BIDV INSURANCE CORPORATION



SUSTAINABLE DEVELOPMENT ANNUAL REPORT 2017

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1.782 BILLION DONG

GROSS PREMIUM WRITTEN

213 BILLION DONG

THE SEPARATE PRE-TAX PROFIT OF THE PARENT COMPANY

MESSAGE
FROM CEO

**DEAR VALUED SHAREHOLDERS,
PARTNERS AND CUSTOMERS,**

In 2017, although the Vietnam's economy went through the difficult period, non-life insurers still faced many difficulties and challenges. Total revenue of automobile market of 2017 decreased by 10% compared with 2016 (according to VAMA). State investment disbursement's rate was estimated to fulfill only 80% of the year plan, lower than the previous year (according to The General Statistics Office of Vietnam). These factors affected traditional insurance lines, which accounted for a large proportion of total premium of the non-life insurance market, including: motor vehicle insurance, property insurance, engineering insurance… According to data of the Insurance Supervisory Authority - Ministry of Finance, in 2017, total premium of the non-life insurance market was estimated at 40.6 trillion dong, an increase of 10.6% compared to that of the previous year.

In that context, BIDV Insurance Corporation (BIC) still achieved a good growth rate and high efficiency in business operations. On behalf of BIC's Board of Management, I'd like to inform all valued shareholders, partners and customers of the remarkable results of BIC in 2017.

In 2017, BIC's gross written premium reached 1,782 billion dong, a growth of 7% compared to that of 2016, in which direct premium was at 1,594 billion dong, an increase of 8% from that of 2016. The consolidated profit before tax was at 186 billion dong, a growth of 13% compared to that of previous year, fulfills 100% the year plan. Especially, the separate pre-tax profit of the parent company in 2017 reached 213.2 billion dong, a growth of 55% compared to that of 2016. The sudden growth mainly came from dividends received from Lao Viet Insurance Joint-Venture Company (LVI).

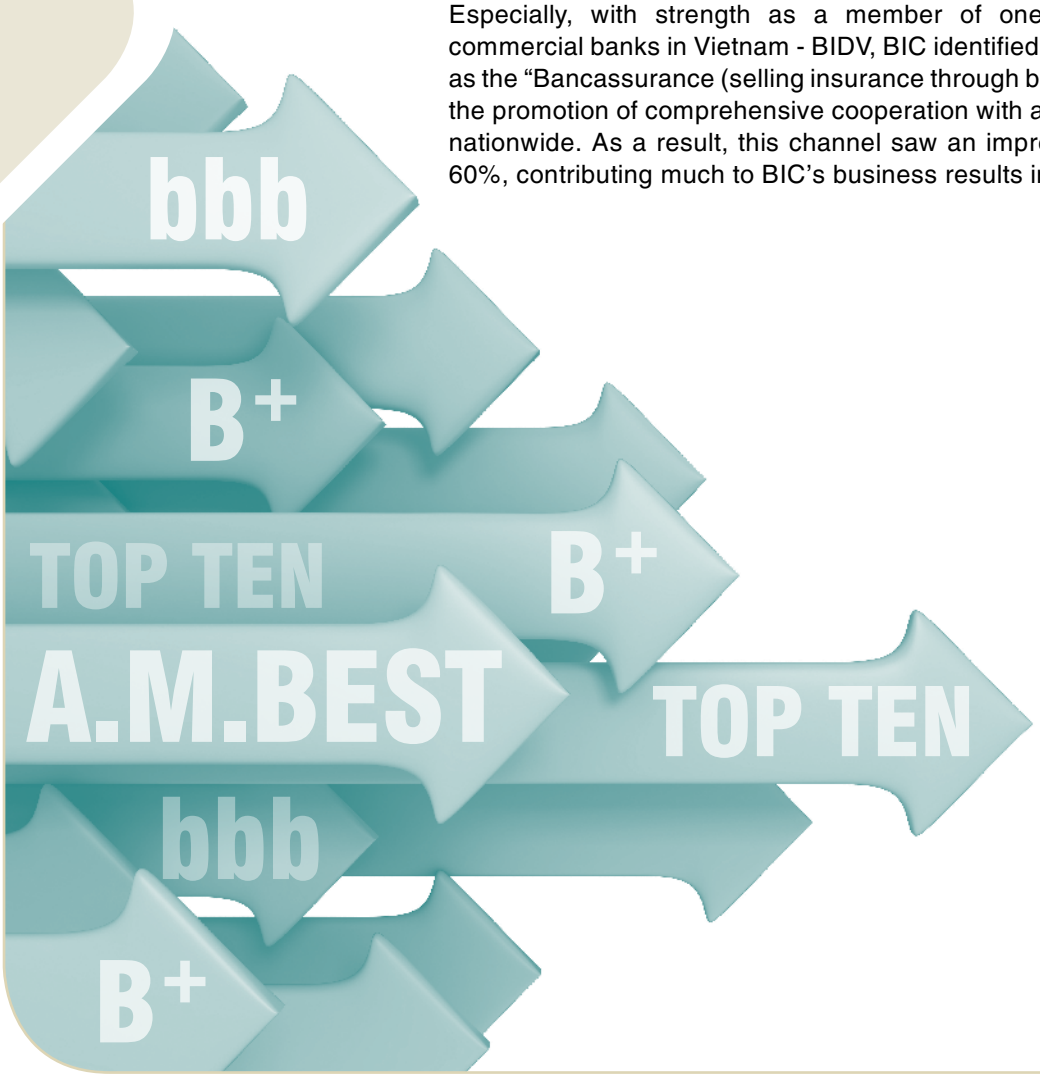


Besides, in 2017, BIC also was recognized in many other fields, such as:

- Rated B+ by A.M. Best; honored by many prestigious organizations with many awards and notable titles, including:
- Top 10 most prestigious non-life insurers in Vietnam,
- Top 50 most effective companies in Vietnam,
- Top 100 excellent brands in Vietnam.

In order to achieve positive results in 2017, at the beginning of the year, BIC deployed many comprehensive solutions to increase market share, in parallel with balancing and sustaining efficiency target and risk management. The quality of services continued to be put on top by BIC in order to provide customers with high-quality products and services at a competitive premium and in line with their diverse needs and solvency. In 2017, BIC established more than 20 Sales Offices, expanding its network to almost all provinces and cities nationwide and was ready to serve as soon as customers need. BIC also launched many attractive promotions in 2017, bring more value to customers.

Especially, with strength as a member of one of the largest commercial banks in Vietnam - BIDV, BIC identified the year of 2017 as the “Bancassurance (selling insurance through banking) Year” via the promotion of comprehensive cooperation with associated banks nationwide. As a result, this channel saw an impressive growth of 60%, contributing much to BIC’s business results in 2017.



DEAR VALUED SHAREHOLDERS, PARTNERS AND CUSTOMERS,

In 2018, BIC continues to pursue effective goals. BIC aims to achieve 2017 gross written premium of the parent company of 2,040 billion dong, consolidated before tax of 190 billion dong. To achieve these, BIC will focus on solutions, including: completing the organization structure, revolutionizing the business processes, improving quality of services; developing network in the direction of efficiency, strengthening the quality and effectiveness of each branch, promoting Bancassurance channel and the operation abroad in LVI and CVI; continuing to deploy the technical assistance project from FairFax; finding the most suitable solution for IT development in the next five to ten years.

In the coming years, macroeconomic outlook is likely to contain a great deal of uncertainties resulting from global political and economic instability as well as internal factors of the Vietnam macro economy, particularly the increasingly demanding requirements from government authorities on management standards in the insurance sector. To move steadily in the new era, BIC has identified long-term goals up to 2022, including:

- To expand operation scale in association with sustainable development, good claim control and sound business results.
- To grow to be in Top 3 of largest non-life insurance companies in terms of profitability in Vietnam and Top 3 of largest non-life insurance companies in terms of Bancassurance.
- To be continuously in the top of leading insurance companies on 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 development Bancassurance to gain competitive advantages.

With the unity of Board of Management and nearly 1,000 BIC staff, I believe that BIC will overcome all difficulties and challenges to reach the goal of being one of the leading insurance companies in Vietnam in the near future.

Yours faithfully.

TARGET IN 2018

2.040 BILLION DONG
GROSS WRITTEN PREMIUM OF THE PARENT COMPANY

190 BILLION DONG
CONSOLIDATED PROFIT BEFORE TAX


STABLE
BELIEF
DEDICATION
TRANSPARENCY
PROFESSIONAL

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 Floor 16, 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: Positive





MILESTONE

1999

- In 1999, Bank for Investment and Development of Vietnam (BIDV) and QBE International Insurance Company cooperated to establish the BIDV - QBE Insurance Joint Venture.

2006

- On January 01st, 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

- In 2007, BIC increased its chartered capital up to VND 500 billion with the expansion of 11 branches and 30 regional sales offices.

2008

- In 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

- In September 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

- From January 1st, 2010, BIC officially changed its form from 100% state owned to joint stock with the new name of Bank for Investment and Development of Vietnam Insurance Corporation.



2011

- In 2011, BIC officially provided insurance products through online channel at www.baohiemtructuyen.com.vn, which contributed to promote retail insurance. In September 2011, BIC also officially listed 66 million shares on Hochiminh Stock Exchange (HOSE).

2012

- In 2012, BIC had a strong shift to retail with a variety of new personal insurance products and the development of most distribution channels, especially Bancassurance and Online channel. BIC still fulfilled its business plan in 2012 and was one of the most profitable insurance companies in the market in the difficult business context due to the impact of the recession.

2013

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

2014

- In 2014, BIC completed to raise its charter capital to VND 762,299,820,000 after twice of increase. The world's leading financial credit rating agency A.M.Best announced its first-time credit rating with a B+ good financial strength and a bbb-rated issuer capacity (the company maintained its ability to deliver good financial commitment) for BIC.

2015

- In 2015, BIC officially opened its representative office in Myanmar as a bridge to connect commercial trade and promote insurance business between Vietnam and Myanmar. In particular, in 2015, BIC completed a strategic equity acquisition with FairFax, the world's leading insurer and reinsurer from Canada.

2016

- In 2016, BIC was raised the outlook to Positive and continued to be affirmed the financial strength rating of B+ (Good), the issuer credit rating of bbb- by A.M. Best.

2017

- In 2017, BIC still achieved satisfactory and sustainable business results, and maintained its position in the top 5 non-life insurance companies with the highest income on the market. Also in this year, BIC became one of the few insurance companies having Actuary under the new standards of the Ministry of Finance.



TITLES AND AWARDS

- Top 10 most prestigious non-life insurance companies in Vietnam by Vietnam Report Joint Stock Company (Vietnam Report) in collaboration with VietnamNet Newspaper announced in 2016, 2017.
- Top 50 most efficient listed companies in Vietnam for 4 consecutive years from 2014 to 2017 (according to the assessment result of Investment Bridge Magazine and Thien Viet Securities Company).
- Top 500 fastest growing businesses in Vietnam for 7 consecutive years from 2010 to 2016 (according to the Independent report of Vietnam Report).





- Top 50 Most Excellent Growing Companies of Vietnam for the period of 2009 - 2014 (according to the Independent report of Vietnam Report)
- Having the best leverage index in insurance sector in 2014 under the "Vietnam Best Company" (according to the assessment of Vietnam Chamber of Commerce and Industry- VCCI).
- The Labor Order, third class awarded by the Government's President.
- Award of Central Enterprise Party 2008, 2013.
- Award of Minister of Finance in 2009, 2010, 2013 on recognizing the active contribution of BIC to the sustainable development of the financial market of Vietnam.
- Award of the Prime Minister in 2010 on recognizing the contribution of BIC to national construction.
- Certificate of "Best non-life insurer in 2010" 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 from 2007 to 2009 and from 2013 to 2016.
- Top Trade Service Award in 2008 and 2013 of Ministry of Industry and Trade.
- Golden FDI Award in 2008.





NOTABLE EVENTS IN 2017

- On February 9th, 2017, BIDV Insurance Corporation has been officially appointed Mr. Nguyen Huy Trung as the Actuary of BIDV Insurance Corporation based on the approval of the Ministry of Finance.
- On August 8th, 2017, A.M. Best continued to affirm the financial strength rating of B+ (Good) and the issuer credit rating of "bbb-" of BIDV Insurance Corporation. The outlook for both ratings is Positive.
- On August 15th, 2017, BIC officially deployed the KPIs project to improve its activities in a more appropriate way that suitable with international standards with the consultancy of Pricewaterhouse (PwC).







- While some non-life insurers in insurance market did not grow as their plan, it is the first time that BIC's premium got the peak of VND 1.782 trillion, an increase of 7% compared to that of 2016. The consolidated profit (BIC and LVI) reached VND186 billion, an increase of 13% and fulfilled 100% of the year target.

- BIC also defined that the year of 2017 as the Bancassurance year (distribution of insurance through banks) with the comprehensive promotion of cooperative relations with associated banks nationwide. Therefore, the Bancassurance Channel of BIC has achieved great success in 2017 with a growth rate of over 60%..

- In 2017, after having positive and sustainable business results, BIC continued to be recognized by prestigious organizations in many fields: the second time in the list of top 10 most prestigious non-life insurers in Vietnam announced by Vietnam Report; the fourth time in the top 50 most effective companies in Vietnam according to Investment Bridge Magazine and Thien Viet Securities Company; the 7th in the top 100 strongest brands in Vietnam by readers of the Vietnam Economic Times.

- In the year 2017, Cambodia - Vietnam Insurance Company (CVI) continued its success with a 29% growth in gross premiums, 25% growth in pretax profit, and maintained its position as the leading insurance company in aviation insurance in Cambodia with more than 90% market share.







BUSINESS SERVICE & BUSINESS NETWORK

BUSINESS SERVICES

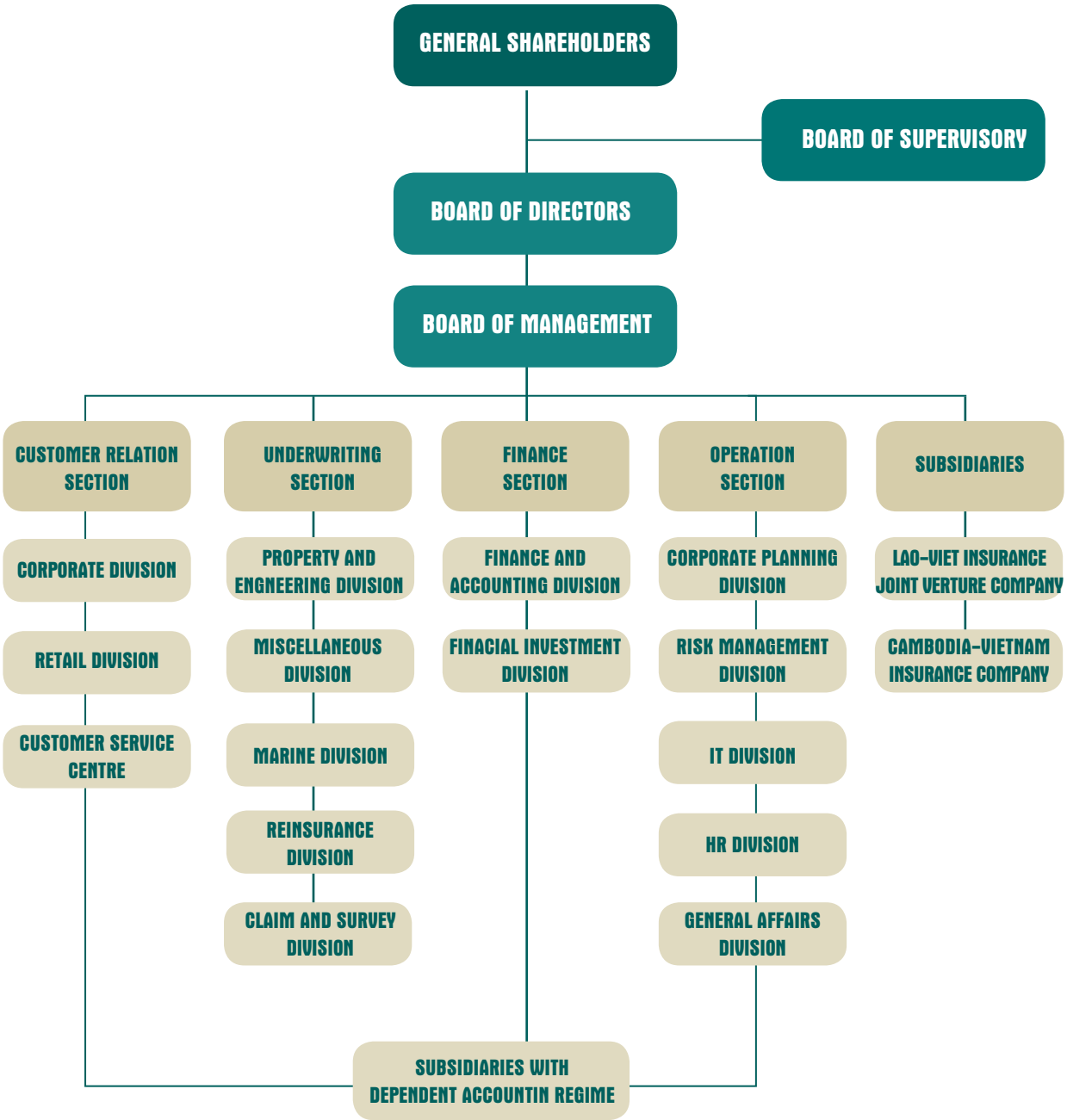
- BIDV Insurance Corporation operates under Business License No. 11/GP/KDBH issued by the Ministry of Finance dated 10th April 2006 and Adjusted License No. 11/GPDC16/KDBH dated 06th June 2016.
- BIC's services cover non-life insurance, reinsurance, and financial investment services.

