

COMMITMENT & **PRESTIGE**



Rating B+ by A.M.BEST
Top 50 most effective listed companies in Vietnam
Top 500 enterprises with highest growth rate in Vietnam
Top 1000 companies paying highest taxes in Vietnam



ANNUAL REPORT



CONTENTS

MESSAGE 2014

Message from Chairman	06
Message from CEO	08
9 notable events in 2014	12
Key business indicators in 2014	14

ABOUT BIC

18

BUSINESS PERFORMANCE 2014

Overview of non-life insurance market in 2014 and outlook for 2015	29
BIC business results 2014	31
Progresses of BIC in 2014	33
Objectives and plan for 2015	36

CORPORATE GOVERNANCE

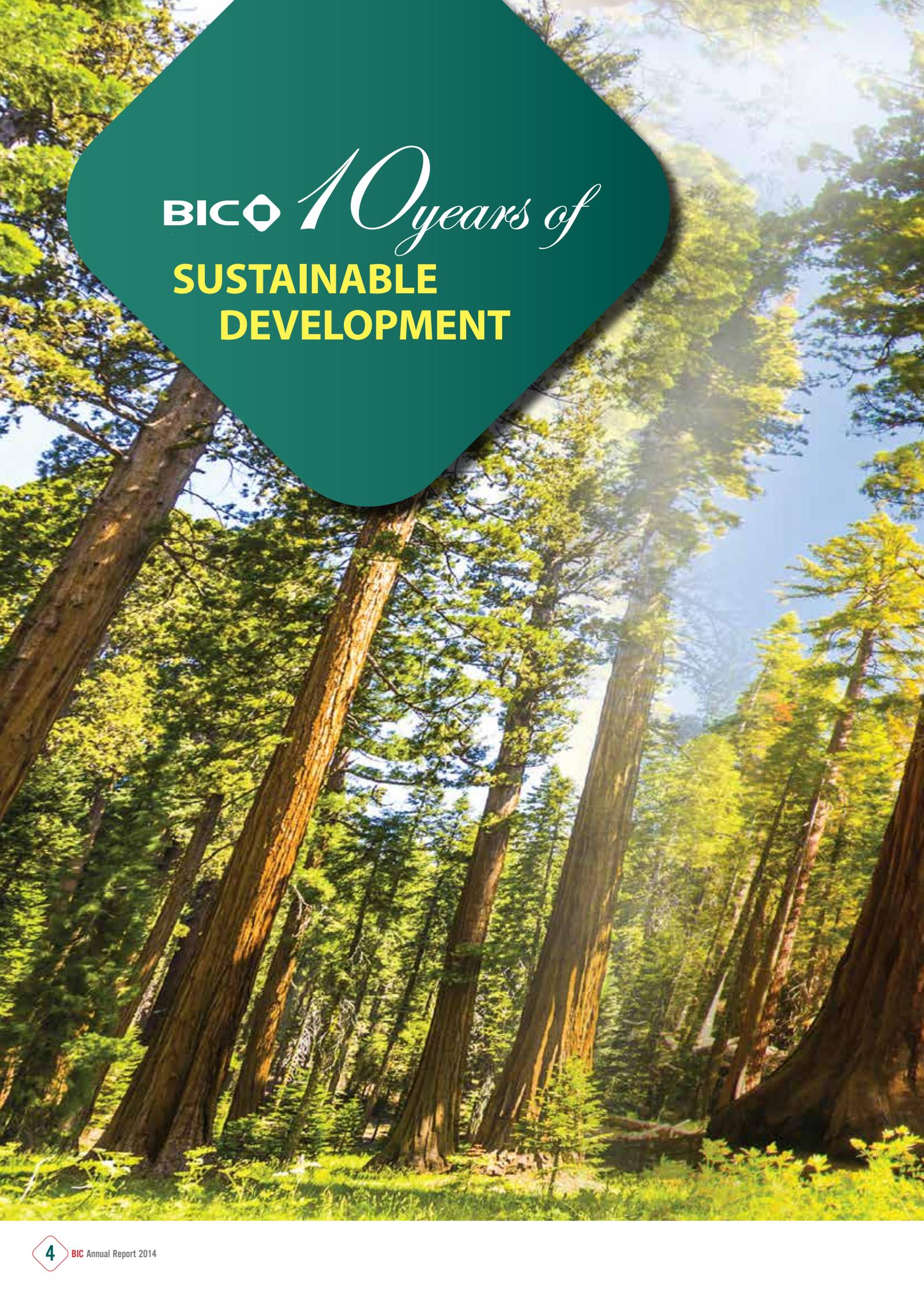
Report of Board of Directors	44
Operation report of Board of Supervisors	46
Report on management	47

INVESTOR RELATIONS

Stock information	48
Shareholders structure	50
Investor Relations 2014	51

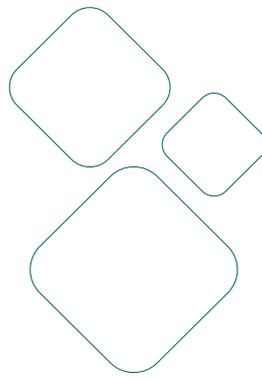
FINANCIAL STATEMENTS

Audited Consolidated Financial Statement	54
Audited Seperate Financial Statement	66



BICO *10 years of*
**SUSTAINABLE
DEVELOPMENT**





MESSAGE FROM CHAIRMAN



Dear valued Shareholders, Clients, Partners and Colleagues,

In 2014, macroeconomics as a whole and insurance market in particular has shown positive signals. With adequate achievements in import and export businesses, recoveries of the stock market, the disbursement of public investment and satisfying levels of ODA and so on, the Government had relatively reached the target of stabilizing macroeconomics and securing medium economic growth. These achievements affected positively to the insurance market. After four consecutive years of slow economic growth, 2014 marked as the economic rebirth from the “bottom” in 2013 and promised better growth in the following years.

