management, Business policies, Human Resources, Bancassurance, Investment Management, Reinsurance & Marketing. BIC received particularly strong support from Fairfax with respect to implementing initial steps to invest in a new Insurance Core System. Investment is expected to start in Q2 of 2019.

- *Providing input to state agencies:* BIC has actively contributed comment and input to documents as well as drafted regulations to related management agencies such as the Ministry of Finance and the Vietnam Insurance Association…

- *Social Responsibility:* BIC is gradually moving towards sustainable development and increased society responsibilities. BIC emphasize care for staff and improvement in living standards thus creating a dynamic and youthful working environment and opportunities. BIC also engages in many meaningful volunteer activities, particularly with regards to special circumstances and challenges faced by staff



ASSESSMENT ON THE OPERATION OF BOARD OF MANAGEMENT

Under the leadership of Chief Executive Officer, The Board of Management has complied with the regulations on governance, management and fulfilled duties assigned by the General Shareholders Meeting and the Board of Directors in 2018 such as:

- Execution of the business plan, strengthening financial management and claims management to achieve Board of Directors goals for safe, effective and sustainable growth, prioritization of the retail market segment, particularly focusing on development of the Bancassurance with BIDV and other banks.
- Developed and implemented business plan, assigned KPIs to each division at HO and branches. The BOM will gradually assign KPI to each individual which are expected to be officially applied from 2019.
- Continued to improve the organizational structure, governance, decentralized authority increasing autonomy for branches, regularly adjusted/supplemented authority levels for underwriting, claims settlement and financial management in accordance with the management capabilities of Branch Directors.
- The General Director regularly evaluated business results in terms of premium revenue, loss ratio, combined ratio, debt ratio, results according to lines of businesses and branches, considered request/proposals of branches to provide work focus and specific instructions for each member of the Board of Management, Divisions at HO and branches.

2019 BOARD OF DIRECTORS PLAN

To direct the CEO/Corporation to achieve 2019 targets approved by the AGM

- To direct implementation of Technical Assistance project with the strategic investor to improve competitiveness and service quality.
- To complete investment procedures for the new Core System Project, to kick-off in Q2 of 2019.
- To direct the move of the Head office in 2019.
- To analyze the centralized claims management model in Hanoi and Ho Chi Minh City.
- To complete the operation structure and improve the operation mechanism and governance of the Corporation to encourage initiative, increase accountability, enhance competency of all management levels in order to improve competitiveness.
- To enhance risk management for securing sustainable, comprehensive development and meet capital adequacy levels as regulated by law.
- To enhance the internal inspection throughout all operations;
- To carry out the overall plan for training and human resources development in order to meet requirements for further development.
- Monitor progress of all targets established by the BOD to help enhance BIC continue development ensuring the interests of shareholders and all stakeholders

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GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

(On December 31, 2018)



VICE CHAIRMAN

MR. RAMASWAMY ATHAPPAN

Mr. **RAMASWAMY ATHAPPAN** is a highly respected figure in the insurance industry with more than 40 years of experience in the fields of insurance and finance. Mr. Athappan is Chairman & Chief Executive Officer of Fairfax Asia Ltd., Chief Executive Officer of MSFCIL (formerly First Capital Insurance Ltd.), Chairman of Singapore Reinsurance Corporation Limited and President Commissioner of P.T. Asuransi Multi Artha Guna Tbk in Indonesia.

Mr. Athappan has served as the Deputy Chairman of BIC since January 29, 2016.



MEMBER

TRAN HOAI AN

Prior to joining BIC in 2009 Mr. **TRAN HOAI AN** was a leading official in the Customs sector. With BIC Mr. An has successfully led and managed both the BIC Binh Dinh and BIC Ho Chi Minh branches before becoming Deputy General Director in BIC on April 1st, 2013 overseeing customer development in the Southern region cum Director of the BIC Ho Chi Minh Branch.

On October 31st, 2014, BIC's Board of Directors issued Decision No. 189/QD-HDQT appointing Mr. An, CEO of BIC from November 1st, 2014. At BIC's Annual General Meeting of Shareholders on April 20, 2015, Mr. Tran Hoai An was elected Member of the BOD. In an effort to manage BIC's operation successfully for the third term 2014-2017, the Board of Directors issued Decision no. 099/QD-HĐQT re-appointing Mr. Tran Hoai An as Chief Executive Officer of BIC with the term of 5 years.



MEMBER

MR. VO HAI NAM

Mr. **VO HAI NAM** has been with BIDV for over 20 years, holding several important positions throughout this time such as Head of the General Affairs Dept, Head of Human Resources Dept 1 - HR Division, Deputy Director of No. 3 Central Transaction Branch, Director of Thanh Xuan Branch and Director of the Corporate Client Division.

Mr. Nam is currently Director of BIDV's Credit Risk Management Division and has been a member of BIC's BOD since April 20th, 2015.



MEMBER

MS. PHAM THI VAN KHANH

Ms. **PHAM THI VAN KHANH** has held many important positions since joining BIDV in 1999. Ms. Khanh has served in BIDV as Manager of the Investment Division, CEO of BIDV Real Estate Company and Deputy Director of BIDV's Corporate Division.

Currently, Ms. Khanh is Director of BIDV's Small and Medium Enterprise Division.

Ms. Khanh has been a Member of BIC's BOD since January 29th, 2016.



MEMBER

GOBINATH ARVIND ATHAPPAN

Mr. **GOBINATH ATHAPPAN** is the Chief Executive Officer of The Pacific Insurance Berhad in Malaysia and Chief Operating Officer of Fairfax Asia. Gobi has been with various Fairfax Financial Holdings companies for over 17 years including OdysseyRe in the United States.

Gobi also serves as Regional Director of MS First Capital Insurance Ltd. (formerly, First Capital Insurance Limited) and Vice Chairman of Falcon Insurance Company (Hong Kong) Limited.

Gobi holds an MBA from Massachusetts Institute of Technology and a bachelor's degree in Electrical Engineering from the National University of Singapore.

He has been a Member of BIC's BOD since January 29, 2016.



INDEPENDENT MEMBER

MS. DANG THI HONG PHUONG

Ms. **DANG THI HONG PHUONG** has over 20 years of experience in Insurance, Re-insurance and Financial Investment with-Vietnam Insurance Corporation and Vietnam National Reinsurance Corporation holding important positions as: Head of Reinsurance, Head of Investment, Head of the Investment Center, and Fund Management Company Director.