BUSINESS NETWORK

- BIC has 26 subsidiaries, 154 sales offices and over 1,500 insurance agencies nationwide.
- BIC provides more than 100 non-life insurance products to meet most of the customer's needs.

GOVERNANCE STRUCTURE, MANAGEMENT SYSTEM,
BRANCHES AND JOINT-VENTURES

GOVERNANCE STRUCTURE



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

BRANCHES:

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: 13rd floor Post-Office Tower, C1C Duy Tân, Dich Vong Ward, Cau Giay District, Ha Noi 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 claim control and sound business results.
- To grow to be in Top 3 of largest non-life insurance companies in terms of profitability in Vietnam and Top 3 of largest non-life insurance companies in terms of Bancassurance.
- To be continuously in the top of leading insurance companies on 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 development Bancassurance to gain competitive advantages.

SUSTAINABLE DEVELOPMENT OBJECTIVE

BIC understands that sustainable development objective is a long-term and important aim for not only all enterprises but also BIC. Besides economic growth, BIC always pays attention to the environment and 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 selects and integrates some objectives of 17 United Nations on sustainable development aims in addition to BIC's economic growth objectives, as follow:

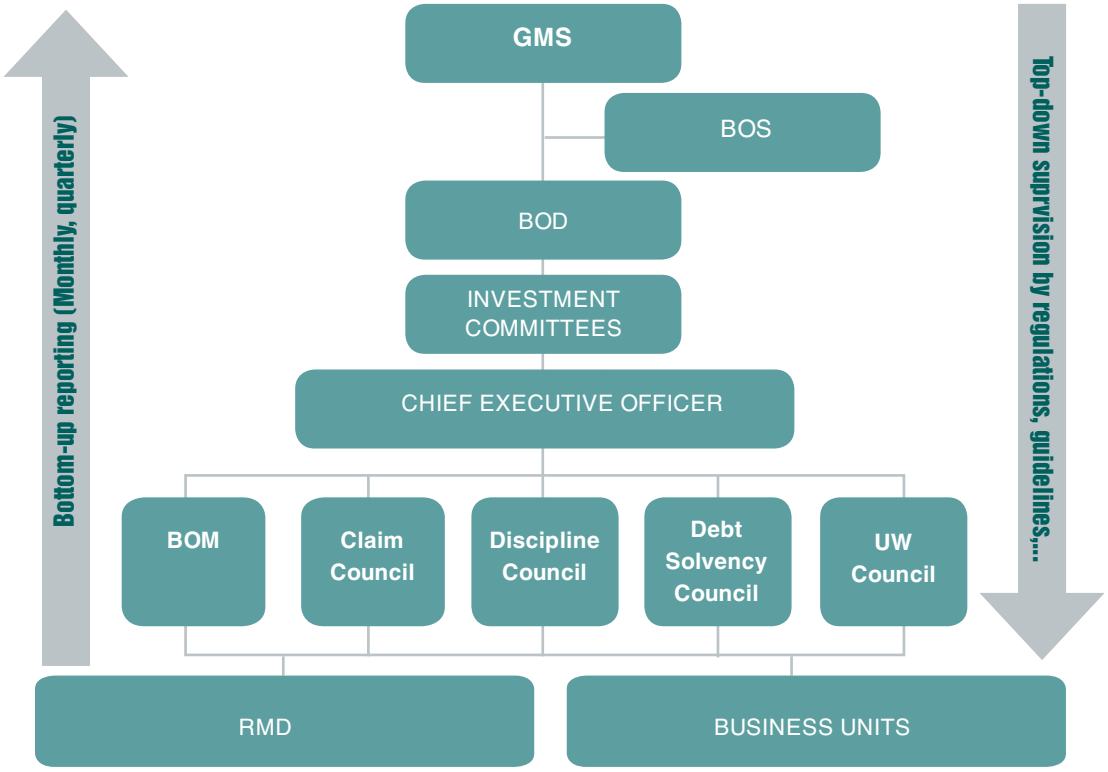
- Eradicate hunger and alleviate poverty
- Ensure education quality
- Ensure a healthy lifestyle and improve social welfare
- Promote sustainable economic growth, create jobs for all.



RISK MANAGEMENT

The primary objective of risk management framework is to protect shareholders from risks and help BIC achieve its objectives steadily. The Board of Directors and Board of Management recognize the importance of an effective risk management system so they has established a risk management team with clear functions. Besides that, BIC set up Risk Management Framework and relating regulations which set out the main risk profile and risk management standards and responsibility of units as well as personnel in business operation.

RISK MANAGEMENT TRUCTURE



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 the uncertainty surrounding the timing and severity of claims under the contract. 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 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 either assessed by credit rating agencies or internally assessed by BIC are satisfied to have business with the Corporation.



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 of the level of equity capital employed and seek to maintain a prudent balance. Regulatory capital requirements arising from the operations of the Corporation require BIC to hold assets sufficient to cover liabilities and satisfy the 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.

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 issued by the Ministry of Finance.

LEGAL RISK

Risk on violating the law provisions such as violating the regulations on compulsory insurance, premiums, insurance payment periods.... The non-compliance or failure to timely update the current law provisions may lead to legal risks for BIC. BIC is currently controlling these risks by updating and revising regulations, policies, and procedures in accordance with legal regulations, constantly improving legal training for all staffs...





2017

BUSINESS PERFORMANCE



NON-LIFE INSURANCE MARKET IN 2017

VIETNAM'S ECONOMIC SITUATION IN 2017

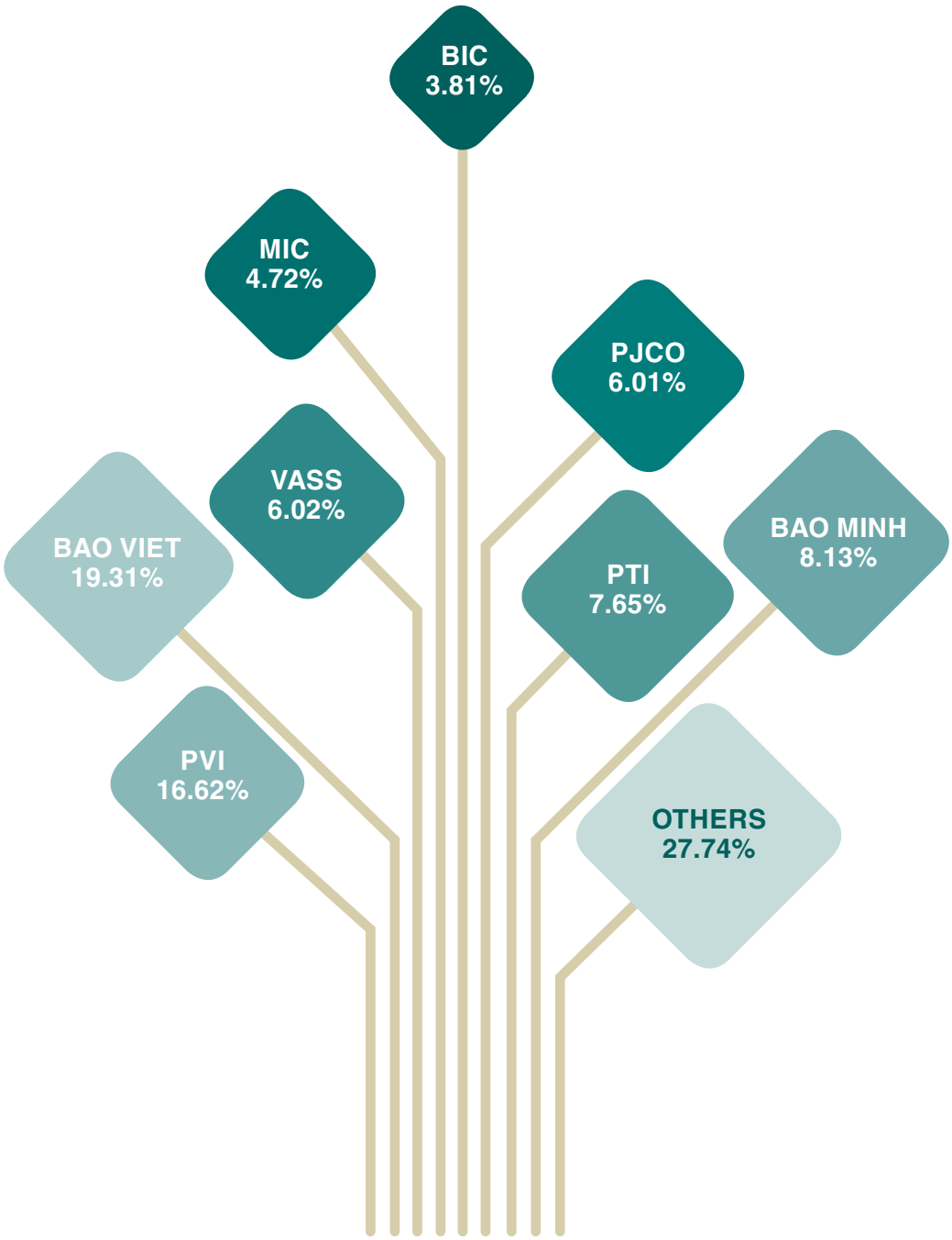
In 2017, the world economy is continuing to recover, the major economies in the world such as the US, Japan, European Union all achieved positive growth. Investment activities, global trade significantly had more positive impact on Vietnam's economic situation. However, the more popular trend of populism and protectionism is one of the big challenge for us. In the context of the domestic situation, apart from the existing problems of the economy such as labor productivity, the low competitiveness, frequent and unpredictable natural disasters have negative impacts on economic growth in 2017.

In 2017, the Government have many positive and timely activities to improve the business environment and promote business activities. The economic situation in 2017 has changed markedly. Gross domestic product (GDP) in 2017 grew by 6.81%, an increase of 0.11% compared to that of the target, and higher than that of 5 years ago. In which, the main contributor came from the service sector with growth of 7.44%, contributing to 2.87%; the industrial and construction sector with 8%, contributing to 2.77%.

NON-LIFE INSURANCE MARKET OF VIETNAM FOR 2017

Insurance market in 2017 maintains a positive growth. According to data of the Insurance Supervisory Authority - Ministry of Finance, total premium of the insurance market is estimated at 105.6 trillion dong, an increase of 21.2% compared to that of previous year. Life insurance premium is estimated at 65 trillion dong, a growth of 28.9%; Non-life insurance premium is estimated at 40.6 trillion dong, up to 10.6%. The total claim amount is estimated at 29.4 trillion dong, an increase of 14.9% from that of 2016. Total assets are estimated at 302.9 trillion dong, a growth of 23.4% compared to that of previous year. Reinvestment in the economy is estimated at 247.8 trillion dong, up to 26.7%.

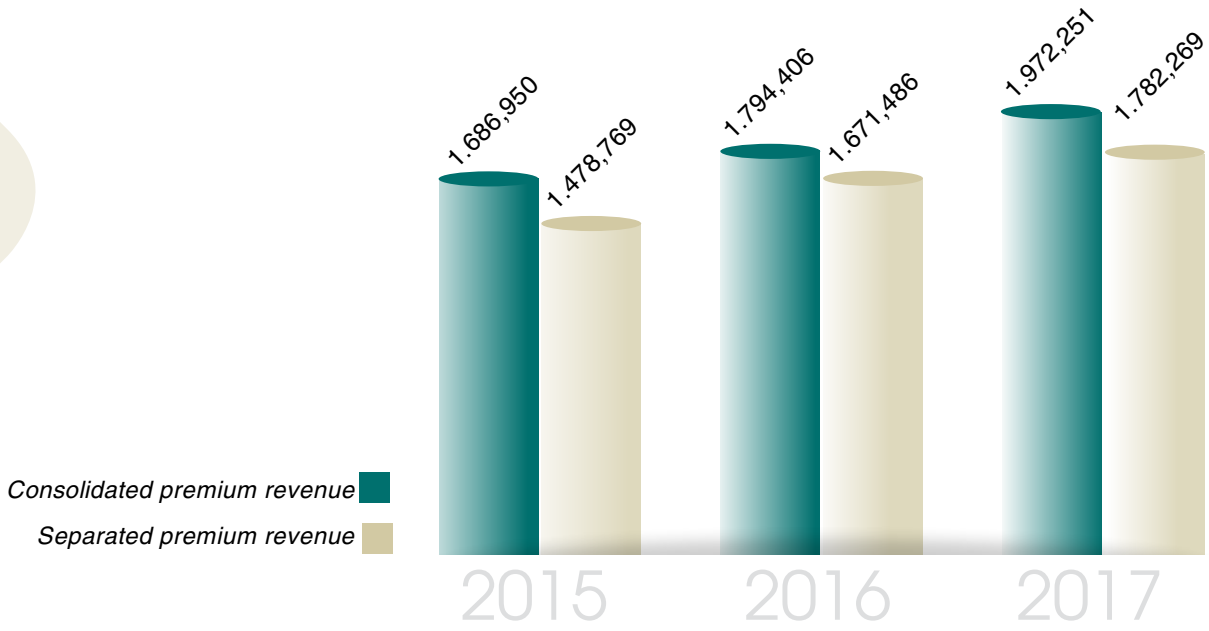
MARKET SHARE 2017



BUSINESS PERFORMANCE

GROSS WRITTEN PREMIUM

The total consolidated premium revenue (BIC and LVI) reaches 1,794 billion dong, an increase of 10% compared to that of 2016, of which, direct written premium increases 10.4% and reinsurance premium revenue grow 3%.