To BIC, 2014 is a “dynamic” year marking critical activities and changes. In general, BIC achieved the main objectives of 2014 as committed to the shareholders, of which:

Accomplishing business plan 2014:

Total consolidated premium of the whole corporation was **1,307.756 billion VND**, increasing by **39.67%** compared to year 2013. Of which, direct premium was **1,219.543 billion VND**, and premium revenues from reinsurance was **88.213 billion VND**. Consolidated profit before tax was **138.019 billion VND**, an increase of **9.89%** compared to year 2013.

2015 marks as BIC’s 10th year operation in market. It is an important milestone for us to revise what we have been achieving so far and from which we foster determination towards a brighter future.

- Paying dividends at dividend yield of **10%** for shareholders following the plan that had been approved at the Annual General Meeting 2014.
- Achieving a financial strength rating of B+ (Good) and the issuer credit rating of “bbb-” issued by global leading credit rating agency A.M.Best.
- Achieving 9-year-highest performance in overseas markets: With impressive growth in Laos, Lao-Viet Insurance Joint Venture Company contributed nearly **25%** in total premiums of and profits of BIC, which demonstrated the success of BIC’s investment decision to Laos market.
- Completing two charter capital increases and reinforcing financial strength: After two charter capital increases (issued **3.3 million** shares for employees in accordance with ESOP and paid stock dividends with dividend yield of **10%** for shareholders), BIC’s charter capital increased from **660 billion VND** to over **762 billion VND**.

Moreover, BIC made significant changes in corporate governance, development of branches network to maintain productivity growth, scale and efficiency.

In 2014, BIC stocks were always favored by investors and high liquidity stocks with fair price growth in insurance market.

These achievements resulted from synergy and unity of nearly 700 employees, determination and commitment of BIC Board of Directors and Board of Management, supports from our valued Shareholders, trust from our Customers and cooperation from our Partners. I would like to express my sincere gratitude for your contributions to BIC in 2014 in particular and for the last 9 years as a whole.

2015 – The 10th year full of breakthrough plans

2015 marks as BIC’s 10th year operation in market. It is an important milestone for us to revise what we have been achieving so far and from which we foster determination towards a brighter future. 10 years since the event of taking over Vietnam & Australia Insurance Joint venture, BIC has become 1 of top 10 leading insurance companies regarding market share of direct premium revenue. BIC is named as one of the fastest-growing insurance companies with highest ROE (return on equity) in the market. Furthermore, BIC is currently pioneering in many fields such as investment in overseas, development in new and modern retail distribution network. By putting the BIDV MetLife life insurance joint venture in operation in 2014, BIDV made insurance as one of its two core businesses apart from traditional banking business. BIC has received supports and encouragement from Board of Management and system wide employees. These were inspiring and satisfying achievements.

Given these achievements and positive signals of the economy in 2015, I believe that BIC is possible to make breakthroughs. Pursuing the effectiveness strategy, BIC sets the following business objectives in 2015 as follows:

- Consolidated premium is **1,570 billion VND**, of which direct premium revenue is **1,470 billion VND**.
- Consolidated profit before tax is **147 billion VND** and profits from insurance business is maintained.
- Retained liability loss ratio stays at a safe rate which is under **40%**.

To reach these ambitious targets, BIC must provide effective strategies to approach new opportunities and overcome challenges in a more and more competitive market apart from taking advantage of strengths that have been built over the years.

BIC’s important missions for the year 2015:

- Maintaining/improving the credit ratings issued by A.M.Best;
- Completing the shares selling project to strategic foreign shareholders and raise the charter capital to **1,000 billion VND**;
- Completing the procedures to obtain direct capital transfer at CVI;
- Raising LVI’s charter capital to **5 million USD**;
- Completing the procedures to open BIC official representative office in Myanmar.

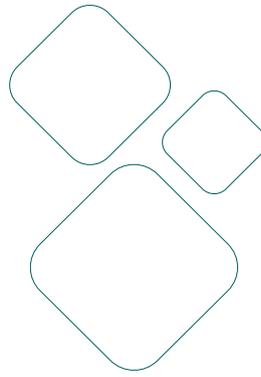
We would be honored to have you follow and support BIC in 2015. Together, we will achieve all the targets. Both BIC Board of Directors and I devote to work our best and cooperate with each other to welcome the 10th year – the year of further success.

We wish you health, happiness and success.

Respectfully,



Pham Quang Tung
Chairman



MESSAGE FROM CEO



Dear our valued Customers, Clients and Shareholders,

In 2014, although our country's recovery was slow and enterprises still confronted with tons of challenges, BIC made this year a successful year in various activities.

Regarding business performance of parent company BIC in 2014:

- Total premium revenue reached **1,116.447 billion VND**, increasing by **25.18%** compared to year 2013 which was equivalent to **111.6%** of 2014 annual plan. Of which, the direct premium revenue reached **991.163 billion VND**, an increase of **25.52%**.
- Profits before tax reached **111.026 billion VND**. This figure decreased by **2%** compared to year 2013, however, this year was the second year BIC made profits in insurance business during nine years of operation. This marked a crucial pedal for the following years.

Total premium revenue reached 1,116.447 billion VND, increasing by 25.18% compared to year 2013 which was equivalent to 111.6% of 2014 annual plan. Of which, the direct premium revenue reached 991.163 billion VND, an increase of 25.52%.

- Retail orientation brought back satisfying results which contributed more and more to BIC's total revenues. Retail product lines accounted for approximately **50%** the corporate total product lines. There was a strong growth in individual products that BIC focused on such as: Personal Insurance (**43.1%**), Motorcycle and Car Insurance (**17.2%**). Other retail channels such as Bancassurance, E-business, and Telesales developed rapidly and led the market trends.
- BIC's retained liability loss ratio was maintained at safe level of **37.78%**, which was lower than that in the previous year thanks to tight risk management methods.
- Engaging motivation programs and sales-bonus mechanism which promotes the motto "payment by efforts" motivated the competitive spirit among BIC staff. Unsurprisingly, many BIC subsidiaries reported impressive business performance and contributed significantly to the corporate success in 2014.
- In overseas, Lao-Viet Insurance Joint Venture Company (LVI) played as an evidence of BIC's overseas investment success. In 2014, LVI's total direct premium revenues reached 11.5 million USD, increasing by **28%** compared to that of 2013. This figure stood at the same level with other insurance companies in Vietnam. Profit before tax reached **1.36 million USD**, increasing by **82%** compared to that of 2013; of which, profit from insurance business reached **683,941 USD** - an impressive figure compared to the benchmark of this industry in Vietnam.