Ms. Phuong served as Chief Executive Officer of SSI Asset Management Limited Company from 2007 to 2019.

From 2011 to 2016, Ms. Phuong was Chief Executive Officer of An Binh Fund Management Joint Stock Company.

Ms. Phuong has been independent BOD member of BIC since 2013.

COMMITTEES

INVESTMENT COMMITTEE

NO.	MEMBER	POSITION
1	Mr. Ramaswamy Athappan	Chairman
2	Mr. Yi Sang	Vice Chairman
3	Mr. Tran Hoai An	Member
4	Ms. Dang Thi Hong Phuong	Member
5	Mr. Sam Chan	Member

OPERATION OF THE INVESTMENT COMMITTEE

The Investment Committee held two meetings in 2018, the first of which was June 6, 2018 to evaluate the results of financial investments in 2017 and establish BIC's investment orientation for 2018. The next Investment Committee Meeting took place on December 10, 2018 to analyze and evaluate BIC's investment performance in the first 9 months of 2018 and plan for 2019.



REPORT ON BOARD OF DIRECTORS

LIST OF INTERNAL SHAREHOLDERS OF BIC (AS AT 31/12/2018)

NO.	FULL NAME	POSITION	THE NUMBER OF SHARES	PERCENTAGE OF SHARES
1	RAMASWAMY ATHAPPAN	*Vice Chairman*	-	
2	TRAN HOAI AN	*Member of BOD/ CEO*	37,950	0.0003%
3	GOBINATH ATHAPPAN	*Member of BOD*	-	
4	PHAM THI VAN KHANH	*Member of BOD*	-	
5	VO HAI NAM	*Member of BOD*	-	
6	DANG THI HONG PHUONG	*Member of BOD*	-	
7	TRAN TRUNG TINH	*Deputy General Officer*	-	
8	DOAN THI THU HUYEN	*Deputy General Officer*	-	
9	VU MINH HAI	*Deputy General Officer*	-	
10	PHAM DUC HAU	*Deputy General Officer*	-	
11	HUYNH QUOC VIET	*Deputy General Officer*	7	0.0000%
12	LAI NGAN GIANG	*Head of BOS*	-	
13	NGUYEN TRUNG KIEN	*Member of BOS*	-	
14	NGUYEN THANH CONG	*Member of BOS*	-	
15	ZAINUL ABIDIN RASHEED	*Member of BOS*	-	
16	OSITH RAMANATHAN	*Member of BOS*	-	

In 2018, the BOD held 04 meeting sessions the thirteenth, fourteenth, fifteenth and sixteenth sessions the BOD

NO.	BOD MEMBER	POSITION	NUMBER OF MEETINGS ATTENDED	ATTENDANCE RATE	REASON FOR ABSENCE
1	TRAN LUC LANG	*Chairman*	03	75%	*Chairmanship ceased as of 29 Nov 2018*
2	RAMASWAMY ATHAPPAN	*Vice Chairman*	04	100%	
3	TRAN HOAI AN	*Member*	04	100%	
4	GOBINATH ATHAPPAN	*Member*	03	100%	*Absence noted & approved by the BOD.*
5	VO HAI NAM	*Member*	02	50%	*Absence noted & approved by the BOD.*
6	PHAM THI VAN KHANH	*Member*	03	75%	*Absence noted & approved by the BOD.*
7	DANG THI HONG PHUONG	*Member*	04	100%	

Issues arising between BOD meetings are exchanged, discussed and decided in writing or by email and confirmed at the next meeting.



BOARD OF SUPERVISORS OPERATION REPORT



BOARD OF SUPERVISORS
(On December 31, 2018)



HEAD MS. LAI NGAN GIANG

Mrs. **GIANG** has many years of experience working in insurance. Before joining BIC, Mrs. Giang held several positions in notable non-life insurance companies such as: Deputy Manager of Finance and Accounting Department of Post-Telecommunication Joint Stock Insurance Corporation, Deputy Director of Finance and Accounting Division of PVI Insurance Corporation. While with BIC, Mrs. Giang has served in the following positions: Deputy Manager of Internal Audit Department, Deputy Manager of Finance and Accounting Department; Deputy Director & Director of Finance and Accounting Division and Chief Accountant.

On 10 April 2018, Mrs. Lai Ngan Giang was elected by shareholders to be a Member of BIC's Board of Supervisors and is currently the Head of the BOS.



MEMBER MR. NGUYEN TRUNG KIEN

Mr. **NGUYEN TRUNG KIEN** joined BIDV in late 1999 and has held various positions in the Banking settlement system project unit, SIBS management and expansion unit and the Accounting Division of the BIDV Quang Trung Branch.

Currently, Mr. Kien is Director of BIDV's ALCO Division.



MEMBER

MR NGUYEN THANH CONG

Mr. **NGUYEN THANH CONG** has many years of experience in the financial, accounting and insurance sectors.

Mr. Cong is currently Deputy Director of Accounting at Vietnam National Reinsurance Joint Stock Corporation (VinaRe).



MEMBER

MR. ZAINUL ABIDIN RASHEED

Mr. **ZAINUL ABIDIN RASHEED** was Senior Minister of State for the Ministry of Foreign Affairs, Singapore from 2006-2011. Mr. Zainul has also held various key positions in the public service sector, media industry, the trade union movement and community development programs.

Mr. Zainul Abidin Rasheed was elected by the shareholders as a Member of BIC's Board of Supervisors on January 29, 2016.



MEMBER

MR. OSITH RAMANATHAN

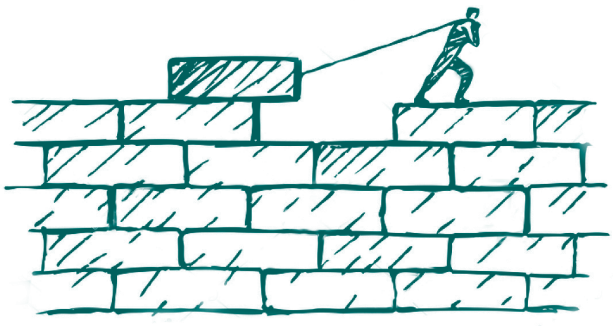
Mr. **OSITH RAMANATHAN** has more than 25 years working experience in various organizations which includes an advisory firm that focuses on start-up transportation-related ventures, a trade and investment promotion consultancy and a private investment holding company focusing on managing a portfolio of listed equity, fixed income and other investment assets.