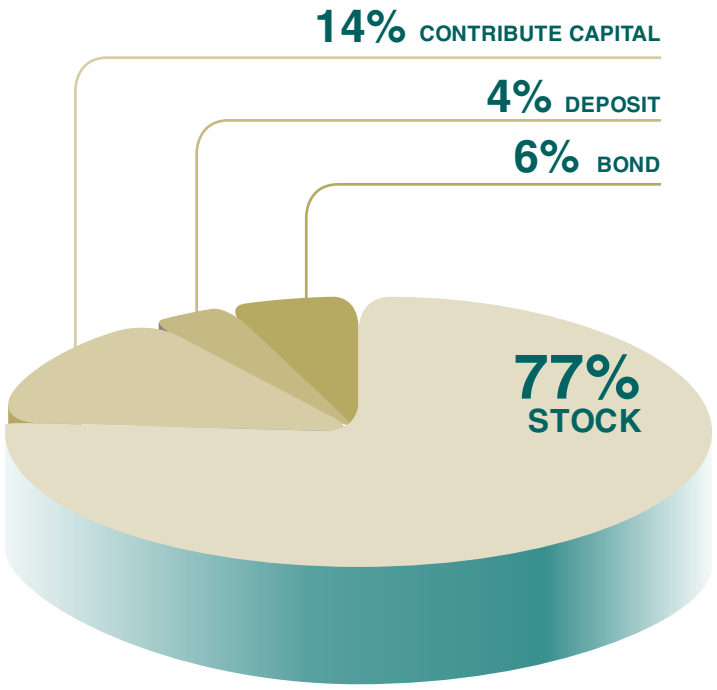
(Unit: Billion VND)

Total premium revenue of the Parent company - BIC in 2017 reaches 1,782 billion dong, an increase of 6.7% compared to that of 2016, of which, the direct written premium grow up by 8% and the reinsurance premium decreases slightly 5%.



FINANCE AND INVESTMENT

Invesment Portfolio Structure:



Profit from invesment

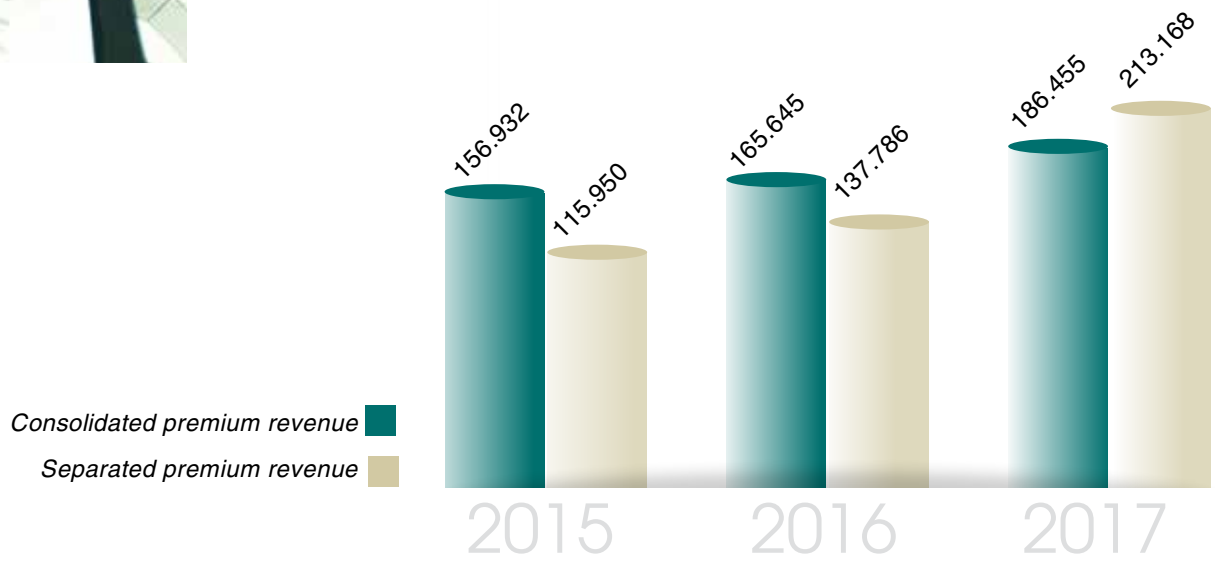
Total consolidated profit from investment (BIC and LVI) in 2017 reaches 199 billion dong, an increase of 17% on year.

Profit from investment of parent company reached 230 billion dong, a growth of 49% compared to that of 2016. The sudden growth mainly comes from dividends received from Lao Viet Insurance Joint-Venture Company



PROFIT The total consolidated profit before tax (BIC and LVI) reaches 186,45 billion dong, and fulfills higher than the plan (186 billion dong).

PROFIT BEFORE TAX



(Unit: Billion dong)

The seperate pre-tax profit of the parent company in 2017 reaches 213.2 billion dong, a growth of 55% compared to that of 2016. The sudden growth mainly comes from dividends received from Lao Viet Insurance Joint-Venture Company.

ORGANIZATION STRUCTURE



BOARD OF MANAGEMENT :



CHIEF EXECUTIVE OFFICER

MR. TRAN HOAI AN

Mr. **Tran Hoai An** used to work in the Customs sector before joining BIC in 2009. He successfully managed BIDV Binh Dinh Insurance Company and BIDV Ho Chi Minh Insurance Company. Since April 1st, 2013, Mr. An held position of Deputy General Director of BIC in charge of customer development in Southern area cum Director of BIDV Ho Chi Minh Insurance Company.

On October 31st, 2014, BIC's Board of Directors issued Decision No. 189/QD-HDQT on appointment of Mr. Tran Hoai An as CEO of BIC since November 1st, 2014.

Ownership rate **0,0324%**







DEPUTY GENERAL DIRECTOR
MS. DOAN THI THU HUYEN

Ms. **Doan Thi Thu Huyen** has many years of experience at BIDV with many important positions on human resource. She used to be Deputy Director of Human Resource Division of BIDV before being appointed as Deputy General Director of BIC.

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

Ownership rate **0,0171%**

DEPUTY GENERAL DIRECTOR
MR. TRAN TRUNG TINH

Mr. **Tran Trung Tinh** has many years of experience in the insurance sector. Before joining BIC, Mr. Tinh used to hold many important positions in large insurance companies such as Deputy Head of 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 has been appointed to be the Deputy Director of BIC since October 1st, 2008 and Deputy General Director of BIC since October 1st, 2010.

DEPUTY GENERAL DIRECTOR
MR. VU MINH HAI

Mr. **Vu Minh Hai** has many years of experience in Insurance sector. Mr. Hai joined BIC in 2007 and held some important positions such as Deputy Head of Claim and Survey Department at Head Office, Deputy Director in charge of BIC - West Ha Noi Branch (now BIC Thang Long). Since March 2009, Mr. Hai has been appointed as CEO of Lao-Viet Insurance Joint Venture Company (LVI).

Mr. Vu Minh Hai has been appointed to be the Deputy General Director of BIC since April 16th, 2012.



DEPUTY GENERAL DIRECTOR

MR. PHAM DUC HAU

Mr. **Pham Duc Hau** joined BIC in 2006 and managed successfully Lao - Viet Insurance Joint Venture Company (LVI) - a joint venture of BIC in Laos from March 2012 to February 2015.

Mr. Pham Duc Hau held important positions at BIC such as Deputy General Director of LVI, Deputy Director of BIC's Corporate Division, Director of BIDV Thang Long Insurance Company, Head of Project Department.

Mr. Pham Duc Hau was officially appointed to be the Deputy General Director of BIC since March 1st, 2015.

Ownership rate 0,0020%

DEPUTY GENERAL DIRECTOR

MR. HUYNH QUOC VIET

Mr. **Huynh Quoc Viet** had worked in BIC since its establishment and held many important positions such as Head of Sales Department - Vietnam - Australia Insurance Joint Venture Company, Ho Chi Minh City Branch; Head of Sales Department 1 - BIDV Insurance Corporation, Ho Chi Minh City Branch; Deputy Director and Acting Director of BIDV Insurance Corporation, Ho Chi Minh City Branch; Director of BIDV Ho Chi Minh Insurance Company and Director of BIDV Saigon Insurance Company.

Mr. Huynh Quoc Viet was officially appointed to be the Deputy General Director of BIC since November 1st, 2015.

CHIEF ACCOUNTANT

MS. LAI NGAN GIANG

Ms. **Lai Ngan Giang** has many years of working in insurance sector. Before joining BIC, Ms. Giang used to hold several positions in big 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. In BIC, Ms. Giang took up such positions as: Deputy Manager of Internal Inspection Department, Deputy Manager of Finance and Accounting Department; Deputy Director and Director of Finance and Accounting Division.

From July 1st, 2015, Ms. Lai Ngan Giang was appointed to be the BIC's Chief Accountant cum Director of Finance and Accounting Division.

STAFFS AND POLICIES FOR EMPLOYEES

POLICIES FOR EMPLOYEES

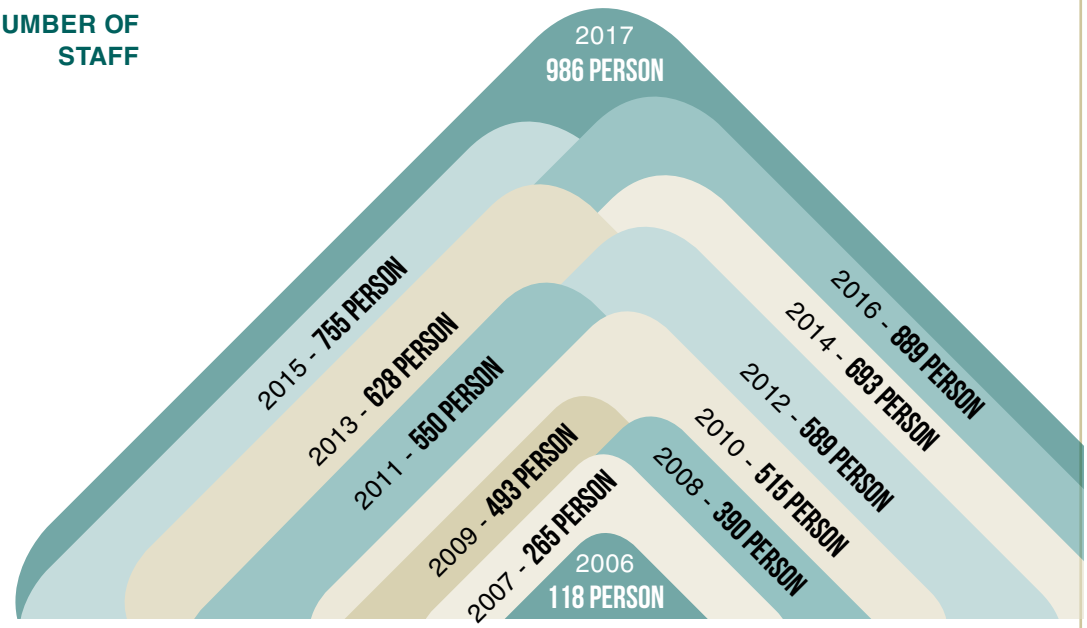
Defining labor as a core factor of the sustainable development, BIDV Insurance Corporation always focuses to develop human resources in all three aspects: treatment policy, training and improvement of living standards for the employees.

Attractive treatment policy

BIC has developed a meaning, uniqueness, competition, balance between income and other benefits policy system of treatment for 12 years, with the desire to become an ideal environment for employees to work and develop themselves:

- *Salary:* BIC's bonus includes: monthly salary, monthly sale salary, effective salary (6 months and 01 year), bonus for individuals and team having good performance... In addition, the allowance policy is still inherited as the previous year, including attraction allowances, part-time allowances, responsible allowances, and telephone allowances... These allowances are additional parts of monthly income which help the employees to work peacefully.

NUMBER OF STAFF





Health care for employees:

BIC provides special health care and treatment programs to its employees to have good health to their creativeness and increase work efficiency: free check once a year, healthcare treatment for employees and their relatives (BIC Care) to reduce economic pressure and access medical services with high quality when the employees are in accidents, illnesses and diseases.

Social insurance:

Social insurance, Health insurance and unemployment insurance are complied with the regulations of Vietnam by BIC, who ensures for all employees to have full relating rights.

Other welfares:

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

SCOPE OF TRAINING	INSURANCE	OTHER	SOFT SKILL	WORKSHOP	OVERSEA TRAINING	TOTAL
The number of training course held by Head office	30	13	9	5	12	53
The number of training course held by branches	50	15	3	0	0	68
The number of training course held by BIC and BIDV	18	0	2	0	0	20
The number of participating member	2,751	781	455	13	25	4,025

TRAINING

It is recognized that training is an important solution to help workers improve their professional skills and meet their job requirements. In 2017, the total number of training time is 4,025, including training program organized by the Head Office according to the overall plan of the Corporation, the internal training programs of branches and the training courses conducted in collaboration with the BIDV Training School.

In addition to supporting staffs to improve their skills, BIC also paid great importance to the inspection and examination of staffs throughout the system through online professional examination software, so BIC could evaluate the effectiveness of training programs and set up the better plan for further training in the future

Improve the spiritual life for workers

In order to improve the spirit of solidarity in the whole system and achieve the objectives of the Corporation, BIC always pay attention to spiritual life of the employees through sport, culture and social activities, such as:

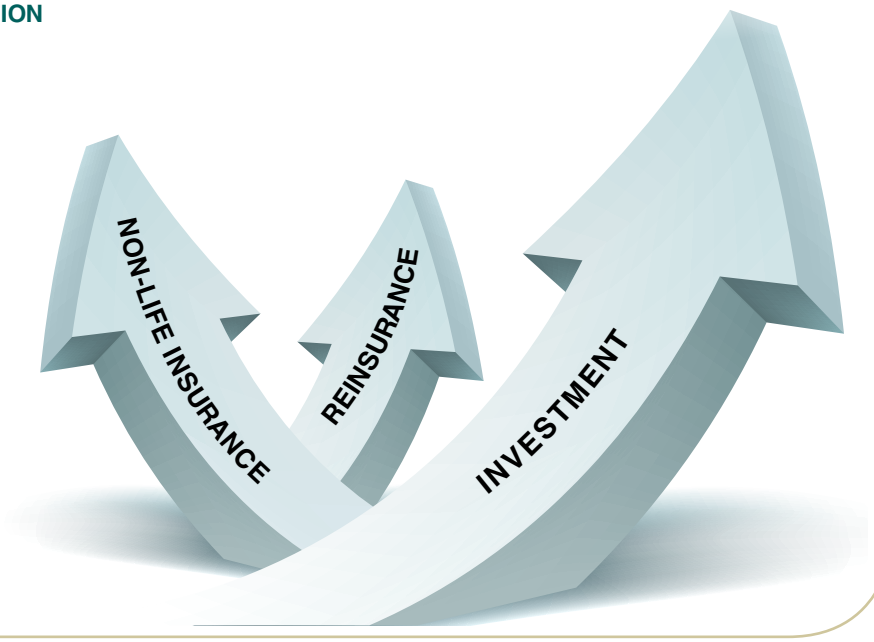
- Sports festivals and art competitions organized annually;
- Having presents and organizing contests (flower arrangement, birthday cake, cooking...) on International Woman Day and Vietnamese Woman Day;
- Awarding the prizes to the children having good academic achievements, gifts on International Children Day;
- Visiting, giving gifts, supporting families of cadres having special circumstances...