In addition to the mentioned business results, BIC marked many important milestones in 2014, specifically:

- Completing the issuance of **3.3 million** stocks for staff, following the ESOP and paid stock dividend at the dividend yield of **10%** for shareholders, increasing the charter capital to over **762 billion VND**.
- Achieving a financial strength rating of B+ (stable financial capacity) and the issuer credit rating of "bbb-" (company can maintain its ability to properly fulfill its financial commitments) issued by the world leading financial credit ratings A.M. Best.
- Transferring the LVI and CVI information technology systems to gather and administer data in Vietnam for tighten security, confidentiality and coherence in financial reports with BIC.
- Completing the establishment of three new subsidiaries (including BIC Cuu Long, BIC Lao Cai, BIC Tay Bac) which started to operate on Jan 1st, 2015.

- Winning prestigious awards such as: Vietnam Strong Brand award 2014, **Top 50** most effective listed companies in operations, **Top 500** enterprises with highest growth rate, and **Top 1000** companies paying highest taxes in Vietnam.

Furthermore, BIC business still had to confront with plenty of challenges:

- Threat of losing market shares as a result of focusing on profits, tightly controlling risks.
- Profit from insurance business still stayed low which issued higher pressure for financial investment activities. Therefore, it is a considerable challenge in 2015 to restructure financial investment portfolio in order to make this business more profitable as expected.
- Quality of pre-sales and post-sales (product consultancy and claim) needs further improvement to grow and especially, become an important pole for the corporate retail orientation.

Going into year 2015 - BIC's 10th year operation, BIC is directing towards constant growth, profitable insurance business, and profitability ratio becoming one of top 5 non-life insurance enterprises. In addition, there are other important objective to pursue including: remaining the current credit ratings issued by A.M. Best, completing the project of selling shares to BIC's foreign strategic clients, open BIC's representative office in Myanmar, and completing the capital transfer in CVI, etc. BIC needs the support and commitment from all 700 staff. Both BIC's Board of Management and I are committed to these goals. We have been preparing practical solutions such as policies, and development-fostering mechanism to develop BIC, continue to achieve proud results in the 10th year of operation. I hope that you can support and sail with us in this year.

With your support and BIC members' commitments, I believe that BIC will definitely obtain objectives in accordance with the business plan 2015. The Year 2015 will become another unforgettable and prideful year for BIC.

Best regards,

Tran Hoai An
CEO



- To become 1 in Top 5 of non-life insurance enterprises in the market in terms of equity, market share and profit.
- To develop BIC to a reputable insurance brand and one of the business pillars of BIDV financial group.

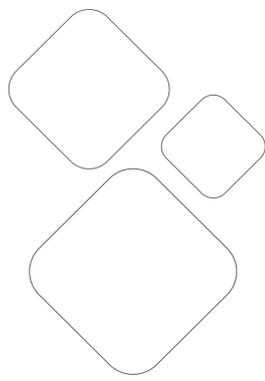
VISION

- For clients: providing clients with comprehensive solutions to manage financial risks.
- For employees: building a dynamic and effective working environment and a cohesive corporate culture to maximize personnel capability.
- For Shareholders: creating sustainable profit and value.
- For community: contributing to the development of Vietnam community.

MISSION

- Dedication to clients
- Trust
- Solidarity

CORE VALUE



9 NOTABLE EVENTS IN THE 10TH YEAR - 2014



THE 1st EVENT

Successfully accomplishing business plan 2014, and secured dividend payment for shareholders

Overcoming harsh conditions and fluctuations of the economy, BIC incredibly achieved objectives assigned by Annual General Meeting. Notably, BIC continued to make profit in insurance business with an impressive growth rate in the last 9 years' operation. BIC also paid dividends to shareholders in accordance with the plan approved in the Annual General Meeting.



THE 2nd EVENT

Reinforcing financial strength after two charter capital increases

In 2014, BIC issued 3.3 million stocks for its staff following ESOP and paid dividend at dividend yield of 10% for shareholders. After two issuances, BIC's charter capital raised from 600 billion VND to more than 762 billion VND.



THE 3rd EVENT

Rated B+ by A.M.Best Company

BIC was rated B+ (stable financial capacity) for financial strength and bbb- (company can maintain its ability to properly fulfill its financial commitments) for issuer credit issued by A.M.Best Company. The potentials for rating upgrades are 'Stable'.



THE 4th EVENT

Appointing new CEO

Pursuant to Ministry of Finance's approval, the Board of Directors of BIDV Insurance Corporation issued Decision No. 189/QĐ-HĐQT dated on October 31, 2014 appointing Mr. Tran Hoai An – BIC former Deputy General Director to hold the position of CEO since Nov 1st, 2014.



THE 5th EVENT

Establishing 3 new subsidiaries, increasing the number of subsidiaries to 25

On 27th Dec, 2014, Ministry of Finance issued Adjustment License No.11/GPĐC13/KDBH that approved BIC to establish 3 new wholly-owned subsidiaries, including: BIC Cuu long (located in My Tho city, Tien Giang province), BIC Lao Cai (located Lao Cai city, Lao Cai province) and BIC Tay Bac (Son La city, Son La province). In total, BIC has 25 subsidiaries in its network and more than 120 sales offices covering most material markets through the country.



THE 6th EVENT

Succeeding in overseas operations, contributing greatly to BIC performance.