Mr. Osith Ramanathan was elected by the shareholders as a Member of BIC's Board of Supervisors on January 29, 2019.

BOARD OF SUPERVISORS OPERATIONS

The Board of Supervisors fully completed their responsibilities and tasks as assigned by the General Shareholders in 2018, including monitoring, checking and supervising the governance, management and business performance of BIC as follows:

- Assigned specific tasks to all members annually, appointed representatives to participate in Board of Directors meetings;
- Supervised the governance and management of the Board of Directors and Board of Management;
- Supervised the implementation of Resolutions of the General Shareholders, the Board of Directors and the Board of Management;
- Independently verified 6-month and annual financial statements;
- Evaluated on a quarterly basis the relevance, legality, honesty and prudence of financial management, investment, business management and accounting to ensure the operation of the Board of Directors, Board of Management fully complied with the law and BIC Charter;
- In addition to discussing via email, the Board of Supervisors held meetings twice in 2018. Members of the Board of Supervisors fully implemented, completed assigned tasks, attended all periodic meetings, participated in discussions and voted on issues and content under the functions and tasks of the Board of Supervisors.
- The Board of Supervisors also worked with the Inspection Team from the General Department of Taxation to carry out inspection work at BIC in 2018.



Transaction and remuneration

OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS

Based on the Decision No.01/2018/NQ-DHDCD dated 10/04/2018 by the General Meeting of Shareholders of BIC, the approved 2018 budget of remuneration is as follows:

REMUNERATION OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS

- For part-time members: equal to 0.35% of profit before tax (separate FSs) in 2018. The specific payment is approved by the Board of Directors.
- For full-time members: according to BIC's salary scale and is approved by the Board of Directors.

MEETING ALLOWANCE FOR SECRETARIAT:

- Fixed allowance for Secretariat members is VND 3 million for each BOD/ BOS meeting.

INTERNAL SHAREHOLDER TRANSACTIONS

No internal shareholder transactions were recorded in 2018.





CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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INDEPENDENT AUDITORS' REPORT

Số tham chiếu: 60755012/20278483-HN

To: The Shareholders

BIDV Insurance Joint Stock Corporation

We have audited the accompanying separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 28 February 2019 and set out on pages 6 to 70, which comprise the separate balance sheet as at 31 December 2018, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the separate 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 Corporation'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 separate 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 separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Corporation as at 31 December 2018 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the relevant statutory requirements to preparation and presentation of the separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the separate financial statements. The Corporation prepared the consolidated financial statements of the Corporation and its subsidiary for the year ended 31 December 2018 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated on 28 February 2018 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited



TRINH HOANG ANH
Partner
Audit Practicing Registration
Certificate No.: 2071-2018-004-1

NGUYỄN VĂN TRUNG
Auditor
Audit Practicing Registration
Certificate No.: 3847-2016-004-1

Hanoi, Vietnam
28 February 2019

CONSOLIDATED BALANCE SHEET

as at 31 December 2018

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
100	**A. CURRENT ASSETS**		**4.675.064.474.317**	**4.143.219.058.770**
110	***I. Cash and cash equivalents***	**4**	**99,928,524,532**	**54,656,445,594**
111	1. Cash		65,950,317,685	40,420,748,511
112	2. Cash equivalents		33,978,206,847	14,235,697,083
120	***II. Short-term investments***		2,912,140,036,446	2,549,327,300,821
121	1. Trading securities	5.1	108,877,373,944	194,265,033,949
122	2. Provision for trading securities	5.1	(661,117,000)	(14,153,687,019)
123	3. Held-to-maturity investments	5.2	2,803,923,779,502	2,369,215,953,891
130	***III. Short-term receivables***	**6**	**479,038,445,422**	**474,007,808,737**
131	1. Short-term trade receivables		359.715.295.468	337.382.247.863
131.1	*1.1. Insurance receivables*		*359,430,173,134*	*332,812,645,160*
131.2	*1.2. Other trade receivables*		*285,122,334*	*4,569,602,703*
132	2. Short-term advances to suppliers		720,783,096	2,415,675,531
136	3. Other receivables		156,786,482,320	151,067,554,324
137	4. Allowance for doubtful debts		(38,184,115,462)	(16,857,668,981)
140	***IV. Inventories***		**493,063,160**	**504,744,572**
141	1. Inventories		493,063,160	504,744,572
150	***V. Other short-term assets***		**125,700,410,246**	**94,970,635,999**
151	1. Prepaid expenses		125,525,014,765	94,848,363,624
151.1	1.1. Unallocated commission expense	7	123,299,932,322	92,587,048,388
151.2	1.2. Other prepaid expenses		2,225,082,443	2,261,315,236
152	2. 2. Deductible VAT		175,395,481	122,272,375
190	***VI. Reinsurance assets***	**17.1**	**1,057,763,994,511**	**969,752,123,047**
191	1. Reinsurance assets from unearned premium reserve		414,111,198,580	346,262,199,697
192	2. Reinsurance assets from claim reserve		643,652,795,931	623,489,923,350

Đơn vị tính: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
200	**B. NON-CURRENT ASSETS**		**458,353,339,235**	**573,274,819,336**
210	***I. Long-term receivables***		**33,923,512,800**	**33,990,575,155**
216	1. Other long-term receivables		33,923,512,800	33,990,575,155
216.1	*1.1. Statutory deposit*	*8*	*8,000,000,000*	*8,000,000,000*
216.2	*1.2. Other long-term receivables*		*25,923,512,800*	*25,990,575,155*
220	***II. Fixed assets***		**23,856,855,659**	**30,537,230,391**
221	1. Tangible fixed assets	9	17,277,726,568	23,907,821,460
222	*- Costs*		*74,342,325,800*	*74,194,322,296*
223	*- Accumulated depreciation*		*(57,064,599,232)*	*(50,286,500,836)*
227	2. Intangible assets	10	6,579,129,091	6,629,408,931
228	*- Costs*		*6,885,692,293*	*6,885,974,209*
229	*- Accumulated depreciation*		*(306,563,202)*	*(256,565,278)*
250	***IV. Long-term investments***	**5**	**398,550,825,443**	**506,058,762,179**
253	1. Other long-term investments	5.3	75,907,370,000	75,907,370,000
254	2. Provision for impairment of long-term investments	5.3	(50,715,571,068)	(40,776,223,556)
255	3. Held-to-maturity investments	5.2	373,359,026,511	470,927,615,735
260	***V. Other long-term assets***		**2,022,145,333**	**2,688,251,611**
261	1. Long-term prepaid expenses	11	529,255,044	140,755,059
262	2. Deferred income tax assets	30.2	1,492,890,289	2,547,496,552
270	**TOTAL ASSETS (270 = 100 + 200)**		**5,133,417,813,552**	**4,716,493,878,106**