OVERSEA
JOINT-VENTURES

LAO-VIET INSURANCE COMPANY

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



2017 BUSINESS PERFORMANCE

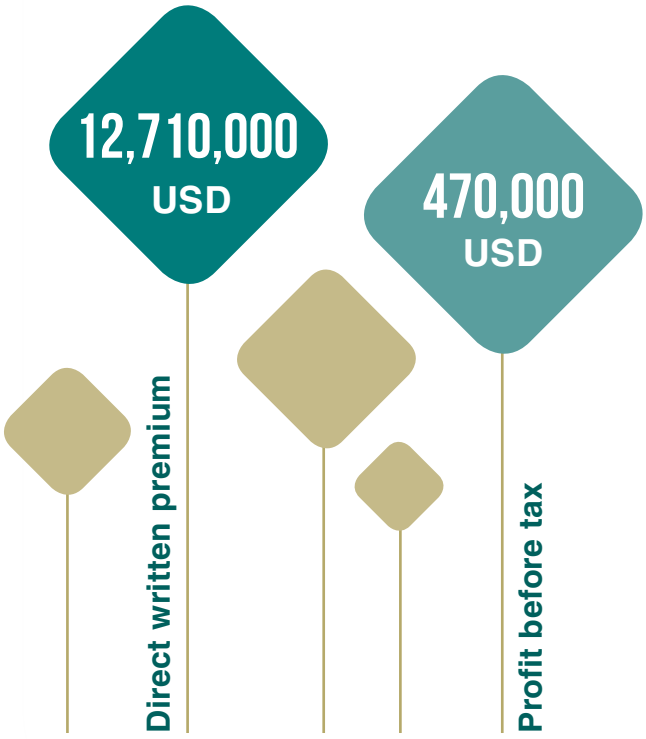
(Unit: USD)

No.	Items	2016	2017	Δ2017/2016
1	**TOTAL ASSETS**	**28,801,674**	**18,459,104**	**-35.9%**
2	Equity	7,201,314	4,245,076	-41.1%
3	Gross written premium	8,648,152	11,308,890	30.8%
3.1	*Direct written premium*	8,646,758	11,308,890	30.8%
3.2	*Reinsurance*	1,394	-	-
4	Investment income	721,167	650,815	-9.8%
5	Net claim ratio	22.5%	27.1%	20.4%
6	Combined ratio	84.0%	89.1%	6.1%
7	Profit before tax	1,253,983	903,862	-27.9%
8	ROE	13.2%	16.2%	22.7%

IMPROVEMENTS IN 2017

Direct written premium in 2017 grew better than that of 2016, at approximately 30.8%. The costs are strictly controlled and kept within the limit approved by the Board of Directors of LVI, the combined ratio is 89.1% (of which, the claim ratio is 27.1%) which still a very good figure compared to other insurers in Vietnam market.

2018 BUSINESS PLAN



CAMBODIA VIETNAM INSURANCE COMPANY

OVERALL INFORMATION

Company's name:	Cambodia Vietnam Insurance Company
Chartered capital:	7 million USD
Registration no.:	Co. 6037/09E
Head office:	No. 398, Monivong Blvd., Phnom Penh, Cambodia
Tel:	(+855) 23 212 000
Fax:	(+855) 23 215 505
Website:	www.cvi.com.kh

SHAREHOLDERS

Cambodian Investment and Development Co., Ltd (51%)
Kasimex Co., Ltd (10%)
Diamond Island Development Co., Ltd (29%)
Goodness Investment Co., Ltd (10%)

BOARD OF DIRECTORS:

Mr. **TRAN TRUNG TINH** Chairman
Mr. **VANN CHARLES CHUON** Vice Chairman
Mr. **CHEA CHAN POV** Member
Mr. **NGUYEN HUY TRUNG** Member
Mr. **NGUYEN MAU LOC** Member
Ms. **TAING SOK KIENG** Member
Mr. **HO VIET ANH** Member

BOARD OF MANAGEMENT

Mr. **NGUYEN HUY TRUNG** - Acting General Officer
Mr. **VO HUY TOAN** - Deputy General Officer
Ms. **HANG CHANTHOU** - Deputy General Officer

SCOPE OF OPERATION

Non-life insurance



2017 BUSINESS PERFORMANCE

(Unit: USD)

No.	Items	2017	2016	Δ2017/2016
1	**Total written premium**	**7,837,164**	**6,097,891**	**28.52%**
2	Total net revenue from insurance business	2,337,603	2,110,993	10.73%
3	Underwriting profit /loss	488,568	334,471	46.07%
4	Profit from Investment	628,863	551,805	13.96%
5	Other income	136,03	10,350	-98.69%
6	Profit before tax	1,116,567	896,626	24.53%
7	Profit after tax	724,703	591,727	22.47%
8	Total assets	14,502,163	13,446,111	7.85%
9	Equity	8,157,364	8,331,661	-2.09%
10	Net claim ratio	33.00%	26.72%	6.28%

IMPROVEMENTS IN 2017

- CVI continues to be the leader in the field of aviation insurance in the Cambodian insurance market, renews successfully four existing aviation services and develops the aviation portfolio. CVI also provide successfully insurance services for newly established airlines: JC Airline, Lanmei Airline, KC Airline, Cambodia Airways, Prince Airline. The aviation insurance market share of CVI in 2017 accounts for about 90% of the aviation insurance market share of the Cambodian market. CVI is currently the insurers for most of the airlines in Cambodia.
- CVI develops new sales channels, new products, especially personal accident insurance through credit / debit cards at Canadian Bank.

2018 TARGETS

- Focus on underwriting and maintaining the leading position in the key groups which bring in big turnover such as aviation, property and human; actively develop non-aviation services, engineer and property, retail products such as motor vehicles, health and accident to improve the structure of customer portfolio in the direction of increasing the proportion of non - to ensure a stable growth rate of revenue; provide borrowers insurance.
- Develop and provide international travel insurance products.
- Develop distribution channels to have revenue growth through channels such as BIDC, Canadian Bank, MB Bank, Sacombank. Provide accident insurance products through Canadian Bank and other banks.

FINANCIAL STATUS

2017



CONSOLIDATED INDICATORS (BIC AND LVI)

(Unit: billion dong)

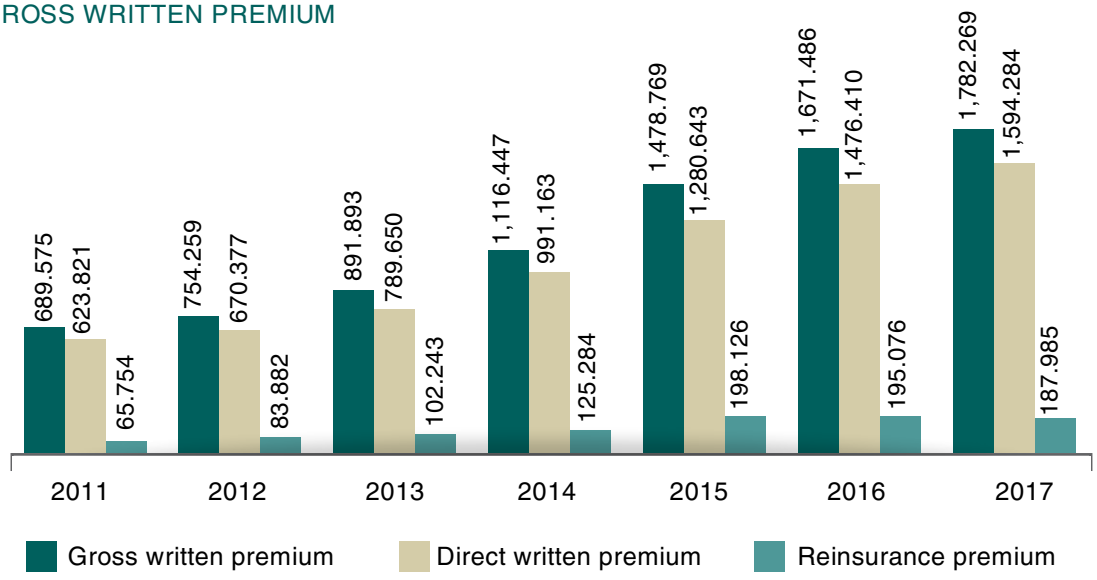
No.	ITEMS	2015	2016	2017
1	TOTAL ASSETS	4,344.395	4,474.538	4,716.494
2	Equity	2,031.597	2,083.066	2,095.148
3	Gross written premium	1,686.950	1,794.406	1,972.251
3.1	*Direct written premium*	*1,550.943*	*1,668.508*	*1,842.742*
3.2	*Reinsurance*	*136.001*	*125.898*	*129.509*
4	Investment income	157.977	208.145	219.694
5	Net Claim ratio	39.50%	44.70%	45.24%
6	Profit before tax	156.923	165.645	186.455
7	Total reservations	1,787.540	1,819.766	2,012.036
8	ROE	16.31%	11.46%	12.21%
9	ROA	3.35%	3.05%	3.12%



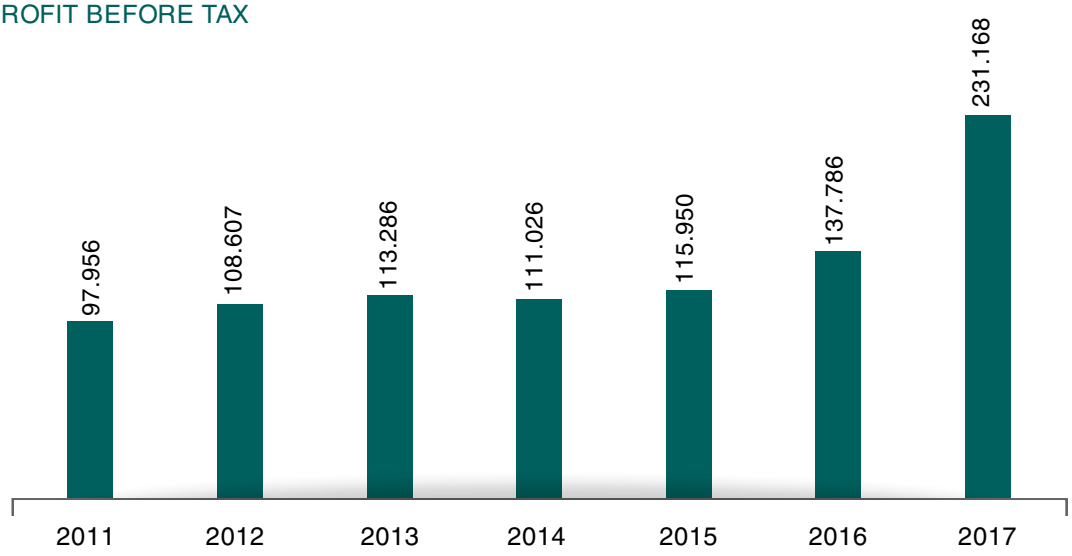
INDICATORS OF BIC (SEPARATE)

(Unit: billion dong)

GROSS WRITTEN PREMIUM



PROFIT BEFORE TAX



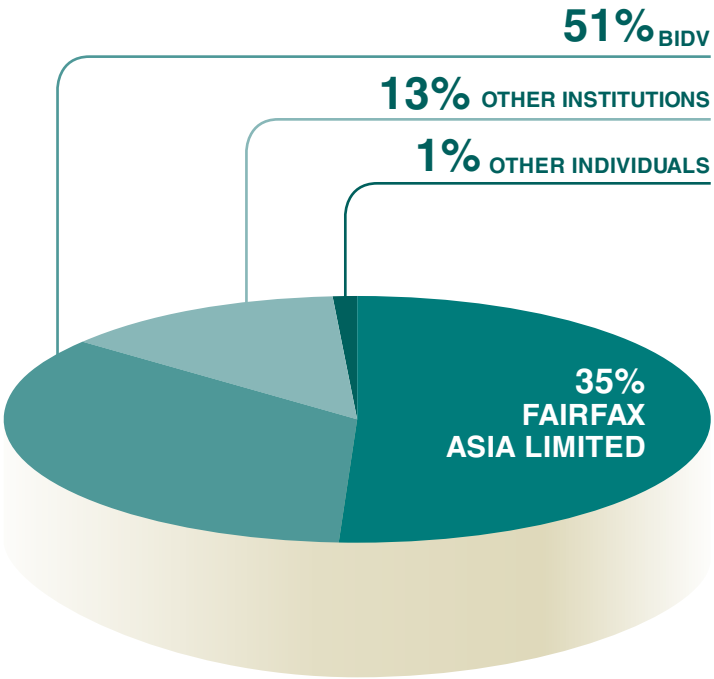
STOCK INFORMATION, SHAREHOLDER STRUCTURE AND THE CHANGE OF THE OWNER'S EQUITY

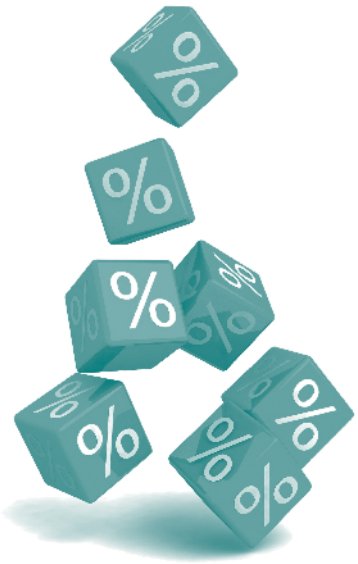
INFORMATION ON BIC'S STOCK

Charter capital	1,172,768,950,000 dong
The number of listed stocks	117,276,895 stocks
Stock type	Common stock
The number of outstanding stocks	117,276,895 stocks
Treasury stock	0 stock
Par value	10.000 dong/stock

As at December 31st, 2017

OWNER STRUCTURE





INVESTMENT INFORMATION OF THE OWNERS

In the year 2017, BIDV Insurance Corporation does not issue shares to increase capital, the capital contribution of shareholders as of 31/12/2017 remained unchanged from the end of 2016, specifically:

	Common share (VND)	Preferred Share (VND)	Total (VND)
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 shareholder as at 13/04/2017)

No.	Subject	Number of share	Ownership rate (%)	Number of shareholder	Shareholder structure (*)	
					Institution	Individual
1	State shareholder	59,819,259	51.0%	1	1	
2	Founder shareholder					
	- Vietnam:					
	- Foreign:					
3	Large shareholder (owns from 5%)					
	- Vietnam:					
	- Foreign: Fairfax Asia Limited	41,046,913	35.0%	1	1	
4	Union					
	- Vietnam:					
	- Foreign:					
5	Treasury share					
6	Shareholder with preferred share (if any)					
7	Others	16,410,723	14.0%	507	51	456
	- Vietnam:	1,680,302	1.5%	435	16	419
	- Foreign:	14,730,421	12.5%	72	35	37
TOTAL		117,276,895	100.0%	509	53	456
	- Vietnam:	61,499,561	52.05%	436	17	419
	- Foreign:	55,777,334	47.05%	73	36	37



GRAPH OF BIC STOCK PRICE IN 2017

In 2017, BIC stocks have a significant growth in the first half with the highest increase of nearly 12% to 41,750 dong per stock. The positive business results in 2016 and Q1/2017 when consolidated net profit (BIC and LVI) grew by 8% -9% over the same period, which helps to keep BIC stock price unchanged.

Since the end of July 2017, BIC stocks fell into the decline phase with the sharpest decline of 19.37% to 30,100 dong per stock on 21/11/2017, and then recovered strongly at the end of the year. As a result, BIC stock price dropped by 1% in 2017. BIC stock prices have fluctuated and have not correlated with the VNIndex due to cash flow on the market that focused on large capitalization stocks, although BIC's business results in 2017 continued to grow.




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THE IMPACT ON THE ENVIRONMENT AND SOCIETY

ENVIRONMENT AND MATERIALS PROTECTION

As a business operating in the financial services sector, however, BIC still does not ignore the green business and towards the strategy of sustainable development. In addition to ensuring business efficiency, BIC has applied many innovative ideas towards green business style such as:

- **Establishing a friendly and fresh working environment:** to ensure a green and healthy working environment for the employees with proper arrangement of trees and enough light in the working rooms, and use safety equipment and health protection.
- **Energy saving:** to reduce the use of energy-consuming equipment, apply green initiatives such as green office by saving paper, saving electricity, using smart appliances as well as the reuse of supplies at the workplace (using one-sided paper to print references, etc.).
- **Initiatives on green work process:** The application of advanced software on management, operation and products and services providing has saved considerable resources for BIC. Some initiatives could be listed as follow:
  - Online document management software facilitates units throughout the system to keep up to date with documents and regulations from the Head Office while saving printing and postage.
  - Applying digital signatures to electronic insurance policies (at www.baohiemtructuyen.com.vn) has saved a lot of money for BIC in printing and sending certificates to customers.
  - Application of online insurance software at banking counters (BIDV and others having Bancassurance) only takes a few minutes, which could help to save time and procedures for customers to buy insurance
- **Ensuring clean, fair and transparent business activities:** During 12 years of operation, BIC always emphasizes "trust" and ensures a fair competition. In fact, BIC is one of the enterprises that is highly appreciated for the sustainable business strategy, clear and efficiency. In the context of the competitive non-life insurance market, BIC still strives to promote healthy competition with prestige and quality through product improvement efforts, quality of customer service, and etc. The openness and transparency of information is always an important factor in business operations of BIC. Since its foundation, BIC's business results have always been audited by reputable and leading auditing firms. BIC always pays attention to disclose information fully, timely and strictly comply with regulations.