Year 2014 marked the success of Lao - Viet Insurance Company (LVI) in Laos and proved the good performance of BIC's overseas investments. In the 7th year since the establishment of BIC, LVI contributed nearly 25% to the direct premium revenues and profits of BIC total business performance, making it the 2nd biggest insurance company in Laos regarding market share and profit. Additionally, Cambodia-Vietnam Insurance Plc (CVI) grew fast with revenues increasing by 30%, made profit in insurance business and held tightly on its leading position in aviation insurance sector.



THE 7th EVENT

Preparing for business expansion to Myanmar

In 2014, besides sustainable development in Laos and Cambodia markets, BIC surveyed Myanmar market to seek investment opportunities in this potential market. In January 2015, BIC had the approval from Ministry of Finance to establish representative office in Myanmar, setting stones for the birth of another future insurance company.



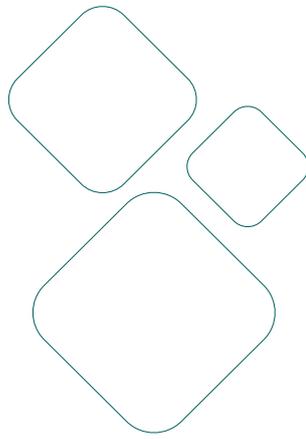
THE 8th EVENT

Focusing and diversifying retail channels including Bancassurance, E-business and Telesales

As a result of prioritizing retail, Year 2014 witnessed the fair growth of BIC's products and distribution channels for individual customers. The retail area contributed larger to the Corporation's profit from insurance business (50% for merely Motorcycle and car Insurance, Accident Insurance and Health Insurance products) Bancassurance grew by 15% and showed high expectation in new individual insurance products named BIC Bao An for business executives. E-Business grew impressively by 43%. Notably, since August 2014, BIC officially started Telesales insurance channel, adding a new channel to penetrate the rich retail markets.

THE 9th EVENT : BIC being granted various honorable awards

- Obtain Vietnam strong brand award 2014 voted by readers of Vietnam Economy Times
- Be recognized 1 of 50 most effective listed companies in operations in Vietnam by the Business Review journal and Thien Viet Securities
- Be named in the Rank of top 50 most-excellent-growing companies in Vietnam during 2009-2014
- Be recognized as 1 of 500 enterprises with highest growth rate and 1 of 1000 companies paying highest taxes in Vietnam
- Achieved highest leverage ratio ranking for insurance industry in "Enterprise performance evaluation program - by Vietnam Best Company".
- Be acknowledged as the leading company in BIDV's system. BIC's CEO is nominated as the executive of the year 2014



KEY PERFORMANCE INDICATORS OF 2014

■ Consolidated indicators

Unit: billion VND

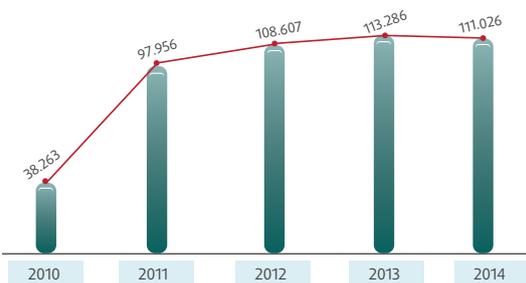
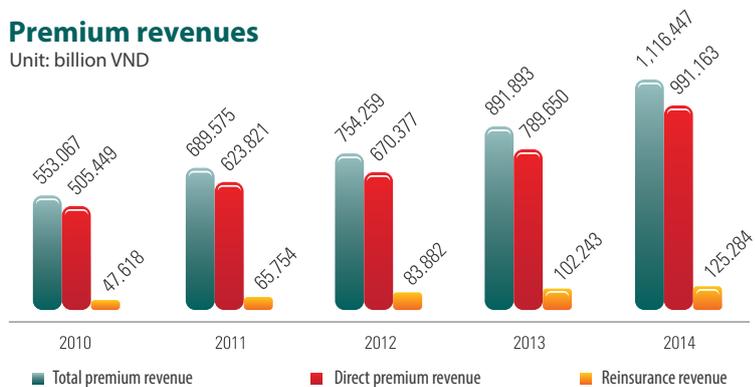
No.	Items	2013	2014
1	Total assets	2,516.780	3,066.760
2	Owners' equity	791,936	905,402
3	Total premium revenues	936,323	1,307.756
	Of which:		
	- Direct premium revenues	853,102	1,219.543
	- Reinsurance revenues	83,221	88.213
4	Profit from financial investment	145,510	148,881
5	Retained liability loss ratio	40.65%	36.24%
6	Profit before tax	125,593	138,019
7	Underwriting reserves	1,320.032	1,552.798
8	ROE (Profit after tax/Charter capital)	14.61%	14.08%
9	ROA (Profit after tax/Total Assets)	3.83%	3.50%

(*) Since Q3/2014, after completing the procedures to raise capital at Lao-Viet Insurance Joint Venture Company (LVI) to 65%, BIC officially issued its consolidated financial statements, including BIC and LVI performances.

■ BIC parent company indicators

Premium revenues

Unit: billion VND



Profit before tax

Unit: billion VND



— ROE (Profit after tax/Charter Capital)

— ROA (Profit after tax/Total Assets)

ROE, ROA (*)

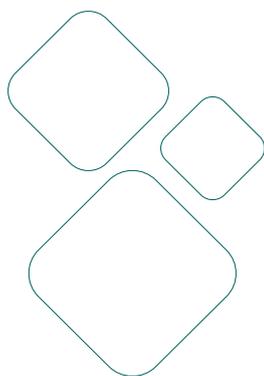


(*) These criteria didn't include the item share of profit of Lao - Viet Insurance Corporation



BICO *10 years of*
**COOPERATION
& SHARING**





ABOUT BIC



Official full name:

BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM INSURANCE JOINT STOCK COMPANY

Transaction name in Vietnamese: BIDV Insurance Corporation

Stock code: BIC

Charter capital: 762.299.820.000 VND

Head Office:

BIDV Insurance Corporation

16th Floor, Building A Vincom, 191 Ba Trieu Str., Hai Ba Trung Dist., Hanoi, Vietnam

Tel : (84-4) 22200282

Fax : (84-4) 22200281

Hotline : 1900 9456

Email : bic@bidv.com.vn

Website : www.bic.vn

www.baohiemtructuyen.com.vn

Company

Lao-Viet Insurance Joint Venture Company

Charter capital: 3 million VND

Office: Floor 3, LVB Building, Lanexang Avenue, Chathabouly ward, Vientiane, Lao People's Democratic Republic.