CONSOLIDATED BALANCE SHEET

as at 31 December 2018

Currency: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
300	**C. LIABILITIES**		**3,005,199,214,882**	**2,621,345,493,551**
310	***I. Current liabilities***		**3,003,813,621,108**	**2,619,324,670,317**
311	1. Trade payables	12	470,404,779,120	315,633,788,393
311.1	*1.1.Insurance payables*		*470,072,945,073*	*315,288,949,366*
311.2	*1.2. Other payables*		*331,834,047*	*344,839,027*
312	2. Short-term advance from customers		6,396,543,278	5,057,733,957
313	3. Tax and other statutory obligations	13	28,960,034,089	37,291,744,251
314	4. Payables to employees		56,569,511,102	58,827,516,101
315	5. Short-term accrued expenses		68,312,490,081	39,876,424,410
318.1	6. Short-term deferred revenue		6,480,625,230	6,277,177,934
318.2	7. Un-earned commission revenue	15	88,903,008,964	73,820,287,369
319	8. Other short-term payables	16	20,127,344,260	56,266,086,451
321	9. Provision for short-term payable		-	3,072,343,309
322	10. Bonus and welfare funds		14,342,849,584	11,165,571,869
329	11. Technical reserves		2,243,316,435,400	2,012,035,996,273
329.1	*11.1. Gross un-earned premium reserve*	*17.1*	*1,277,936,540,180*	*1,075,317,851,488*
329.2	*11.2. Gross claim reserve*	*17.1*	*848,012,201,061*	*833,720,046,656*
329.3	*11.3. Catastrophe reserve*	*17.2*	*117,367,694,159*	*102,998,098,129*
330	***II. Non-current liabilities***		**1,385,593,774**	**2,020,823,234**
337	1. Other long-term liabilities	16	1,385,593,774	2,020,823,234

Đơn vị tính: VND

Code	ITEMS	Notes	Ending balance	Beginning balance
400	**B. OWNERS' EQUITY**		**2,128,218,598,670**	**2,095,148,384,555**
410	***I. Owners' equity***	18	**2,128,218,598,670**	**2,095,148,384,555**
411	1. Charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. Common shares with voting rights*		*1,172,768,950,000*	*1,172,768,950,000*
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Foreign exchange differences		6,177,910,716	6,047,974,333
418	4. Investment and development fund		50,158,477,335	6,457,956,038
419	5. Statutory reserves		50,778,372,991	39,337,904,185
421	6. Undistributed earnings		163,862,143,033	181,116,302,959
421a	*6.1. Accumulated undistributed earnings of previous years*		*30,420,555,177*	*52,011,527,940*
421b	*6.2. Undistributed earnings of current year*		*133,441,587,856*	*129,104,775,019*
429	7. Non-controlling interest		28,907,711,233	33,854,263,678
330	**TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300 + 400)**		**5,133,417,813,552**	**4,716,493,878,106**

Ms. KIEU THI HONG NHUNG
Accountant
Finance - Accounting Division

Ms. NGUYEN THANH MAI
Deputy Director in - charge
Finance - Accounting Division

Mr. TRAN HOAI AN
General Director

Hanoi, Vietnam
28 February 2019

CONSOLIDATED INCOME STATEMENT

PART 1: CONSOLIDATED SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Current year	Previous year
10	**1. Total operating income**	**1,486,982,250,543**	**1,380,493,155,998**
12	***2. Finance income***	**263,773,233,566**	**219,694,353,588**
13	3. Other income	3,340,673,202	4,324,021,735
20	4. Total direct operating expenses	(1,187,452,015,111)	(1,081,463,761,423)
22	5. Finance expenses	(25,050,533,350)	(20,679,577,509)
23	6. General and administrative expenses	(337,672,604,841)	(315,296,614,236)
24	7. Other expenses	(1,442,618,279)	(616,508,747)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**202,478,385,730**	**186,455,069,406**
51	9. Current corporate income tax expense	(57,396,614,923)	(48,631,384,382)
52	10. Deferred corporate income tax income/ (expense)	(1,054,606,263)	5,406,119,820
60	**11. Net profit for this period after corporate income tax (60=50+51+52**	**144,027,164,544**	**143,229,804,844**
61	**12. Net profit after tax attributable to non-controlling interests**	**3,206,692,647**	**5,384,925,545**
62	**13. Net profit after tax attributable to equity owners of the parent**	**140,820,471,897**	**137,844,879,299**
70	**14. Basic earnings per share**	**1,005**	**1,005**