POLICIES RELATING TO EMPLOYEES

BIC acknowledges that the employee is the most important resource of the sustainable development of the corporation. BIC always ensure a good working environment and preferential treatment for our employees, including:

- Ensure a proper salary, bonus and material treatment for workers. Income funds are allocated transparently, fairly, in line with the capacity and contribution of each staff in the unit. Average income per staff in 2017 is 18.6 million dong/ person/month. In addition to the full policy for employees, BIC continues to maintain a comprehensive package of accident insurance and employee health insurance.
- Organize professional training courses for new staff, retraining and upgrading professional skills for cadres. BIC also encourages and creates conditions for all staffs to train themselves to improve their knowledge. In 2017, the number of cadres trained is 4,025 the direct training cost in 2017 is 1,936 billion dong.



- Ensure proper discipline, rules and safety in labor. All BIC's staffs 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 in the work and long-term commitment to BIC.
- Well-organized visits, congratulations, gifts to staff and their families on birthdays, weddings; being sick and in accident. BIC also celebrates the holidays such as: 08/3, 30/4, 1/5, 27/7, 2/9, 20/10. Organizing gifts and rewards for children who have excellent academic achievements, gifts on the occasion of June 1, Mid-Autumn Festival for children's cadres throughout the system... is also a popular activity.
- In order to encourage and promote the units and their staffs, in 2017, BIC has set up many emulation and business incentive programs such as incentive program for branches, program to honor the outstanding officers as Venus of 2017, a motivational program for Bancassurance staff. These emulation programs have contributed significantly to the fulfillment of BIC's business plan for 2017.
- Continuously propagate and educate staffs about the fight against corruption, negativity and the elimination of social evils. 100% of employees have approved the collective building agreement of the unit without the drug and social evils



In 12 years of operation, BIC has always been recognized as a community and responsible business to the society. In 2017, BIC continuously put its efforts in community development and contributed to social welfare:

SOCIAL WELFARES

Development of insurance products with humanitarian implications:

Along with the development of insurance products for the business promotion, BIC also develops some products with significant humanity, especially the borrower insurance product - BIC Binh An which contribute to share with customers whole or part of the loan at the bank, reduce the burden of debt for relatives and families in case of sudden accident. In addition, the product also helps the bank to recover all or part of the loan when customers lose their ability to pay, reduce the risk of bad debt. In 2017, many big cases of BIC Binh An have been recorded as follows:

- **Paying more than 2 billion dong to customer in Khanh Hoa:**

  Paying more than 2 billion dong to customer in Khanh Hoa: Mr. Chu Thanh Phuong (44 years old) who has been insured for loans at BIDV Khanh Hoa Branch since 04/10/2017. However, only two days after completion of the loan procedure, on April 12, 2017, on the way passing no. 23, 214 Street, Vinh Hai Ward, Nha Trang city, Khanh Hoa province, Mr. Phuong unfortunately had a traffic accident when collided with a motorcycle going against the wrong way. Although he was relieved at Khanh Hoa General Hospital, but he did not survive because of serious injury. The total amount paid to Chu Thanh Phuong's family is 2,029,799,999.







- **Paying more than 800 million dong to customer in Ha Tinh:**

  In early September of 2017, Mr. Bui Van Minh, who was born on 01/14/1976 in Ky Anh Town, Ha Tinh Province, borrowed at BIDV Ky Anh Branch but unfortunately had an electric shock and did not pass out. With the message “the customer first”, BIC quickly carried out the work of verification, collected records and had formal notice of payment to his family within 5 working days. The total amount paid to Mr. Minh’s family is 822,663,663 dong.

- **Pay more than 800 million dong to customer in Nha Trang:**

  Ms. Nguyen Ngoc Hoai Tran, who had a loan at BIDV Nha Trang Branch, had been insured for a loan of 8 years in a bank. In early September of 2017, Ms. Tran unfortunately had a traffic accident while she was traveling on Pham Van Dong road, on the way to Nha Trang - Hon Sen. Although she was admitted to the hospital for emergency treatment, Ms. Tran did not survive. The total amount paid to Ms. Tran’s family is 813,806,496 dong.







Deployment of social welfare:

The BIC's social welfare is always enthusiastically supported by the whole staffs, derived from the word mind and has deep human meaning. Some of the typical social welfare programs in 2017 are:

- **Relieve the people affected by the storm No.10 in Ha Tinh:**

  With the spirit of "The good leaves protect the worn-out leaves", on 23/09/2017, BIC organized the relief team to Cam Nhuong - Cam Xuyen and Ky Loi - Ky Anh town, Ha Tinh province to hand over directly more than 30 gifts to poor, seriously affected households affected by the storm.

- **Help compatriots to be damaged by the Damrey typhoon:**

  Damrey typhoon, which landed in the early days of November of 2017, caused great harm to the people in Central Vietnam. Dozens of people was dead and missed, hundreds of people were injured, crops, poultry and cattle were destroyed, that had losses of trillions... In the face of difficulties and losses of people living in the Central region, BIC BIC organized the relief team to Ninh Thuy Town, Ninh Hoa Town, Khanh Hoa Province and directly handed over 30 gifts to poor households affected by the storm.



- **Donate bicycles for soldiers in Spratly Islands:**

  On December 25th, 2017, BIC cooperated with Youth Club for the sea island to donate 30 bicycles as Tet gifts for soldiers in Spratly Islands. 2017 is the 3rd consecutive year that BIC has cooperated with the Youth Club for the sea island of the National Volunteer Center to give Tet gifts to the soldiers in Spratly Islands.

ASSESMENT REPORT OF

BOARD OF MANAGEMENT



BUSINESS PERFORMANCE

IN TERMS OF REVENUE the separate written premium of BIC reaches 1.782 billion dong, fulfilling 94% of target. The year of 2017 is the fierce competition year of the insurance market because many leading insurers set priority for rapid revenue growth. In order to ensure the profitability and fulfillment of the plan, BIC has limited the growth of high-risk service and has kept premium unchanged to compete with others, which have significant impact on the premium revenue growth.

IN TERM OF PROFIT BIC continues to fulfill the consolidated pre-tax profit plan (BIC and LVI) in 2017 with 186 billion dong.

No	Item	Plan	Actual	%
1	Gross written premium	1,900	1,782	94%
2	Consolidated profit before tax	186	186	100%

(Unit: billion VND)







ACHIEVEMENTS IN 2017

STABLE AND SUSTAINABLE DEVELOPMENT

In 2017, BIC continues to pursue effective goals so BIC actively sets up a rigorous risk management, selects appropriate risk-based services, particularly focuses on controlling health insurance, motor vehicle insurance even though the market is fierce competition. Therefore, by the end of 2017, although the growth rate of premium income is just slightly higher than that of 2016, BIC still develops sustainably, stability and makes shareholders and investors feel safe and reliable.

In 2017, BIC's gross written premium reaches 1,782 billion dong, a growth of 7% compared to that of 2016, in which direct premium is at 1,594 billion dong, an increase of 8% from that of 2016. The consolidated profit before tax (BIC and LVI) is at 186 billion dong, a growth of 13% compared to that of previous year, fulfills 100% the plan.

In the overseas market, the business operation of two insurance joint ventures in Laos (LVI) and Cambodia (CVI) of BIC in 2017 are facing many difficulties and challenges in comparison with that of previous years. However, with the effective business solutions, the efforts of the joint ventures and the active support from the BIC, the business operation of 2 join ventures still shows positive and sustainable results. In particular, in the insurance market in Cambodia, in 2017, CVI's pre-tax profit grew impressively by 25% compared to that of 2016. At the same time, CVI continues to affirm its position as the leading insurance company in the market for aviation insurance with the market share of over 90%.

"BANCASSURANCE YEAR" WITH GREAT SUCCESSES

With strength as a member of one of the largest commercial banks in Vietnam - BIDV, BIC is one of the leading insurers in terms of selling insurance through banking (Bancassurance). In order to develop Bancassurance into a new rank, to become one of the key channels for high sales and profit, Board of Management identified the year of 2017 is the "Bancassurance Year" to motivate the whole system for this endeavor.
In 2017, the Bancassurance channel has achieved great successes by accelerating the comprehensive cooperation with the nationwide

banks, improving products, promoting incentive programs, continuously maintaining communication programs for insurance underwriters and bankers. The revenue has a significant growth by 61% over that of 2016, which is the highest target in retail distribution channels, fulfilling 109% of the year plan. The claim rate of this channel is maintained at a good ratio with 11.7% that contributing to Bancassurance to become one of the most effective distribution channels of BIC.

OTHER FIELDS

With the strenghthen of risk-based capitalization capacity, the positive business results compared to peers and the reasonable claim ratio, the world's leading financial credit rating agency - A.M.Best re-affirmed the Financial Strength Rating of B+ (Good) and the Long-Term Issuer Credit Rating of "bbb-" of BIC. The outlook of these Credit Ratings (ratings) remains positive..

In addition, in 2017, BIC is honored by many prestigious organizations with many awards and noble titles such as: Top 10 most prestigious non-life insurers in Vietnam according to Vietnam Report, the top 50 most effective companies in Vietnam according to the survey of Investment Bridge and Thien Viet Securities Company, Top 100 excellent brands in Vietnam voted by readers of Vietnam Economic Times...

DEPLOYING THE KPIS PROJECT ACCORDING TO INTERNATIONAL STANDARDS

In 2017, BIC has partnered with PwC, one of the world's leading consulting organizations, to launch a Key Performance Indicator System (KPIs) Project.

Through 12 years of operation, with the orientation of sustainable development, BIC always focus on investing resources, maintaining and promoting the strength of "three-legged", including: constantly improving, upgrading products and services; effective management of financial - investment and especially transparency of human resource development. In fact, the key performance indicator system has been developed and implemented by BIC since 2014 and has brought some efficiency to business operations. However, in the context of Vietnam economy in general and the insurance industry in particular is integrating more and more deeply into the regional and world markets, BIC also poses the need to improve the activities in accordance with international standards. Collaboration with PwC Vietnam to develop a key performance indicators system project is one of steps to concretize this direction.

The project has been basically completed and will be applied to BIC's business activities in 2018, which is expected to contribute to the improvement of BIC's business performance and to the excellent services for customers.

EXPANDING THE NETWORK

In recent years, BIC always invest in expanding business network with the desire of being closer to customers. In 2017, BIC has set up 14 new Sale Departments of key areas in the spread country, including Ha Giang, Hanoi, Quang Ninh, Nghe An, Ho Chi Minh City, Soc Trang, Dong Nai.
By the end of 2017, BIC has 26 branches and 154 Sale Departments nationwide. In most cities and provinces, BIC has at least one sales department, which is ready to meet the needs of non-life insurance customers.



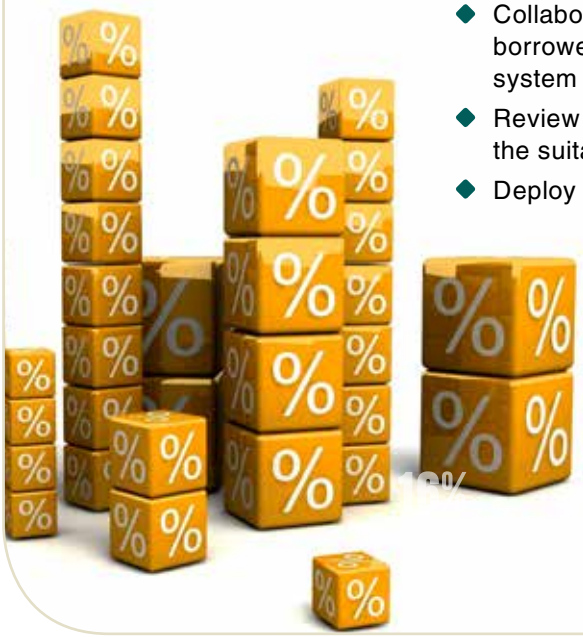
BUSINESS PLAN 2018

THE TARGET OF 2018

- Gross written premium is 2,100 billion dong, an increase of 16% compared to that of 2017, in which, the direct premium is 1,880 billion dong and inward premium is 220 billion dong.
- The combined ratio is lower than 100%.
- Consolidated profit before tax (BIC and LVI) increases 8% compared to that of 2017.

THE ORIENT OF 2018

- Focus on effective, safe, sustainable growth to increase market share and position of BIC in the Non-life insurance market of Vietnam.
- Reform administrative procedures and increase the closed coordination between the divisions at head office, between the head office and the branches..
- Consolidate the personnel: (i) training of staff across all levels (ii) screening, streamlining staff recruitment combined with quality and experience to enhance labor productivity.
- Restructure the organization model at head office and take effect the KPI project..
- Deploy IT project.
- Collaborate with the BIDV to reach the maximum power of borrowers, boost cross-selling activity through the banking system to increase revenue from Bancassurance.
- Review and assess the activities of branches to promptly adjust the suitable scale and network accordingly.
- Deploy online claim settlement.



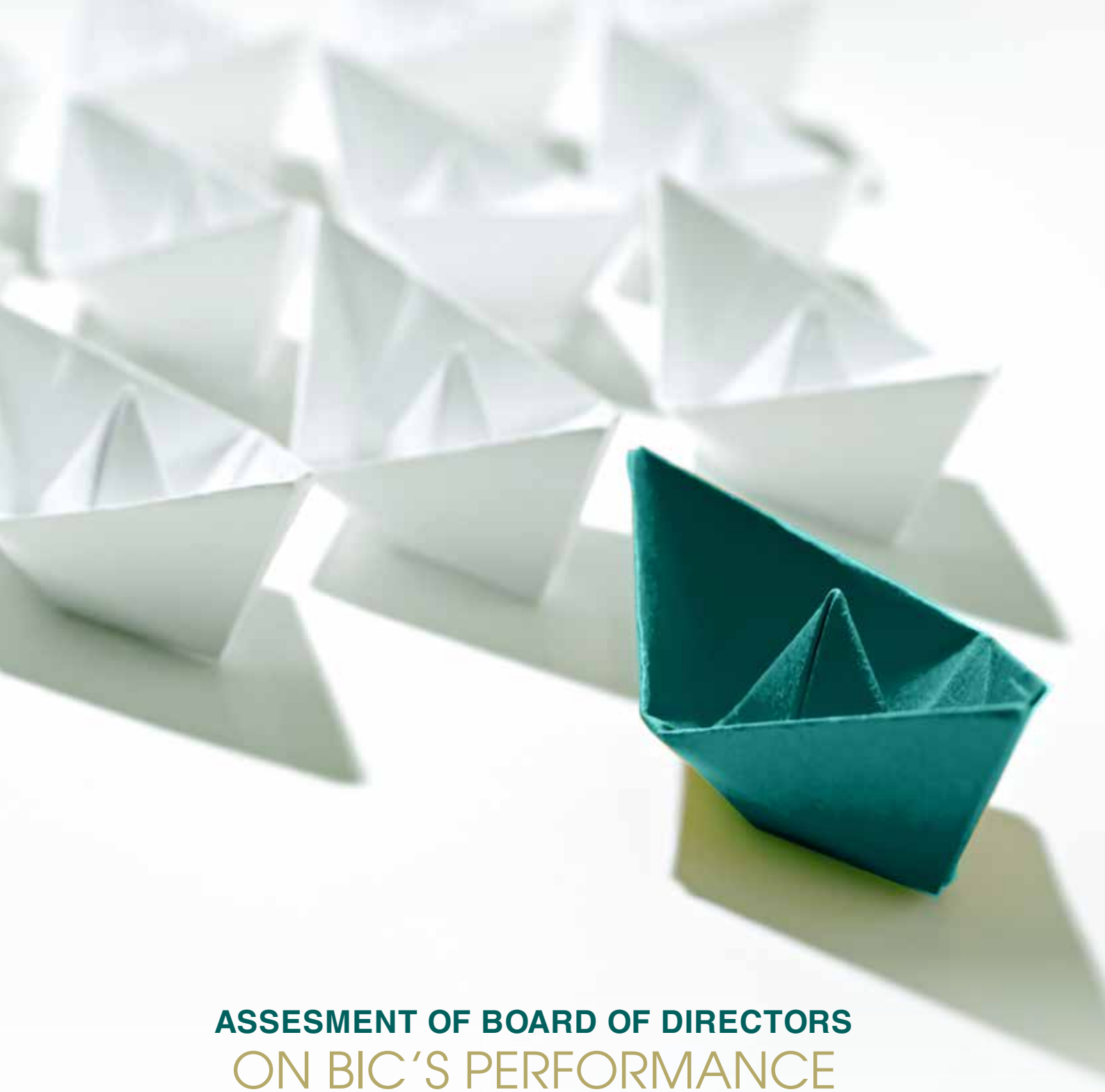
ASSESMENT REPORT ON ENVIRONMENTAL IMPACT AND SOCIAL ACCOUNTABILITY

Operating in the field of finance, insurance, BIC's activities do not have much impact on the environment, however, BIC always complies with the provisions of the law on environmental protection, ensures eco-friendly business activities with the aim to raise staff's awareness of environmental protection and saving.