Scope of business: Non-life insurance, Reinsurance and other businesses in accordance with the laws of Lao People's Democratic Republic.

BIC's ownership at LVI: 65%

GENERAL INFORMATION

Bank for Investment and Development of Vietnam Insurance Joint Stock Corporation (BIC) was founded on the strategy to establish a financial corporation under BIDV brand name by buying Vietnam-Australia Insurance joint venture shares owned by QBE Insurance (Australia) (a foreign investment company established in Vietnam in 1999 and has been performed in Vietnam insurance market since then). The new Company adopted its new name as BIC since January 1st, 2006.

BIC is currently 1 of top 10 non-life insurance enterprises regarding market share of direct premium and 1 of the fastest-growing insurance enterprises in the market. BIC is also the first insurance enterprise whose network briefly covers the whole Indochina region. It is also the biggest shareholder (owns 65% shares) of Lao-Viet Insurance Joint Venture Company (LVI) and in the progress to be the direct ownership of Cambodia-Vietnam Insurance Company. Besides, BIC is preparing to enter Myanmar market with the first step of establishing its representative office in Myanmar in 2015.

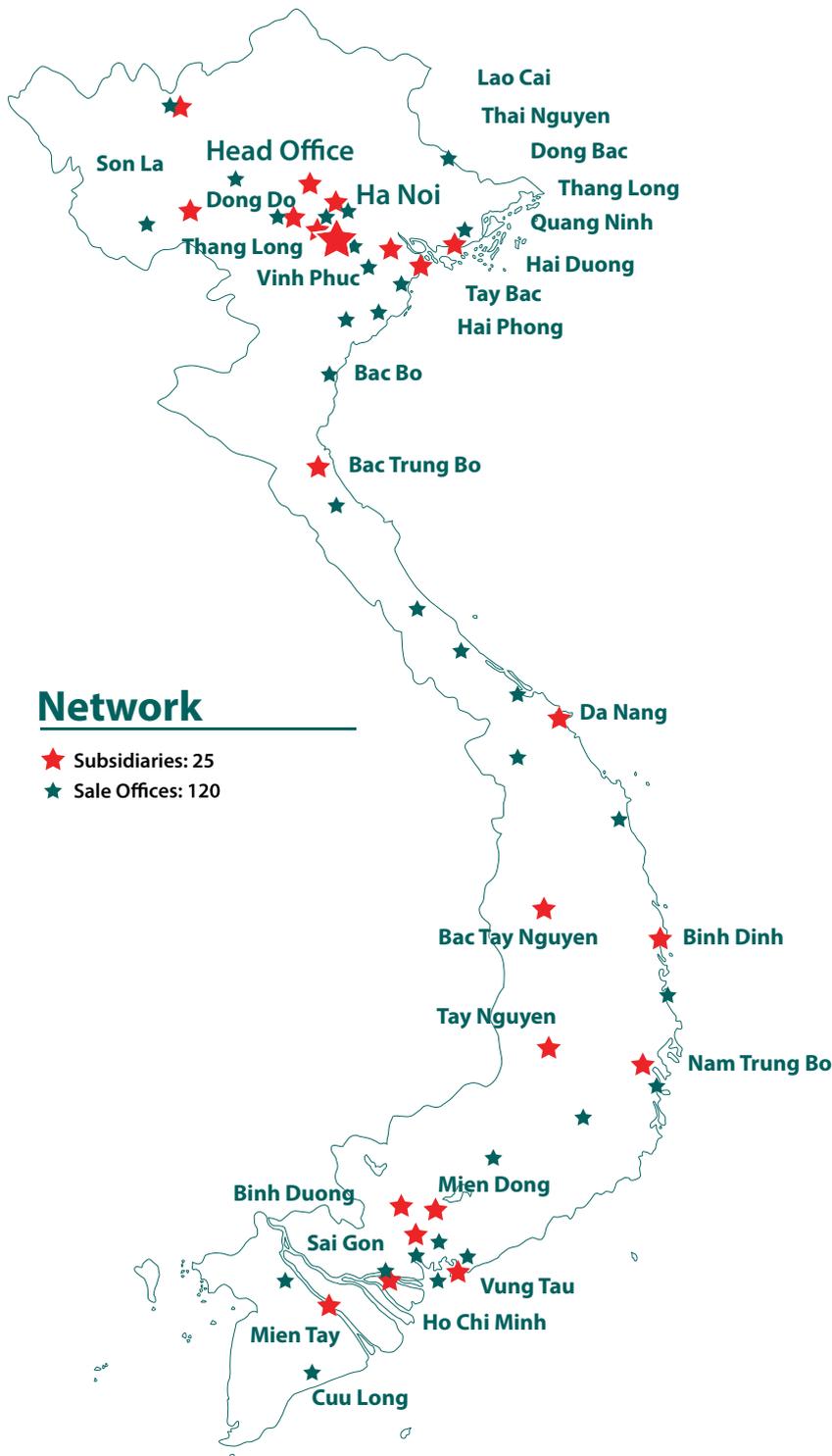
Since October 1st, 2014, BIC officially changed its business type to Joint stock Company and has listed its stock at Ho Chi Minh Stock Exchange (HOSE) under the security symbol BIC since September 6th, 2011.

Up to now, BIC has nearly 700 staff serving customers and clients at 25 subsidiaries, 120 sales offices and over 1,500 insurance agencies nationwide.