CONSOLIDATED INCOME STATEMENT

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**2,081,581,729,069**	**1,888,156,124,165**
01.1	In which: - Direct written premiums		2,072,302,054,219	1,842,741,738,547
01.2	- Reinsurance premium assumed		205,224,486,802	129,508,613,961
01.3	- Increase in un-earned premium reserve		(195,944,811,952)	(84,094,228,343)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(775,755,887,975)**	**(684,352,373,280)**
02.1	In which: - Reinsurance premium ceded		(837,285,827,611)	(676,366,715,387)
02.2	- Increase/(decrease) in ceded premium reserve		61,529,939,636	(7,985,657,893)
03	**3. Net insurance premiums (03 = 01 + 02)**		**1,305,825,841,094**	**1,203,803,750,885**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**181,156,409,449**	**176,689,405,113**
04.1	In which: - Commission on reinsurance ceded	21	150,294,822,141	139,805,384,126
04.2	- Other income from insurance activities	22	30,861,587,308	36,884,020,987
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**1,486,982,250,543**	**1,380,493,155,998**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(936,522,493,431)**	**(773,173,705,242)**
11.1	In which: - Claim expenses		(951,771,318,582)	(788,090,098,696)
11.2	- Claim expense reductions		15,248,825,151	14,916,393,454
12	**7. Recoveries from reinsurance ceded**		**349,668,274,067**	**272,357,853,787**
13	**8. Increase in direct and assumed claim reserve**		**(13,831,200,041)**	**(80,450,652,969)**
14	**9. Increase in ceded claim reserve**		**20,676,428,178**	**36,717,522,382**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**23**	**(580,008,991,227)**	**(544,548,982,042)**
16	**11. Increase in catastrophe reserve**	**17.2**	**(14,408,354,459)**	**(12,959,189,797)**
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**24**	**(593,034,669,425)**	**(523,955,589,584)**
17.1	In which: - Commission expense		(179,719,423,347)	(154,013,172,256)
17.2	- Other underwriting expenses		(413,315,246,078)	(369,942,417,328)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**	**20**	**(1,187,452,015,111)**	**(1,081,463,761,423)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**299,530,235,432**	**299,029,394,575**
23	15. Finance income	25	263,773,233,566	219,694,353,588
24	16. Finance expenses	26	(25,050,533,350)	(20,679,577,509)
25	**17. Profit from financial activities (25 = 23 + 24)**		**238,722,700,216**	**199,014,776,079**
26	**18. General and administrative expenses**	**27**	**(337,672,604,841)**	**(315,296,614,236)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**200,580,330,807**	**182,747,556,418**
31	20. Other income	28	3,340,673,202	4,324,021,735
32	21. Other expenses	29	(1,442,618,279)	(616,508,747)
40	**22. Net other profit (40 = 31 + 32)**		**1,898,054,923**	**3,707,512,988**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**202,478,385,730**	**186,455,069,406**
51	24. Current corporate income tax expense	30.1	(57,396,614,923)	(48,631,384,382)
52	25. Deferred corporate income tax income/ (expense)	30.2	(1,054,606,263)	5,406,119,820
60	**26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**144,027,164,544**	**143,229,804,844**
61	**27. Net profit after tax attributable to non-controlling interests**		**3,206,692,647**	**5,384,925,545**
62	**28. Net profit after tax attributable to equity owners of the parent**		**140,820,471,897**	**137,844,879,299**
70	**29. Basic earnings per share**		**1,005**	**1,005**

Ms. KIEU THI HONG NHUNG
Accountant
Finance - Accounting Division

Ms. NGUYEN THANH MAI
Deputy Director in - charge
Finance - Accounting Division

Mr. TRAN HOAI AN
General Director

Hanoi, Vietnam
28 February 2019

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**202,478,385,730**	**186,455,069,406**
	Adjustments for:			
02	Depreciation and amortisation		7,717,053,456	7,911,107,072
03	Insurance reserves and provision for diminution in investment value		157,754,548,211	157,919,723,153
04	Profit from revaluation of foreign currencies		(1,433,644,819)	(8,145,021,850)
05	Profits from investing activities		(224,974,506,910)	(206,805,553,799)
06	Interest expense		502,009,827	5,221,540
08	**Operating cash flow before changes in working capital**		**142,043,845,495**	**137,340,545,522**
09	Increase in receivables		(5,376,900,668)	(74,147,474,430)
10	Decrease in inventory		9,225,318	166,553,693
11	Increase in payables		185,221,593,129	85,250,270,920
12	Increase in prepaid expense		(31,758,526,609)	(8,973,192,141)
13	Decrease/(increase) in trading securities		85,384,185,399	(36,248,177,776)
14	Interest expense paid		(502,009,827)	(5,221,540)
15	Corporate income tax paid	13	(61,940,379,610)	(32,336,079,824)
16	Other cash inflows from operating activities		203,447,296	1,949,040,713
17	Other cash outflows from operating activities		(8,145,042,096)	(44,730,443,044)
20	**Net cash flow from operating activities**		**305,139,437,827**	**28,265,822,093**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Mã số	CHỈ TIÊU	Thuyết minh	Năm nay VND	Năm trước VND
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		(946,387,869)	(1,505,869,461)
22	Disposal of fixed assets and other long-term assets		204,837,769	25,089,055
23	Payments for investments in other entities		(4,589,728,840,495)	(2,978,802,728,205)
24	Proceeds from matured investments		4,281,887,031,909	2,745,446,623,487
27	Interest received		150,082,421,508	191,502,622,692
30	**Net cash flow used in investing activities**		**(158,500,937,178)**	**(43,334,262,432)**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		-	2,023,787,651
34	Repayment of borrowings		-	(2,023,787,651)
36	Dividends paid		(102,188,747,841)	(92,286,385,597)
40	**Net cash flow used in financing activities**		**(102,188,747,841)**	**(92,286,385,597)**
50	**Net change in cash and cash equivalents (50 = 20 + 30 + 40)**		**44,449,752,808**	**(107,354,825,936)**
60	**Cash and cash equivalents at the beginning of the year**		**54,656,445,594**	**161,122,018,704**
61	Impact of exchange rate fluctuation		822,326,130	889,252,826
70	**Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)**	**4**	**99,928,524,532**	**54,656,445,594**

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Finance - Accounting Division