For the society, BIC keeps pace with the goals of sustainable development and has implemented many meaningful voluntary programs such as supporting the poor in the Central to overcome damage caused by floods, awarding for Changsha soldiers... in 2017.

At the same time, BIC also fulfills the mission of an insurer as a solid financial shield for customers in case of risks and losses. BIC has developed/improved many products to better meet the needs of customers, promote modern distribution channels to reach customers anytime, anywhere and especially directly share and support the finance for customers of nearly 73,000 losses in 2017.





ASSESMENT OF BOARD OF DIRECTORS
ON BIC'S PERFORMANCE

ASSESMENT ON BIC OPERATION

In 2017, BIC continues to pursue sustainable growth and have relatively satisfactory results.

In terms of business results, BIC achieves a growth rate of 8% in written direct premium, equivalently to the average market of Vietnam's non-life insurance market and continues to maintain its 8th position in terms of market share. In terms of profit, BIC is still one of the most profitable insurance companies on the market.

In the BIDV's system, BIC continues to be the leading unit of member companies and is well classified to fulfill 2017's mission.

OTHER ACTIVITIES:

Risk management:

BIC continues to strengthen the risk management and apply the Risk Management Framework from May 2017.

Technical Assistance program from FairFax:

BIC has also sent some team to study at Fairfax's sudsidiaries in Malaysia, Singapore (Reinsurance, Engineer and Propoerty). Besides, Fairfax also support BIC on product development, actuary... In addition, BIC has surveyed the IT system at the subsidiaries of Fairfax (provided and developed by NTT DATA). BIC is currently working with Fairfax to find a comprehensive IT consultancy and find the most suitable solution for IT development in the next 5-10 years.



Giving advices for state agencies: :

BIC has actively contributed comments and advices to the documents as well as drafted regulations of relating management agencies such as the Ministry of Finance, the Vietnam Insurance Association,… participated in voting 10 typical events of the insurance market in Vietnam,…

Social responsibilities:

BIC is gradually moving towards sustainable development and society responsibilities. BIC always cares for staff's living standards including material and spiritual aspects, creates a dynamic and youthful working environment and opportunities. BIC also has a lot of meaningful volunteer activities, particularly the kindness of internal staffs for the special circumstances and difficulties.

Environment protection:

BIC has taken several environmental protection measures. Especially in the business area, BIC has a number of innovations towards green business practices such as limiting use of printers and machines, developing and applying information technology to increase labor productivity and save resources such as online document management software, cloud storage, digital signatures application in providing insurance policy…

In 2017,

BIC also appointed The person in charge of corporate governance in accordance with Decree 71/2017/ND-CP dated 06/06/2017 of the Government on guiding corporate governance of public companies.



ASSESMENT ON THE OPERATION OF BOARD OF MANAGEMENT

Under the leadership of Chief Excutive Officer, the Board of Management has expressed the spirit of solidarity, creativity, dedication with the development of BIC in 2017. The Board of Management has complied with the regulations on governance, management and fulfillment of duties assigned by the General Shareholders Meeting and the Board of Directors in 2017 such as:

- To formulate, implement business tasks and have orientation for synchronous solutions to member units so that they may take initiative in managing and administering business activities;
- Setting up objectives and measures to implement the business plan, strengthen the financial management and compensation... in accordance with the goal of Board of Directors which is to continue to grow safely and effectively, especially in retail market segmentation;
- Revenue structure in 2017 according to the target of effective management: The Board of Management has adjusted the product structure with drastic solutions to ensure efficiency growth target, especially boosting revenue from Bancas channel. The Bancas result of 2017 achieved impressive growth of 61.1% with a much lower claim rate than the overall ratio, which brought BIC a great performance.
- Improving organizational structure in the direction of increasing the autonomy of the member units, always promptly adding personnel to the Board of Management together with providing appropriate authorization that is an important factor to achieve positive results and continuous development in the context of economic difficulties and abnormal fluctuations;
- Set up KPI and launch it in the second quarter of 2018..



2018 PLAN OF BOARD OF DIRECTORS

- To direct the CEO/Corporation to achieve target of 2018 approved by the AGM. Especially to ensure the bottom line target, keep the position of the Corporation in Top 5 of Vietnamese market in terms of ROE.
- To steer the implementation of Technical Assistance project with Strategic investor to improve competitiveness, service quality.
- To direct to follow the time schedule of new IT platform Investment to meet the system requirements, increase productivity, labor efficiency and quality of products and services. BIC is opening the bidding package to choose the consultant for the Investment in a new core IT System and planning to complete the bidding in early 2nd quarter of 2018. BIC will then implement the next phase of the investment, to choose the vendor for the new IT system which will provide adequate capability for BIC for at least the next 10 years.
- To direct the move of Head office to a new location for the Corporation's stabilization and development purpose.
- To direct CEO to follow-up and complete the KPI project as scheduled and the new salary program which aims at fair payment to employee to increase productivity.
- To complete the change of the operation structure and improve the operation mechanism, governance of the Corporation to encourage initiative, increase accountability, enhance competency of all management levels in order to promote the business and improve competitiveness. Implementing centralized claim model in the area of Hanoi and Ho Chi Minh City.
- To enhance risk management for securing sustainable, comprehensive development and meeting requirements on general practice of safety ratio by the law.
- To carry out the overall plan of training, human resources development in order to meet requirements for further development



GOVERNANCE
STRUCTURE



BOARD OF DIRECTORS



CHAIRMAN MR. TRAN LUC LANG

Mr. **TRAN LUC LANG** has many years of experience in finance, banking and insurance. He used to hold several important positions in BIDV such as: Deputy Director of BIDV Binh Dinh branch, Director of BIDV Phu Tai branch. He is Senior Executive Vice President of BIDV now.

Mr. Tran Luc Lang became a member of BIC's BOD on July 15th, 2016 and was approved by Ministry of Finance to be Chairman of BIC pursuant to Document No. 11248/BTC-QLBH dated 11/8/2016.

Currently, Mr. Tran Luc Lang is in charge of Senior Executive Vice President of BIDV, Chairman of BIDV Insurance Corporation, Chairman of Laos-Vietnam Joint Venture Bank (LVB).



VICE CHAIRMAN MR. RAMASWAMY ATHAPPAN

Mr. **ATHAPPAN** has a long and tremendous record as an insurance executive running various insurance companies in Asia. First Capital in Singapore is one of the most profitable insurance companies in Asia. Mr. Athappan currently oversees Fairfax's Asia operations, which now has a presence in Singapore, Hong Kong, Malaysia, China, Indonesia, India, Thailand, Sri Lanka & Vietnam.

Mr. Athappan is now in charge of Chairman of FairFax Asia Limited.





MEMBER
MR. TRAN HOAI AN

Mr. **TRAN HOAI AN** used to work in the Customs sector before joining BIC in 2009. He successfully managed BIDV Binh Dinh Insurance Company and BIDV Ho Chi Minh Insurance Company. Since April 1st, 2013, Mr. An held position of Deputy General Director of BIC in charge of customer development in Southern area cum Director of BIDV Ho Chi Minh Insurance Company.

On October 31st, 2014, BIC's Board of Directors issued Decision No. 189/QD-HDQT on appointment of Mr. Tran Hoai An as CEO of BIC since November 1st, 2014. At the Annual General Meeting of Shareholders of BIC dated April 20, 2015, Mr. Tran Hoai An was elected to become the Member of the BOD. In an effort to manage BIC's operation successfully for the third term 2014-2017, the Board of Directors issued the Decision no. 099/QD-HĐQT on 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 joined BIDV for over 20 years and used to hold several important positions such as: Head of General Affairs Dept, Head of Human Resources Dept 1 - HR Division, Deputy Director of No. 3 Central Transaction Branch, Director of Thanh Xuan Branch, Director of Corporate Client Division.

Mr. Nam is now Director of BIDV's Credit Risk Management Division.







MEMBER

MS. PHAM THI VAN KHANH

Ms. **PHAM THI VAN KHANH** joined BIDV in late 1999 and used to hold many important positions such as: Manager of Investment Division, CEO of BIDV Land Company, Deputy Director of Large Company Division.

Currently, Ms. Khanh is Director of Small and Medium Enterprise Division of bIDV.

On January 29th, 2016, Ms. Khanh became the Member of BIC's BOD.

MEMBER

MR. GOBINATH ARVIND ATHAPPAN

Mr. **GOBINATH** is the Chief Executive Officer of The Pacific Insurance Berhad in Malaysia, Vice Chairman of Fairfax Asia Limited, Vice Chairman of Falcon Insurance Company (Hong Kong) Limited, and Regional Director of First Capital Insurance Limited in Singapore.

He has been with various companies of Fairfax Financial Holdings for over 14 years including Odyssey America Reinsurance Corporation in the United States.

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INDEPENDENT MEMBER

MS. DANG THI HONG PHUONG

Ms. **DANG THI HONG PHUONG** has over 20 years of experience in Insurance, Reinsurance and Financial Investment in Vietnam Insurance Corporation and Vietnam National Reinsurance Corporation. In these corporations, she held important positions such as: Head of Reinsurance Dep., Head of Investment Dep., Head of Investment Center, Director of Fund Management Company.

From 2007 to 2010, Ms. Phuong was CEO of SSI Asset Management Limited Company.

From 2011 up to now, Ms. Phuong is CEO of An Binh Fund Management Joint Stock Company

COMMITEE OF BOARD OF DIRECTORS

INVESTMENT COMMITTEE

No	MEMBER	POSITION
1	Mr. Tran Luc Lang	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

The operation of Investment Committee

The Investment Committee had two meetings in 2017, in which the first was on March 28th, 2017 to evaluate the results of financial investment in 2016 and set up investment orientation in 2017; the second was on August 10th, 2017 to analyze and evaluate the investment performance in the first 7 months of 2017 and plan for the 3rd and 4th quarter of 2017.



THE OPERATION REPORT OF BOARD OF DIRECTORS

LIST OF INTERNAL SHAREHOLDER OF BIC (UP TO 31/12/2017)

NO.	FULL NAME	POSITION	THE NUMBER OF SHARES	PERCENTAGE OF SHARES
1	TRAN LUC LANG	*Chairman*	-	
2	RAMASWAMY ATHAPPAN	*Vice Chairman*	-	
3	TRAN HOAI AN	*Member of BOD/ CEO*	37,950	0.0324%
4	GOBINATH ATHAPPAN	*Member of BOD*	-	
5	PHAM THI VAN KHANH	*Member of BOD*	-	
6	VO HAI NAM	*Member of BOD*	-	
7	DANG THI HONG PHUONG	*Member of BOD*	-	
8	TRAN TRUNG TINH	*Chief Underwriting Officer*	-	
9	DOAN THI THU HUYEN	*Deputy General Director*	20,000	0.0171%
10	VU MINH HAI	*Deputy General Director*	-	
11	PHAM DUC HAU	*Deputy General Officer*	2,400	0.0020%
12	HUYNH QUOC VIET	*Deputy General Officer*	7	0.0000%
13	CAO CU TRI	*Head of BOS*	1,100	0.0009%
14	NGUYEN TRUNG KIEN	*Member of BOS*	-	
15	NGUYEN THANH CONG	*Member of BOS*	-	
16	ZANUIL ABIDIN RASHEED	*Member of BOS*	-	
17	OSITH RAMANATHAN	*Member of BOS*	-	
18	LAI NGAN GIANG	*Chief Accountant*	-	

IN 2017, THE BOD HELD 04 MEETING SESSIONS, INCLUDING THE TENTH, ELEVENTH, TWELFTH AND THIRTEENTH SESSIONS

NO.	MEMBER OF BOD	POSITION	MEETING PARTICIPATION	RATE	ABSENCE REASON
1	TRAN LUC LANG	*Chairman*	04	100%	
2	RAMASWAMY ATHAPPAN	*Vice Chairman*	04	100%	
3	TRAN HOAI AN	*Member*	04	100%	
4	GOBINATH ATHAPPAN	*Member*	03	100%	*Absence of reason and having authorization approved by the Board*
5	VO HAI NAM	*Member*	04	100%	
6	PHAM THI VAN KHANH	*Member*	03	100%	*Absence of reason*
7	DANG THI HONG PHUONG	*Member*	03	100%	*Absence of reason*

Issues arising between the BOD meetings are exchanged, decided by written or email and confirmed at the next meeting





THE OPERATION REPORT OF BOARD OF SUPERVISORS

On behalf of shareholders to supervise the operations of BIDV Insurance Corporation, in 2017, Board of Supervisors fully completed their responsibilities and tasks assigned by General Shareholders, including monitoring, checking and supervising the governance, management and business performance of BIC as follows:

SUPERVISING BIC'S OPERATION OF BOARD OF SUPERVISORS

- Assigned specific tasks to all members annually, appointed representative 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 the Resolution of the General Shareholders of the Board of Directors and the Board of Management;
- Independently verified 6 months period as well as annual financial statements;
- Evaluated the relevance, legality, honesty and prudence in financial management, investment, business management and accounting to ensure the operation of the Board of Directors, Board of Management fully compliance with the law and the BIC Charter;
- Conducted other duties as prescribed by Law on Enterprises, the BIC Charter, the Operation Regulation of the Board of Supervisors and the Decision of the General Shareholders.

BOARD OF SUPERVISORS



HEAD MR. CAO CU TRI

Mr. **CAO CU TRI** has many years of experience in State Bank of Nghe An province and he used to work as a Deputy Head of Institution Selection Department, International Credit Project Management Section, the State Bank of Vietnam.

Since 2002, Mr. Tri has joined BIDV team and has been in charge of: Deputy Director of III Transaction Center, Deputy Head of BIDV's Supervisory Board.

Now, Mr. Tri is the Director of internal audit division of BIDV.



MEMBER MR. NGUYEN TRUNG KIEN

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

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



MEMBER MR. NGUYEN THANH CONG

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

Mr. Cong is now in charge of Deputy Director of Accounting Division, Vietnam National Reinsurance Joint Stock Corporation (VinaRe).



MEMBER MR. ZAINUL ABIDIN RASHEED

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

On 29th January 2016, Mr. Zainul Abidin Rasheed was elected by shareholders to be Member of BIC's Board of Supervisors.



MEMBER MR. OSITH RAMANATHAN

Mr. **OSITH** 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.

On 29th January 2016, Mr. Osith Ramanathan was elected by shareholders to be Member of BIC's Board of Supervisors.

TRANSACTION AND REMUNERATION OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS

Based on the Decision No.01/2017/NQ-DHDCD dated 28/03/2017 by the General Meeting of Shareholders of BIC, in 2017, the approved budget of remuneration as follows:

Remuneration of the Board of Directors and the Board of Supervisors

- The budget for remuneration is 0.35% of 2017 profit before tax (separated FSs).
- The detailed payment limit is in accordance with BOD's decision.