HISTORY OF DEVELOPMENT



BUSINESS SCOPE AND NETWORK



BUSINESS SCOPE

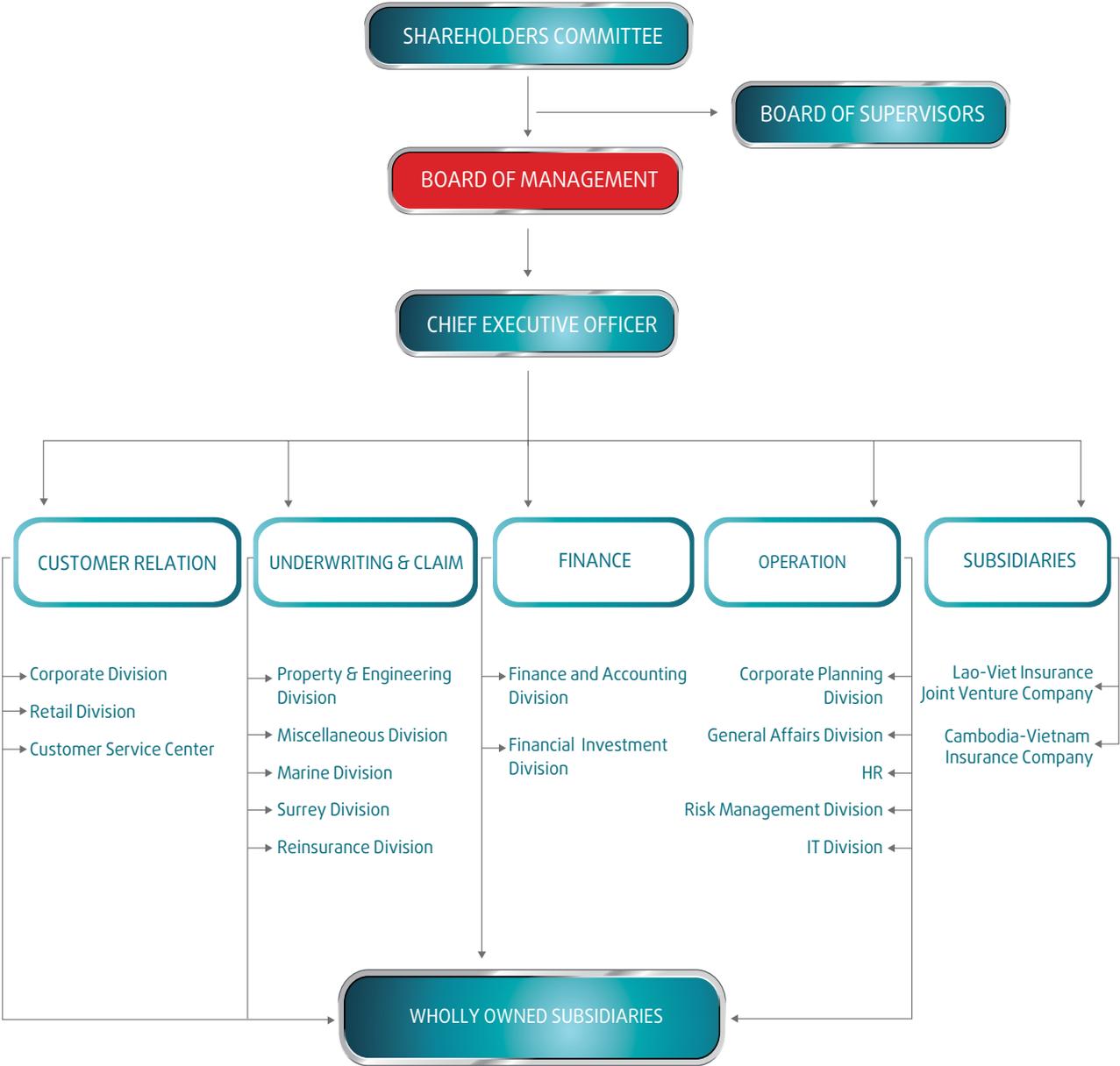
BIDV Insurance Corporation operates in accordance with Business Registration Certificate No.11GP/KDBH and Permit Adjustment No. 11/GPDC13/KDBH issued by Ministry of Financy respectively on 10th April 2006 and on 27th Dec, 2014.

BIC provides Non-life Insuranceee – Reinsurance – Financial Investment services.

BUSINESS NETWORK

- ◆ BIC currently has 25 subsidiaries and 120 sales offices nationwide
- ◆ Over 1,500 insurance agencies providing diversified non-life insurance products, and services to customers.
- ◆ BIC provides over 100 non-life insurance products in personal insurance – property insurance – liability insurance areas

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS OF THE 2010 – 2015 TENURE

Chairman: Mr. Pham Quang Tung

- Member: **Ms. Nguyen Thi Thanh Van**
- Member: **Mr. Ton Lam Tung**
- Member: **Mr. Le Ngoc Lam**
- Independent Member: **Ms. Dang Thi Hong Phuong**

BOARD OF DIRECTORS OF THE 2015 – 2020 TENURE



Mr. Pham Quang Tung
Chairman

- 2011 - Present: Deputy General Director of BIDV, Chairman of BIDV Insurance Corporation, Chairman of BIDV MetLife Insurance LLC.
- 2010 - 2011: Chairman and CEO of BIDV Insurance Corporation
- 2006 - 2010: Director of BIDV Insurance Corporation



Mr. Tran Hoai An
Member

- 11/2014 – Present: CEO of BIDV Insurance Corporation
- 04/2013 – 10/2014: Deputy General Director of BIDV Insurance Corporation cum Director of BIDV Ho Chi Minh Insurance Company
- 01/2011 – 03/2013: Director of BIDV Ho Chi Minh Insurance Company
- 06/2009 – 12/2010: Deputy Director, then Director of BIDV Binh Dinh Insurance Company



Mr. Vo Hoai Nam
Member

- 4/2013 - Present: Director of Credit Risk Management Division of BIDV
- 3/2012 – T4/2013: Director of Director of Corporate Division of BIDV
- 12/2008-T3/2012: Director of Thanh Xuan Branch of BIDV
- 2005 – 2008: Deputy Director of Transaction 3 Branch of BIDV.