Ms. NGUYEN THANH MAI
Deputy Director in - charge
Finance - Accounting Division

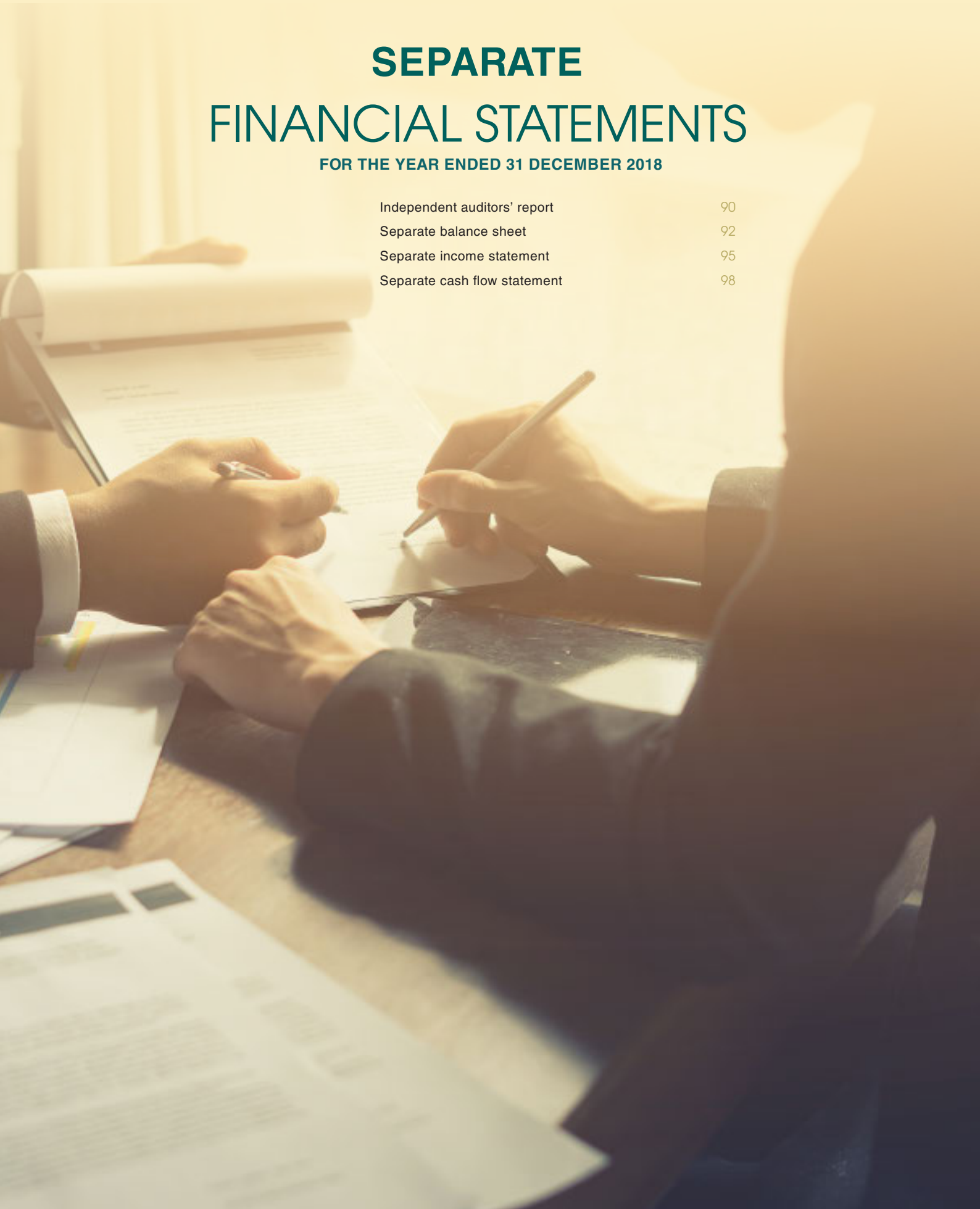
Mr. TRAN HOAI AN
General Director

Hanoi, Vietnam
28 February 2019

SEPARATE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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INDEPENDENT AUDITORS' REPORT

Số tham chiếu: 60755012/20278483

To: ***The Shareholders***
BIDV Insurance Joint Stock Corporation

We have audited the accompanying separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 28 February 2019 and set out on pages 6 to 70, which comprise the separate balance sheet as at 31 December 2018, the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the separate 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 Corporation'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 separate 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 separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Corporation as at 31 December 2018 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the relevant statutory requirements to preparation and presentation of the separate financial statements.

Emphasis of matter

We draw attention to Note 2.1 of the separate financial statements. The Corporation prepared the consolidated financial statements of the Corporation and its subsidiary for the year ended 31 December 2018 in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System, the accounting guidance applicable to insurance companies and the statutory requirements relevant to preparation and presentation of consolidated financial statements. We have audited these consolidated financial statements and our auditors' report dated on 28 February 2019 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited





TRINH HOANG ANH
Partner
Audit Practicing Registration
Certificate No.: 2071-2018-004-1

NGUYEN VAN TRUNG
Auditor
Audit Practicing Registration
Certificate No.: 3847-2016-004-1

Hanoi, Vietnam
28 February 2019

SEPARATE BALANCE SHEET

as at 31 December 2018

Currency: VND

Code	ITEMS	Notes	Ending Balance	Beginning Balance
100	**A. CURRENT ASSETS**		**4,506,727,984,669**	**3,936,027,494,706**
110	**I. Cash and cash equivalents**	**4**	**58,406,605,294**	**37,485,664,636**
111	1. Cash		58,406,605,294	37,485,664,636
120	**II. Short-term investments**		**2,892,882,903,526**	**2,453,184,137,857**
121	1. Trading securities	5.1	108,386,308,344	193,770,493,743
122	2. Provision for trading securities	5.1	(661,117,000)	(14,142,957,356)
123	3. Held-to-maturity investments	5.2	2,785,157,712,182	2,273,556,601,470
130	**III. Short-term receivables**	**6**	**478,955,188,340**	**460,482,188,966**
131	1. Short-term trade receivables		382,372,778,104	332,583,511,896
131.1	1.1. Insurance receivables		382,353,324,117	332,564,057,909
131.2	1.2. Other trade receivables		19,453,987	19,453,987
132	2. Short-term advances to suppliers		720,783,096	2,415,675,531
136	3. Other receivables		133,929,713,623	141,924,500,840
137	4. Allowance for doubtful debts		(38,068,086,483)	(16,441,499,301)
140	**IV. Inventories**		**146.828.992**	**155.168.992**
141	1. Inventories		146.828.992	155.168.992
150	**V. Other short-term assets**		**121,864,457,526**	**91,552,675,848**
151	1. Prepaid expenses		121,823,116,442	91,552,675,848
151.1	1.1. Unallocated commission expense	7	120,084,663,140	90,001,335,617
151.2	1.2. Other prepaid expenses		1,738,453,302	1,551,340,231
152	2. Deductible VAT		41,341,084	-
190	**VI. Reinsurance assets**	**17.1**	**954,472,000,991**	**893,167,658,407**
191	1. Reinsurance assets from unearned premium reserve		319,526,719,142	274,705,055,287
192	2. Reinsurance assets from claim reserve		634,945,281,849	618,462,603,120