Allowance for Secretariat

- Fixed allowance for the member of Secretariate is 2 million dong for each BOD's meeting

Transaction of internal shareholder

There is no internal shareholder transaction in 2017.




Millions
40000
35000
30000
25000
20000
15000
10000
500

SEPARATE
FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

Reference: 60755012/19436303

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 9 February 2018 and set out on pages 6 to 70, which comprise the separate balance sheet as at 31 December 2017, 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 2017 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 2017 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 9 February 2018 expressed an unmodified opinion.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited





SAMAN BANDARA
Partner
Audit Practicing Registration
Certificate No.: 2036-2018-004-1

LUONG THI PHUONG DUNG
Auditor
Audit Practicing Registration
Certificate No.: 3054-2014-004-1

Hanoi, Vietnam
9 February 2018

SEPARATE BALANCE SHEET

as at 31 December 2017

Code	ITEMS	Notes	Ending Balance VND	Beginning Balance VND
100	**A. CURRENT ASSETS**		**3,936,027,494,706**	**3,480,914,632,864**
110	***I. Cash and cash equivalents***	***4***	***37,485,664,636***	***152,977,915,505***
111	1. Cash		37,485,664,636	42,977,915,505
112	2. Cash equivalents		-	110,000,000,000
120	***II. Short-term investments***		2.549.327.300.821	2.304.143.139.071
121	1. Trading securities	5.1	193,770,493,743	157,522,315,967
122	2. Provision for trading securities	5.1	(14,142,957,356)	(11,708,988,585)
123	3. Held-to-maturity investments	5.2	2,273,556,601,470	2,079,038,078,356
130	***III. Short-term receivables***	**6**	**460,482,188,966**	**393,262,478,897**
131	1. Short-term trade receivables		332,583,511,896	314,121,199,102
131.1	*1.1. Insurance receivables*		*332,564,057,909*	*314,121,199,102*
131.2	*1.2. Other trade receivables*		*19,453,987*	-
132	2. Short-term advances to suppliers		2,415,675,531	645,641,070
136	3. Other receivables		141,924,500,840	97,194,057,796
137	4. Allowance for doubtful debts		(16,441,499,301)	(18,698,419,071)
140	***IV. Inventories***		**155,168,992**	**146,828,992**
141	1. Inventories		155,168,992	146,828,992
150	***V. Other short-term assets***		**91,552,675,848**	**77,471,676,659**
151	1. Prepaid expenses		91,552,675,848	76,660,301,632
151.1	*1.1 Unallocated commission expense*	*7*	*92.587.048.388*	*78.625.651.412*
151.2	*1.2 Other prepaid expenses*		*1,551,340,231*	*899,776,175*
152	2. Deductible VAT		-	811,375,027
190	***VI. Reinsurance assets***	**17.1**	**893,167,658,407**	**632,204,327,073**
191	1. Reinsurance assets from unearned premium reserve		274,705,055,287	297,483,038,386
192	2. Reinsurance assets from claim reserve		618,462,603,120	334,721,288,687

Code	ITEMS	Notes	Ending Balance VND	Beginning Balance VND
200	**B. NON-CURRENT ASSETS**		**565,447,147,184**	**520,100,646,732**
210	***I. Long-term receivables***		***10,620,893,593***	***8,251,283,593***
216	1. Other long-term receivables		10,620,893,593	8,251,283,593
216.1	*1.1. Statutory deposit*	*8*	*8,000,000,000*	*6,000,000,000*
216.2	*1.2. Other long-term receivables*		*2,620,893,593*	*2,251,283,593*
220	***II. Fixed assets***		**27,846,835,536**	**33,685,492,067**
221	1. Tangible fixed assets	9	21,257,551,689	27,082,459,150
222	*- Costs*		*60,441,678,539*	*59,762,236,796*
223	*- Accumulated depreciation*		*(39,184,126,850)*	*(32,679,777,646)*
227	2. Intangible assets	10	6,589,283,847	6,603,032,917
228	*- Costs*		*6,845,849,125*	*6,785,949,125*
229	*- Accumulated amortisation*		*(256,565,278)*	*(182,916,208)*
250	***IV. Long-term investments***		**524,291,166,444**	**477,822,565,553**
253	1. Investment in subsidiary	5.3	34,660,020,000	34,660,020,000
254	2. Other long-term investments	5.3	75,907,370,000	125,907,370,000
255	3. Provision for impairment of long-term investments	5.3	(40,776,223,556)	(33,777,058,203)
260	***4. Held-to-maturity investments***	5.2	**454,500,000,000**	**351,032,233,756**
261	1. Long-term prepaid expenses	11	140,755,059	341,305,519
262	2. Deferred tax assets	30.2	2,547,496,552	-
270	**TOTAL ASSETS (270 = 100 + 200)**		**4,501,474,641,890**	**4,001,015,279,596**

SEPARATE BALANCE SHEET

as at 31 December 2017

Code	ITEMS	Notes	Ending Balance VND	Beginning Balance VND
300	**C. LIABILITIES**		**2,456,913,634,001**	**2,029,162,530,395**
310	***I. Current liabilities***		**2,454,892,810,767**	**2,021,106,830,850**
311	1. Trade payables	12	293,018,572,533	308,411,483,944
311.1	*1.1.Insurance payables*		*292,688,867,162*	*306,906,480,159*
311.2	*1.2.Other payables*		*329,705,371*	*1,505,003,785*
312	2. Short-term advance from customers		1,715,633,269	4,960,299,536
313	3. Tax and other statutory obligations	13	30,081,365,354	16,182,302,045
314	4. Payables to employees		58,180,891,694	41,152,368,651
315	5. Short-term accrued expenses	14	36,173,564,436	12,888,591,439
318.1	6. Short-term deferred revenue		6,277,177,934	4,328,137,221
318.2	7. Un-earned commission revenue	15	68,584,002,459	75,625,954,806
319	8. Other short-term payables	16	40,486,965,141	42,696,546,895
321	9. Provision for short-term payable		3,072,343,309	2,800,832,256
322	10. Bonus and welfare funds		11,165,571,869	9,934,320,737
329	11. Technical reserves		1,906,136,722,769	1,502,125,993,320
329.1	*11.1.Gross un-earned premium reserve*	*17.1*	*978,302,133,675*	*915,247,142,029*
329.2	*11.2.Gross claim reserve*	*17.1*	*832,338,681,946*	*503,878,630,777*
329.3	*11.3.Catastrophe reserve*	*17.2*	*95,495,907,148*	*83,000,220,514*
330	***II. Non-current liabilities***		**2,020,823,234**	**8,055,699,545**
337	1. Other long-term liabilities	16	2,020,823,234	5,197,076,277
341	2. Deferred tax liabilities	30.2	-	2,858,623,268

Code	ITEMS	Notes	Ending Balance VND	Beginning Balance VND
400	**D.OWNERS' EQUITY**		**2,044,561,007,889**	**1,971,852,749,201**
410	***Owners' equity***	18	**2,044,561,007,889**	**1,971,852,749,201**
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*
411b	*1.2 Preference shares*		-	-
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Investment and development fund		6,457,956,038	6,457,956,038
419	4. Statutory reserve		36,714,320,247	27,976,733,665
421	5. Undistributed earnings		173,054,748,242	109,084,076,136
421a	*5.1.Accumulated undistributed earnings of previous years*		*6,992,767,290*	*1,471,983,795*
421b	*5.2.Undistributed earnings of current year*		*166,061,980,952*	*107,612,092,341*
440	**TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300 + 400)**		**4,501,474,641,890**	**4,001,015,279,596**

MR. NGUYEN XUAN DONG
Accountant
Finance - Accounting Division

MS. LAI NGAN GIANG
Chief Accountant

MR. TRAN HOAI AN
General Director

Hanoi, Vietnam
9 February 2018

SEPARATE INCOME STATEMENT

PART 1: SEPARATE COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Current Year VND	Previous Year VND
10	**1. Total operating income**	**1,316,053,529,612**	**1,142,170,266,394**
12	***2. Finance income***	**247,913,340,613**	**186,647,137,005**
13	3. Other income	470,235,061	1,661,415,490
20	4. Total direct operating expenses	(1,035,544,810,864)	(899,406,604,547)
22	5. Finance expense	(17,707,099,911)	(32,275,888,941)
23	6. General and administrative expenses	(297,899,433,470)	(260,575,795,586)
24	7. Other expenses	(116,990,707)	(434,440,070)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**213,168,770,334**	**137,786,089,745**
51	9. Current corporate income tax expense	(43,772,804,966)	(27,123,681,024)
52	10. Deferred corporate income tax income	5,406,119,820	2,616,128,116
60	**11. Net profit for this period after corporate income tax (60=50+51+52)**	**174,802,085,188**	**113,278,536,837**

SEPARATE INCOME STATEMENT

PART 2: SEPARATE OPERATIONAL INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Notes	Current Year VND	Previous Year VND
01	**1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**1,719,214,861,320**	**1,516,118,595,064**
	In which:			
01.1	- Direct written premiums		1,594,284,224,175	1,476,410,266,887
01.2	- Reinsurance premium assumed		187,985,628,791	195,075,750,800
01.3	- Increase in un-earned premium reserve		(63,054,991,646)	(155,367,422,623)
02	**2. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(555,479,172,648)**	**(534,451,888,945)**
	In which:			
02.1	- Reinsurance premium ceded		**(532,701,189,549)**	**(554,274,938,932)**
02.2	- Increase/(decrease) in ceded premium reserve		**(22,777,983,099)**	**19,823,049,987**
03	**3. Net insurance premiums (03 = 01 + 02)**		**1,163,735,688,672**	**981,666,706,119**
04	**4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**152,317,840,940**	**160,503,560,275**
	In which:			
04.1	- Commission on reinsurance ceded	21	126,003,913,298	128,019,519,917
04.2	- Other income from insurance activities	22	26,313,927,642	32,484,040,358
10	**5. Total net revenue from insurance business (10 = 03 + 04)**		**1,316,053,529,612**	**1,142,170,266,394**
11	**6. Claim expenses (11 = 11.1 + 11.2)**		**(748,277,532,644)**	**(575,025,062,895)**
	In which:			
11.1	- Claim expenses		(763,193,926,098)	(593,322,363,057)
11.2	- Claim expense reductions		14,916,393,454	18,297,300,162
12	**7. Recoveries from reinsurance ceded**		**260,813,611,175**	**144,113,074,682**
13	**8. Increase in Direct and assumed claim reserve**		**(328,460,051,169)**	**(34,929,922,126)**
14	**9. Increase in ceded claim reserve**		**283,741,314,433**	**10,933,223,773**
15	**10 Net claim expenses (15 = 11 + 12 + 13 + 14)**	**23**	**(532,182,658,205)**	**(454,908,686,566)**
16	**11. Increase in catastrophe reserve**	**17.2**	**(12,495,686,634)**	**(11,172,052,668)**

PART 2: SEPARATE OPERATIONAL INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Notes	Current Year VND	Previous Year VND
17	**12. Other operating expenses (17 = 17.1 + 17.2)**	**24**	**(490,866,466,025)**	**(433,325,865,313)**
	In which:			
17.1	- Commission expense		(143,274,271,179)	(120,088,782,840)
17.2	- Other underwriting expenses		(347,592,194,846)	(313,237,082,473)
18	**13. Total direct operating expenses (18 = 15 + 16 + 17)**		**(1,035,544,810,864)**	**(899,406,604,547)**
19	**14. Gross insurance operating profit (19 = 10 + 18)**		**280,508,718,748**	**242,763,661,847**
23	15. Finance income	25	247,913,340,613	186,647,137,005
24	16. Finance expense	26	(17,707,099,911)	(32,275,888,941)
25	**17. Profit from financial activities (25 = 23 + 24)**		**230,206,240,702**	**154,371,248,064**
26	**18. General and administrative expenses**	**27**	**(297,899,433,470)**	**(260,575,795,586)**
30	**19. Net operating income (30 = 19 + 25 + 26)**		**212,815,525,980**	**136,559,114,325**
31	20. Other income	28	470,235,061	1,661,415,490
32	21. Other expenses	29	(116,990,707)	(434,440,070)
40	**22. Net other profit (40 = 31 + 32)**		**353,244,354**	**1,226,975,420**
50	**23. Profit before corporate income tax (50 = 30 + 40)**		**213,168,770,334**	**137,786,089,745**
51	24. Current corporate income tax expense	30.1	(43,772,804,966)	(27,123,681,024)
52	25. Deferred corporate income tax income	30.2	5,406,119,820	2,616,128,116
60	**26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**174,802,085,188**	**113,278,536,837**

MR. NGUYEN XUAN DONG
Accountant
Finance - Accounting Division

MS. LAI NGAN GIANG
Chief Accountant

MR. TRAN HOAI AN
General Director

Hanoi, Vietnam
9 February 2018

SEPARATE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Notes	Current Year VND	Previous Year VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**213,168,770,334**	**137,786,089,745**
	Adjustments for:			
02	Depreciation and amortisation		6,621,353,337	5,650,260,630
03	Insurance reserves and provision for diminution in investment value		158,278,384,664	198,704,555,009
04	Profit from revaluation of foreign currencies		(265,103,413)	(2,234,647,774)
05	Profits from investing activities		(238,544,631,346)	(177,139,488,861)
06	Interest expense		5,221,540	6,396,035
08	**Operating cash flow before changes in working capital**		**139,263,995,116**	**162,773,164,784**
09	Increase in receivables		(23,429,461,749)	(24,390,579,946)
10	Increase in inventories		(8,340,000)	-
11	Increase in payables		21,791,333,444	58,580,649,689
12	Decrease/(increase) in prepaid expense		(18,797,555,281)	1,026,207,566
13	Increase in trading securities		(36,248,177,776)	(81,092,656,109)
14	Interest expense paid		(5,221,540)	(6,396,035)
15	Corporate income tax paid	13	(28,686,075,673)	(27,150,531,758)
16	Other cash inflows from operating activities		1,949,040,713	4,815,058,483
17	Other cash outflows from operating activities		(44,730,443,044)	(13,867,283,263)
20	**Net cash flow from operating activities**		**11,099,094,210**	**80,687,633,411**

SEPARATE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Notes	Current Year VND	Previous Year VND
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets and other long-term assets		(532,696,806)	(10,070,999,982)
22	Disposal of fixed assets and other long-term assets		25,089,055	333,135,585
23	Payments for investments in other entities		(2,664,555,011,603)	(1,711,849,178,200)
24	Proceeds from disposal or maturity of debt investment		2,416,568,722,245	1,485,444,444,444
26	Proceeds from disposal of equity investment		-	39,135,000
27	Interest received		204,282,424,118	143,842,387,246
30	**Net cash flow used in investing activities**		**(44,211,472,991)**	**(92,261,075,907)**
	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		(83,269,124,914)	(70,342,430,000)
40	**Net cash flow used in financing activities**		**(83,269,124,914)**	**(70,342,430,000)**
50	**Net decrease in cash and cash equivalent (50 = 20 + 30 + 40)**		**(116,381,503,695)**	**(81,915,872,496)**
60	**Cash and cash equivalents at beginning of the year**		**152,977,915,505**	**234,893,788,001**
61	Impact of exchange rate fluctuation		889,252,826	-
70	**Cash and cash equivalents at end of the year (70 = 50 + 60 + 61)**	**4**	**37,485,664,636**	**152,977,915,505**

MR. NGUYEN XUAN DONG
Accountant
Finance - Accounting Division

MS. LAI NGAN GIANG
Chief Accountant

MR. TRAN HOAI AN
General Director

Hanoi, Vietnam
9 February 2018

CONSOLIDATED
FINANCIAL STATEMENTS

31 December 2017

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INDEPENDENT AUDITORS' REPORT

Reference: 60755012/19436303-HN

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

We have audited the accompanying consolidated financial statements of BIDV Insurance Joint Stock Corporation and its subsidiary (collectively referred to as "the Corporation") as prepared on 9 February 2018 and set out on pages 6 to 71, which comprise the consolidated balance sheet as at 31 December 2017, the consolidated income statement and the consolidated 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 consolidated 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 consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Corporation and its subsidiary as at 31 December 2017 and of the consolidated results of their operations and their consolidated 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 consolidated financial statements.