Ms. Nguyen Thi Quynh Giao
Member

- T4/2012 – Present: Director of Retail Banking Division of BIDV
- T1/2010-T3/2012: Deputy Director of Transaction 1 Branch of BIDV
- T8/2009-T6/2010: Director of Transaction 1 Dept., Transaction 1 Branch of BIDV
- T8/2008-T8/2009: Manager of Customer Relation 1 Dept., Transaction 1 Branch of BIDV



Ms. Dang Thi Hong Phuong
Independent member

- 2011 – Present: Director of An Binh Fund Management JSC
- 2007 - 2010: Director of SSI
- 2006 – 2007: Director of Investment Fund Management Company, Vietnam Insurance Corporation (Bao Viet)

At the BIC's 2015 Annual Shareholders Meeting held on April 20, 2015, Mr. Tran Hoai An, Mr. Vo Hoai Nam and Ms. Nguyen Thi Quynh Giao was elected as the members of the BIC's Board of Directors (BOD) for the 2015 - 2020 tenure. Mr. Pham Quang Tung has continued to be appointed as Chairman and Dang Thi Hong Phuong has been an independent member of the BIC's BOD for the 2015-2020 tenure.

Also, Mr. Ton Lam Tung, Ms. Nguyen Thi Thanh Van and Mr. Le Ngoc Lam had been resigned as the members of the BIC's BOD since April 20, 2015.

BOARD OF SUPERVISORS



Mr. Cao Cu Tri
Chief

- 2009 – Present: Member of Board of Supervisors of BIDV
- 2002 – 2009: Deputy Director of BIDV Transaction Center III, Deputy Head of Board of Supervisors of BIDV
- 1997 – 2002: Worked at Vietnam State Bank



Mr. Nguyen Trung Kien
Member

- 2011 - Present: Deputy Director of BIDV Accounting Division
- 1999 – 2010: Held various positions in Banking modernization and settlement system project unit, SIBS management and expansion unit, Accounting Division, BIDV Quang Trung Branch



Mr. Nguyen Thanh Cong
Member

Present: Deputy Director of Accounting Division, Vietnam National Reinsurance Joint Stock Corporation (VINARE)

BOARD OF MANAGEMENT



Mr. Tran Hoai An
Chief Executive Officer (CEO)

- 11/2014 – Present: CEO of BIDV Insurance Corporation
- 04/2013 – 10/2014: Deputy General Director of BIDV Insurance Corporation cum Director of BIDV Ho Chi Minh Insurance Company
- 01/2011 – 03/2013: Director of BIDV Ho Chi Minh Insurance Company
- 06/2009 – 12/2010: Deputy Director, then Director of BIDV Binh Dinh Insurance Company
- 10/1995 – 05/2009: Worked at Customs in Binh Dinh province



Ms. Doan Thi Thu Huyen
Chief Operation Officer (COO)

- 05/2012 – Present: COO of BIDV Insurance Corporation
- 06/2011 – 04/2012: Deputy Director of BIDV Human Resources Division
- 03/1996 – 05/2011: Worked at BIDV System and held positions including Deputy Manager, Manager of HR Department, BIDV HR Division.



Mr. Tran Trung Tinh
Chief Underwriting Officer (CUO)

- 10/2010 – Present: CUO of BIDV Insurance Corporation
- 05/2007- 05/2009: Deputy Director of Bao Minh Insurance Company, Hanoi branch
- 08/1996 – 04/2005: worked at Bao Minh Insurance Company, Hanoi branch in following positions: Head of Property-technical Insurance Department, Vice manager of Technical Property Insurance Department, Manager and CEO assistant in foreign affairs.



Mr. Vu Minh Hai
Chief Marketing Officer (CMO)

- 04/2012 – Present: CMO of BIDV Insurance Corporation.
- 03/2009 – 04/2012: CEO of Lao-Viet Insurance Joint Venture Company
- 06/2007- 03/2009: worked at BIDV Insurance Company and held the following positions: Head of Survey and Claim Department and Deputy Director of BIDV Insurance Company, Tay Ha Noi branch, Vice Manager of Survey and Claim Department
- 02/2000 – 05/2007: Worked at PJICO Insurance Company



Mr. Pham Duc Hau
Deputy General Director

- 03/2015 – Present: Deputy General Director of BIDV Insurance Corporation cum CEO of Lao-Viet Insurance Joint Venture Company (LVI)
- 04/2012 – 02/2015: CEO of LVI
- 10/2010 – 03/2012: worked at BIDV Insurance Corporation and held the following positions: Deputy Director of Corporate Division, Deputy Director of BIC Thang Long, and Head of Corporate Client Department
- 07/2006 – 10/2010: Deputy Manager of Project Department, employee at Technical Property Department, Project Department of BIDV Insurance Company

BUSINESS ORIENTATIONS



- ➔ Market share: Top 5 of leading non-life insurance companies
- ➔ Business model: Reinforcing and restructuring towards BIC Holdings model
- ➔ Leading in business performance with minimum ROE of 14%.
- ➔ Maintaining the leading position of LVI in the Laos market, and supporting CVI reach top 3 biggest insurance companies in Cambodia. Implementing effectively insurance business in Myanmar.

BIC

BIC's business objectives during 2015 -2025

- Maintaining the average growth rate at 15% per year, and higher than the market benchmarks by 5%.
- Keeping claim rate under 40%
- Maintaining the ROE above 10% for period of 2015 - 2020