SEPARATE BALANCE SHEET

as at 31 December 2018

Currency: VND

Mã số	TÀI SẢN	Thuyết minh	Số cuối năm	Số đầu năm
200	**B. NON-CURRENT ASSETS**		**393.898.820.474**	**565.447.147.184**
210	**I. Long-term receivables**		**10.724.003.593**	**10.620.893.593**
216	1. Other long-term receivables		10.724.003.593	10.620.893.593
216.1	1.1. Statutory deposit	8	8.000.000.000	8.000.000.000
216.2	1.2. Other long-term receivables		2.724.003.593	2.620.893.593
220	**II. Fixed assets**		**21,502,374,296**	**27,846,835,536**
221	1. Tangible fixed assets	9	14,963,088,373	21,257,551,689
222	- Costs		60,527,865,239	60,441,678,539
223	- Accumulated depreciation		(45,564,776,866)	(39,184,126,850)
227	2. Intangible assets	10	6,539,285,923	6,589,283,847
228	- Costs		6,845,849,125	6,845,849,125
229	- Accumulated amortisation		(306,563,202)	(256,565,278)
250	**IV. Long-term investments**		**360,073,137,169**	**524,291,166,444**
251	1. Investment in subsidiary	5.3	34,660,020,000	34,660,020,000
253	2. Other long-term investments	5.3	75,907,370,000	75,907,370,000
254	3. Provision for impairment of long-term investments	5.3	(50,715,571,068)	(40,776,223,556)
255	4. Held-to-maturity investments	5.2	300,221,318,237	454,500,000,000
260	**V. Other long-term assets**		**1,599,305,416**	**2,688,251,611**
261	1. Long-term prepaid expenses	11	106,415,127	140,755,059
262	2. Deferred tax assets	30.2	1,492,890,289	2,547,496,552
270	**TOTAL ASSETS (270 = 100 + 200)**		**4,900,626,805,143**	**4,501,474,641,890**
270	**TỔNG TÀI SẢN (270 = 100 + 200)**		**4.900.626.805.143**	**4.501.474.641.890**
300	**C. LIABILITIES**		**2,813,581,942,441**	**2,456,913,634,001**
310	**I. Current liabilities**		**2,812,196,348,667**	**2,454,892,810,767**
311	1. Trade payables	12	431,442,197,474	293,018,572,533
311.1	1.1. Insurance payables		431,110,363,427	292,688,867,162
311.2	1.2. Other payables		331,834,047	329,705,371
312	2. Short-term advance from customers		1,638,861,391	1,715,633,269
313	3. Tax and other statutory obligations	13	25,545,979,946	30,081,365,354

EPARATE BALANCE SHEET (CONTINUED)

as at 31 December 2018

Currency: VND

Mã số	TÀI SẢN	Thuyết minh	Số cuối năm	Số đầu năm
314	4. Payables to employees		56,175,582,522	58,180,891,694
315	5. Short-term accrued expenses	14	67,501,285,546	36,173,564,436
318.1	6. Short-term deferred revenue		6,480,625,230	6,277,177,934
318.2	7. Un-earned commission revenue	15	81,592,201,526	68,584,002,459
319	8. Other short-term payables	16	19,888,603,386	40,486,965,141
321	9. Provision for short-term payable		-	3,072,343,309
322	10. Bonus and welfare funds		14,342,849,584	11,165,571,869
329	11. Technical reserves		2,107,588,162,062	1,906,136,722,769
329.1	*11.1. Gross un-earned premium reserve*	*17.1*	*1,154,597,904,511*	*978,302,133,675*
329.2	*11.2. Gross claim reserve*	*17.1*	*843,616,989,084*	*832,338,681,946*
329.3	*11.3. Catastrophe reserve*	*17.2*	*109,373,268,467*	*95,495,907,148*
330	**II. Non-current liabilities**		**1,385,593,774**	**2,020,823,234**
337	1. Other long-term liabilities	16	1,385,593,774	2,020,823,234
400	**D. OWNERS' EQUITY**		**2,087,044,862,702**	**2,044,561,007,889**
410	**I. Owners' equity**	**18**	**2,087,044,862,702**	**2,044,561,007,889**
411	1. Charter capital		1,172,768,950,000	1,172,768,950,000
411a	*1.1. Common shares with voting rights*		*1,172,768,950,000*	*1,172,768,950,000*
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Investment and development fund		50,158,477,335	6,457,956,038
419	4. Statutory reserves		44,093,204,290	36,714,320,247
421	5. Undistributed earnings		164,459,197,715	173,054,748,242
421a	*5.1. Accumulated undistributed earnings of previous years*		*24,260,400,445*	*6,992,767,290*
421b	*5.2. Undistributed earnings of current year*		*140,198,797,270*	*166,061,980,952*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300 + 400)**		**4,900,626,805,143**	**4,501,474,641,890**

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Finance - Accounting Division

Mr. TRAN HOAI AN
General Director

Hanoi, Vietnam
28 February 2019

SEPARATE INCOME STATEMENT

PART 1: SEPARATE SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Current Year	Previous Year
10	1. Total operating income	1,422,330,840,664	1,316,053,529,612
12	2. Finance income	254,967,334,357	247,913,340,613
13	3. Other income	1,298,012,702	470,235,061
20	4. Total direct operating expenses	(1,141,063,321,621)	(1,035,544,810,864)
22	5. Finance expenses	(16,955,799,955)	(17,707,099,911)
23	6. General and administrative expenses	(316,617,459,008)	(297,899,433,470)
24	7. Other expenses	(1,382,512,472)	(116,990,707)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**202,577,094,667**	**213,168,770,334**
51	9. Current corporate income tax expense	(53,944,807,091)	(43,772,804,966)
52	10. Deferred corporate income tax income/(expense)	(1,054,606,263)	5,406,119,820
60	**11. Net profit for this period after corporate income tax (60=50+51+52)**	**147,577,681,313**	**174,802,085,188**

SEPARATE INCOME STATEMENT (CONTINUED)