Ernst & Young Vietnam Limited

SAMAN BANDARA
Partner
Audit Practicing Registration
Certificate No.: 2036-2018-004-1

LUONG THI PHUONG DUNG
Auditor
Audit Practicing Registration
Certificate No.: 3054-2014-004-1

Hanoi, Vietnam
9 February 2018

CONSOLIDATED BALANCE SHEET

as at 31 December 2017

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
100	**B. CURRENT ASSETS**		**4,143,219,058,770**	**3,892,389,761,578**
110	**I. Cash and cash equivalents**	**4**	**54,656,445,594**	**161,122,018,704**
111	1. Cash		40,420,748,511	51,122,018,704
112	2. Cash equivalents		14,235,697,083	110,000,000,000
120	**II. Short-term investments**		**2,549,327,300,821**	**2,304,143,139,071**
121	3. Trading securities	5.1	194,265,033,949	158,015,141,767
122	4. Provision for trading securities	5.1	(14,153,687,019)	(11,732,481,052)
123	5. Held-to-maturity investments	5.2	2,369,215,953,891	2,157,860,478,356
130	**III. Short-term receivables**	**6**	**474,007,808,737**	**422,798,615,657**
131	5. Short-term trade receivables		337,382,247,863	322,045,593,107
131.1	1.1 Insurance receivables		332,812,645,160	319,035,074,241
131.2	1.2 Other trade receivables		4,569,602,703	3,010,518,866
132	6. Short-term advances to suppliers		2,415,675,531	645,641,070
136	7. Other receivables		151,067,554,324	124,254,904,784
137	8. Allowance for doubtful debts		(16,857,668,981)	(24,147,523,304)
140	**IV. Inventories**		**504,744,572**	**669,480,104**
141	2. Inventories		504,744,572	669,480,104
150	**V. Other short-term assets**		**94,970,635,999**	**81,085,887,049**
151	1. Prepaid expenses		94,848,363,624	80,139,651,754
151.1	1.1 Unallocated commission expense	7	92,587,048,388	78,625,651,412
151.2	1.2 Other prepaid expenses		2,261,315,236	1,514,000,342
152	2. Deductible VAT		122,272,375	946,235,295
190	**VI. Reinsurance assets**	**17.1**	**969,752,123,047**	**922,570,620,993**
191	1. Reinsurance assets from unearned premium reserve		346,262,199,697	347,146,505,549
192	2. Reinsurance assets from claim reserve		623,489,923,350	575,424,115,444

CONSOLIDATED BALANCE SHEET

as at 31 December 2017

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
200	**B. NON-CURRENT ASSETS**		**573,274,819,336**	**582,148,319,711**
210	**I. Long-term receivables**		**33,990,575,155**	**39,699,987,593**
216	1. Other long-term receivables		33,990,575,155	39,699,987,593
216.1	1.1. Statutory deposit	8	8,000,000,000	6,000,000,000
216.2	1.2. Other long-term receivables		25,990,575,155	33,699,987,593
220	**II. Fixed assets**		**30,537,230,391**	**37,341,814,379**
221	1. Tangible fixed assets	9	23,907,821,460	30,738,781,462
222	- Costs		74,194,322,296	73,231,179,359
223	- Accumulated depreciation		(50,286,500,836)	(42,492,397,897)
227	2. Intangible assets	10	6,629,408,931	6,603,032,917
228	- Costs		6,885,974,209	6,785,949,125
229	- Accumulated amortisation		(256,565,278)	(182,916,208)
250	**IV. Long-term investments**	**5**	**506,058,762,179**	**504,765,212,220**
253	1. Other long-term investments	5.3	75,907,370,000	125,907,370,000
254	2. Provision for impairment of long-term investments	5.3	(40,776,223,556)	(33,777,058,203)
255	3. Held-to-maturity investments	5.2	470,927,615,735	412,634,900,423
260	**V. Other long-term assets**		**2,688,251,611**	**341,305,519**
261	1. Long-term prepaid expenses	11	140,755,059	341,305,519
262	2. Deferred income tax assets	30.2	2,547,496,552	-
270	TOTAL ASSETS (270=100+200)		4,716,493,878,106	4,474,538,081,289
300	**C. LIABILITIES**		**2,621,345,493,551**	**2,391,471,742,610**
310	**I. Current liabilities**		**2,619,324,670,317**	**2,383,416,043,065**
311	1. Trade payables	12	315,633,788,393	329,875,703,829
311.1	1.1. Insurance payables		315,288,949,366	328,370,700,044
311.2	1.2. Other payables		344,839,027	1,505,003,785
312	Short-term advance from customers		5,057,733,957	8,188,626,735
313	Tax and other statutory obligations	13	37,291,744,251	26,636,383,019
314	4. Payables to employees		58,827,516,101	42,358,394,090
315	5. Short-term accrued expenses	14	39,876,424,410	16,987,723,997

CONSOLIDATED BALANCE SHEET

as at 31 December 2017

Code	ITEMS	Notes	Ending balance VND	Beginning balance VND
318.1	6. Short-term deferred revenue		6,277,177,934	4,328,137,221
318.2	7. Un-earned commission revenue	15	73,820,287,369	80,138,871,010
319	8. Other short-term payables	16	56,266,086,451	42,400,746,940
321	9. Provision for short-term payable		3,072,343,309	2,800,832,256
322	10. Bonus and welfare funds		11,165,571,869	9,934,320,737
329	11. Technical reserves		2,012,035,996,273	1,819,766,303,231
329.1	11.1. Gross un-earned premium reserve	17.1	1,075,317,851,488	983,566,697,212
329.2	11.2. Gross claim reserve	17.1	833,720,046,656	746,162,929,377
329.3	11.3. Catastrophe reserve	17.2	102,998,098,129	90,036,676,642
330	**II. Non-current liabilities**		**2,020,823,234**	**8,055,699,545**
337	1. Other long-term liabilities	16	2,020,823,234	5,197,076,277
341	2. Deferred tax liability	30.2	-	2,858,623,268
400	**D. OWNERS' EQUITY**		**2,095,148,384,555**	**2,083,066,338,679**
410	**I. Owners' equity**	**18**	**2,095,148,384,555**	**2,083,066,338,679**
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
411b	1.2. Preference shares		-	-
412	2. Share premium		655,565,033,362	655,565,033,362
417	3. Foreign exchange		6,047,974,333	3,049,579,610
418	4. Investment and development fund		6,457,956,038	6,457,956,038
419	5. Statutory reserve		39,337,904,185	27,976,733,665
421	6. Undistributed earnings		181,116,302,959	165,585,310,175
421a	6.1. Accumulated undistributed earnings of previous years		52,011,527,940	67,854,609,892
421b	6.2. Undistributed earnings of current year		129,104,775,019	97,730,700,283
429	7. Non-controlling interest		33,854,263,678	51,662,775,829
440	**TOTAL LIABILITIES AND OWNERS' EQUITY (440=300+400)**		**4,716,493,878,106**	**4,474,538,081,289**

MR. NGUYEN XUAN DONG
Accountant
Finance - Accounting Division

MS. LAI NGAN GIANG
Chief Accountant

MR. TRAN HOAI AN
General Director

Hanoi, Vietnam
9 February 2018

CONSOLIDATED INCOME STATEMENT

PART 1: CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Current year VND	Previous year VND
10	**1. Total operating income**	**1,380,493,155,998**	**1,235,190,217,149**
12	**2. Finance income**	**219,694,353,588**	**208,144,723,142**
13	3. Other income	4,324,021,735	1,730,119,302
20	4. Total direct operating expenses	(1,081,463,761,423)	(956,153,118,982)
22	5. Finance expense	(20,679,577,509)	(37,827,804,248)
23	6. General and administrative expenses	(315,296,614,236)	(284,978,095,524)
24	7. Other expenses	(616,508,747)	(461,282,126)
50	**8. Profit before corporate income tax (50=10+12+13+20+22+23+24)**	**186,455,069,406**	**165,644,758,713**
51	9. Current corporate income tax expense	(48,631,384,382)	(33,809,761,576)
52	10. Deferred corporate income tax income	5,406,119,820	2,616,128,116
60	**11. Net profit for this period after corporate income tax (60=50+51+52)**	**143,229,804,844**	**134,451,125,253**
61	**12. Net profit after tax attributable to non-controlling interests**	**5,384,925,545**	**7,410,405,946**
62	**13. Net profit after tax attributable to equity owners of the parent**	**137,844,879,299**	**127,040,719,307**
70	**14. Basic earnings per share**	**1,175**	**1,083**

CONSOLIDATED INCOME STATEMENT (CONTINUED)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Notes	Current year VND	Previous year VND
01	**27. Insurance revenue (01 = 01.1 + 01.2 + 01.3)**	**19**	**1,888,156,124,165**	**1,682,385,311,903**
01.1	In which: - Direct written premiums		**1,842,741,738,547**	**1,668,507,934,733**
01.2	- Reinsurance premium assumed		129,508,613,961	125,897,939,173
01.3	- Increase in un-earned premium reserve		(84,094,228,343)	(112,020,562,003)
02	**28. Reinsurance premium ceded (02 = 02.1 + 02.2)**	**20**	**(684,352,373,280)**	**(628,431,334,761)**
02.1	In which: - Reinsurance premium ceded		(676,366,715,387)	(629,035,266,611)
02.2	- Increase/(decrease) in ceded premium reserve		(7,985,657,893)	603,931,850
03	**29. Net insurance premiums (03 = 01 + 02)**		**1,203,803,750,885**	**1,053,953,977,142**
04	**30. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)**		**176,689,405,113**	**181,236,240,007**
04.1	In which: - Commission on reinsurance ceded	21	139,805,384,126	139,709,231,495
04.2	- Other income from insurance activities	22	36,884,020,987	41,527,008,512
10	**31. Total net revenue from insurance business (10 = 03 + 04)**		**1,380,493,155,998**	**1,235,190,217,149**
11	**32. Claim expenses (11 = 11.1 + 11.2)**		**(773,173,705,242)**	**(685,624,402,543)**
11.1	In which: - Claim expenses		(788,090,098,696)	(703,921,702,705)
11.2	- Claim expense reductions		14,916,393,454	18,297,300,162
12	**33. Recoveries from reinsurance ceded**		**272,357,853,787**	**231,807,713,348**
13	**34. Increase/(decrease) in Direct and assumed claim reserve**		**(80,450,652,969)**	**84,197,470,120**
14	**35. Increase/(decrease) in ceded claim reserve**		**36,717,522,382**	**(101,461,641,355)**
15	**36. Net claim expenses (15 = 11 + 12 + 13 + 14)**	**23**	**(544,548,982,042)**	**(471,080,860,430)**
16	**37. Increase in catastrophe reserve**	**17.2**	**(12,959,189,797)**	**(11,653,647,954)**
17	**38. Other operating expenses (17 = 17.1 + 17.2)**	**24**	**(523,955,589,584)**	**(473,418,610,598)**
17.1	In which: - Commission expense		(154,013,172,256)	(135,901,028,860)
17.2	- Other underwriting expenses		(369,942,417,328)	(337,517,581,738)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Notes	Current year VND	Previous year VND
18	**39. Total direct operating expenses (18 = 15 + 16 + 17)**		**(1,081,463,761,423)**	**(956,153,118,982)**
19	**40. Gross insurance operating profit (19 = 10 + 18)**		**299,029,394,575**	**279,037,098,167**
23	41. Finance income	25	219,694,353,588	208,144,723,142
24	42. Finance expense	26	(20,679,577,509)	(37,827,804,248)
25	**43. Profit from financial activities (25 = 23 + 24)**		**199,014,776,079**	**170,316,918,894**
26	**44. General and administrative expenses**	**27**	**(315,296,614,236)**	**(284,978,095,524)**
30	**45. Net operating income (30 = 19 + 25 + 26)**		**182,747,556,418**	**164,375,921,537**
31	46. Other income	28	4,324,021,735	1,730,119,302
32	47. Other expenses	29	(616,508,747)	(461,282,126)
40	**48. Net other profit (40 = 31 + 32)**		**3,707,512,988**	**1,268,837,176**
50	**49. Profit before corporate income tax (50 = 30 + 40)**		**186,455,069,406**	**165,644,758,713**
51	50. Current corporate income tax expense	30.1	(48,631,384,382)	(33,809,761,576)
52	51. Deferred corporate income tax income	30.2	5,406,119,820	2,616,128,116
60	**52. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)**		**143,229,804,844**	**134,451,125,253**
61	**53. Net profit after tax attributable to non-controlling interests**		**5,384,925,545**	**7,410,405,946**
62	**54. Net profit after tax attributable to equity owners of the parent**		**137,844,879,299**	**127,040,719,307**
70	**55. Basic earnings per share**		**1,175**	**1,083**

MR. NGUYEN XUAN DONG
Accountant
Finance - Accounting Division

MS. LAI NGAN GIANG
Chief Accountant

MR. TRAN HOAI AN
General Director

Hanoi, Vietnam
9 February 2018

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

Code	ITEMS	Notes	Current year VND	Previous year VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net profit before tax**		**186,455,069,406**	**165,644,758,713**
	Adjustments for:			
02	Depreciation and amortisation		7,911,107,072	7,051,122,219
03	Insurance reserves and provision for diminution in investment value		157,919,723,153	224,572,075,312
04	Profit from revaluation of foreign currencies		(8,145,021,850)	(2,234,647,774)
05	Profits from investing activities		(206,805,553,799)	(193,138,674,758)
06	Interest expense		5,221,540	6,396,035
08	**Operating cash flow before changes in working capital**		**137,340,545,522**	**201,901,029,747**
09	Increase in receivables		(74,147,474,430)	(39,083,536,971)
10	(Increase)/decrease in inventory		166,553,693	(145,433,834)
11	Increase in payables		85,250,270,920	27,608,510,506
12	Increase in prepaid expense		(8,973,192,141)	(1,055,336,685)
13	Increase in trading securities		(36,248,177,776)	(81,092,656,109)
14	Interest expense paid		(5,221,540)	(6,396,035)
15	Corporate income tax paid	13	(32,336,079,824)	(37,613,702,534)
16	Other cash inflows from operating activities		1,949,040,713	4,815,058,483
17	Other cash outflows from operating activities		(44,730,443,044)	(25,991,415,571)
20	**Net cash flow from operating activities**		**28,265,822,093**	**49,336,120,997**

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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		(1,505,869,461)	(10,707,529,334)
22	Disposal of fixed assets and other long-term assets		25,089,055	333,135,585
23	Payments for investments in other entities		(2,978,802,728,205)	(1,824,708,644,867)
24	Proceeds from matured investments		2,745,446,623,487	1,602,648,177,777
26	Proceeds from sale of investment		-	39,135,000
27	Interest received		191,502,622,692	160,951,442,192
30	**Net cash flow used in investing activities**		(43,334,262,432)	(71,444,283,647)
	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		(92,286,385,597)	(70,342,430,000)
40	**Net cash flow used in financing activities**		**(92,286,385,597)**	**(70,342,430,000)**
50	**Net decrease in cash and cash equivalent (50 = 20 + 30 + 40)**		(107,354,825,936)	(92,450,592,650)
60	**Cash and cash equivalents at beginning of the year**		**161,122,018,704**	**253,572,611,354**
61	Impact of exchange rate fluctuation		889,252,826	-
70	**Cash and cash equivalents at end of the year (70 = 50 + 60 + 61)**	**4**	**54,656,445,594**	**161,122,018,704**

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Accountant
Finance - Accounting Division

MS. LAI NGAN GIANG
Chief Accountant

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General Director

Hanoi, Vietnam
9 February 2018



TỔNG CÔNG TY BẢO HIỂM BIDV

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