PART 2: SEPARATE SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Notes	Current Year	Previous Year
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**1,902,741,156,510**	**1,719,214,861,320**
01.1	In which: - Direct written premiums		1,778,812,204,207	1,594,284,224,175
01.2	- Reinsurance premium assumed		300,224,723,139	187,985,628,791
01.3	- Increase in un-earned premium reserve		(176,295,770,836)	(63,054,991,646)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(646,479,131,544)**	**(555,479,172,648)**
02.1	In which: - Reinsurance premium ceded		(691,300,795,399)	(532,701,189,549)
02.2	- Increase/(decrease) in ceded premium reserve		44,821,663,855	(22,777,983,099)
03	**3. Net insurance premiums (03 = 01 + 02)**		**1,256,262,024,966**	**1,163,735,688,672**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**166,068,815,698**	**152,317,840,940**
04.1	In which: - Commission on reinsurance ceded	21	139,657,182,159	126,003,913,298
04.2	- Other income from insurance activities	22	26,411,633,539	26,313,927,642
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**1,422,330,840,664**	**1,316,053,529,612**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(916,113,900,592)**	**(748,277,532,644)**
11.1	In which: - Claim expenses		(931,362,725,743)	(763,193,926,098)
11.2	- Claim expense reductions		15,248,825,151	14,916,393,454
12	**7. Recoveries from reinsurance ceded**		**343,438,738,560**	**260,813,611,175**
13	**8. Increase in direct and assumed claim reserve**		**(11,278,307,138)**	**(328,460,051,169)**
14	**9. Increase in ceded claim reserve**		**16,482,678,729**	**283,741,314,433**
15	**10. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**23**	**(567,470,790,441)**	**(532,182,658,205)**
16	**11. Increase in catastrophe reserve**	**17.2**	**(13,877,361,319)**	**(12,495,686,634)**

SEPARATE INCOME STATEMENT

PART 2: SEPARATE SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Currency: VND

Code	ITEMS	Notes	Current Year	Previous Year
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**24**	**(559,715,169,861)**	**(490,866,466,025)**
17.1	In which: - Commission expense		(171,324,804,134)	(143,274,271,179)
17.2	- Other underwriting expenses		(388,390,365,727)	(347,592,194,846)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(1,141,063,321,621)**	**(1,035,544,810,864)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**281,267,519,043**	**280,508,718,748**
23	15. Finance income	25	254,967,334,357	247,913,340,613
24	16. Finance expenses	26	(16,955,799,955)	(17,707,099,911)
25	**17. Profit from financial activities (25 = 23 + 24)**		**238,011,534,402**	**230,206,240,702**
26	**18. General and administrative expenses**	**27**	**(316,617,459,008)**	**(297,899,433,470)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**202,661,594,437**	**212,815,525,980**
31	20. Other income	28	1,298,012,702	470,235,061
32	21. Other expenses	29	(1,382,512,472)	(116,990,707)
40	**22. Net other (loss)/profit (40 = 31 + 32)**		**(84,499,770)**	**353,244,354**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**202,577,094,667**	**213,168,770,334**
51	24. Current corporate income tax expense	30.1	(53,944,807,091)	(43,772,804,966)
52	25. Deferred corporate income tax income/ (expense)	30.2	(1,054,606,263)	5,406,119,820
60	**26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**147,577,681,313**	**174,802,085,188**

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Finance - Accounting Division

Ms. NGUYEN THANH MAI
Deputy Director in - charge
Finance - Accounting Division

Mr. TRAN HOAI AN
General Director

Hanoi, Vietnam
28 February 2019

SEPARATE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Notes	Current Year	Previous Year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**202,577,094,667**	**213,168,770,334**
	Adjustments for:			
02	Depreciation and amortisation		6,430,647,940	6,621,353,337
03	Insurance reserves and provision for diminution in investment value		158,353,374,269	158,278,384,664
04	Profit from revaluation of foreign currencies		(1,073,631,694)	(265,103,413)
05	Profits from investing activities		(233,897,419,691)	(238,544,631,346)
06	Interest expense		502,009,827	5,221,540
08	**Operating cash flow before changes in working capital**		**132,892,075,318**	**139,263,995,116**
09	Increase in receivables		(40,244,037,640)	(23,429,461,749)
10	Decrease/(increase) in inventories		8,340,000	(8,340,000)
11	Increase in payables		171,002,996,285	21,791,333,444
12	Increase in prepaid expense		(29,325,945,483)	(18,797,555,281)
13	Decrease/(increase) in trading securities		85,384,185,399	(36,248,177,776)
14	Interest expense paid		(502,009,827)	(5,221,540)
15	Corporate income tax paid	13	(57,514,592,928)	(28,686,075,673)
16	Other cash inflows from operating activities		203,447,296	1,949,040,713
17	Other cash outflows from operating activities		(7,994,787,217)	(44,730,443,044)
20	**Net cash flow from operating activities**		**253,909,671,203**	**11,099,094,210**

SEPARATE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

Currency: VND

Code	ITEMS	Notes	Current Year	Previous Year
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		(86,186,700)	(532,696,806)
22	Disposal of fixed assets and other long-term assets		-	25,089,055
23	Payments for investments in other entities		(4,509,759,937,069)	(2,664,555,011,603)
24	Proceeds from disposal or maturity of debt investment		4,187,227,932,633	2,416,568,722,245
27	Interest received		170,876,258,461	204,282,424,118
30	**Net cash flow used in investing activities**		**(151,741,932,675)**	**(44,211,472,991)**
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	18	-	2,023,787,651
34	Repayment of borrowings		-	(2,023,787,651)
36	Dividends paid		(82,069,124,000)	(83,269,124,914)
40	**Net cash flow used in financing activities**		**(82,069,124,000)**	**(83,269,124,914)**
50	**Net change in cash and cash equivalents (50 = 20 + 30 + 40)**		**20,098,614,528**	**(116,381,503,695)**
60	**Cash and cash equivalents at the beginning of the year**		**37,485,664,636**	**152,977,915,505**
61	Impact of exchange rate fluctuation		822,326,130	889,252,826
70	**Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)**	**4**	**58,406,605,294**	**37,485,664,636**

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BIDV INSURANCE CORPORATION
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THE FUTURE



BIDV INSURANCE CORPORATION

16th floor, block A, Vincom tower, 191 Ba Trieu street, Hai Ba Trung District, Hanoi, Vietnam

Tel: (84-4) 2220 0282 Fax: (84-4) 2220 0281

Email: **bic@bidv.vn** I **www.bic.vn**