LVI

LVI's business objectives during 2015 -2025

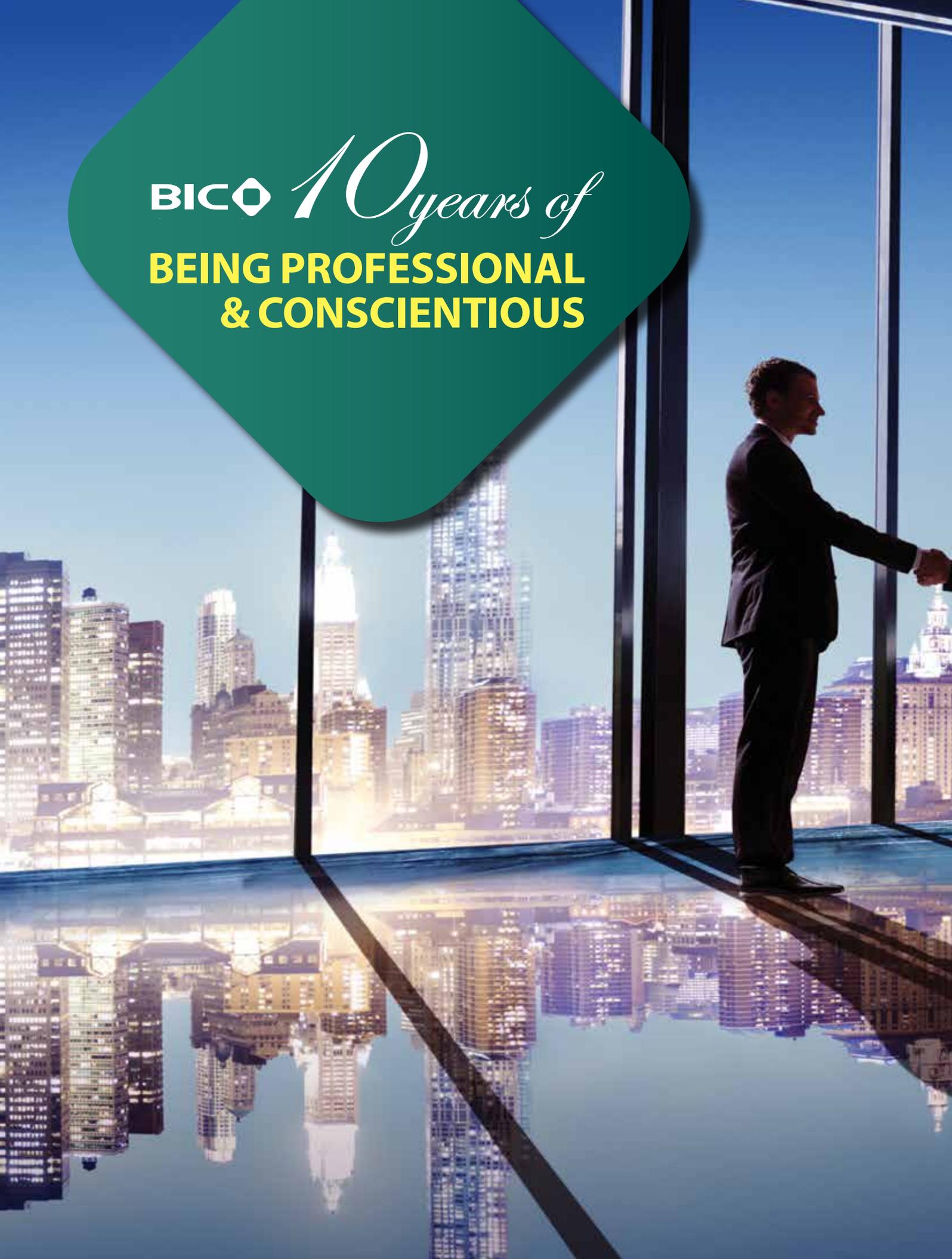
- Maintaining the average growth rate over 20% per year
- Keeping claim rate under 40%
- Maintaining the ROE above 15%
- Strengthening its position as 2nd market leading company in the market, and narrowing the gap with the first lead

CVI

CVI's business objectives during 2015 -2025

- Maintaining the average growth rate above 20% per year.
- Striving for the 3rd biggest company in the insurance market in Cambodia in 2020.
- Maintaining the average ROE at 6% per year.

BICO *10 years of*
**BEING PROFESSIONAL
& CONSCIENTIOUS**



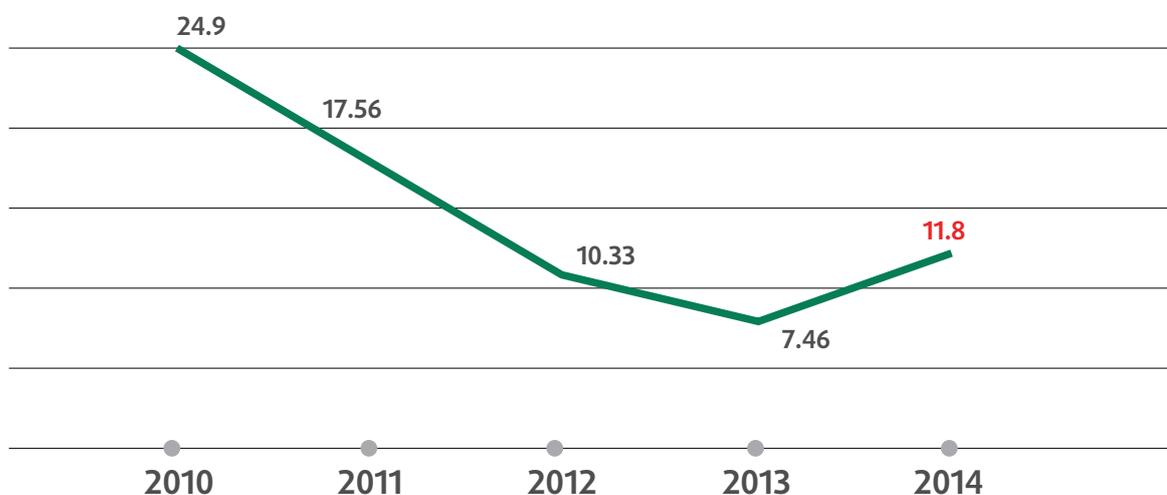


BUSINESS PERFORMANCE

IN 2014

Along with the recovering of the economy, the non-life insurance market witnessed the year of 2014 with positive results. After four consecutive years of declining growth rate, the non-life insurance market enjoyed a two-digit growth rate. According to the Association of Vietnamese Insurers, the total premium revenue of the market was about 27,346 billion VND, increasing by 11.8% in comparison with 2013.

Growth rate of non-insurance market (%)

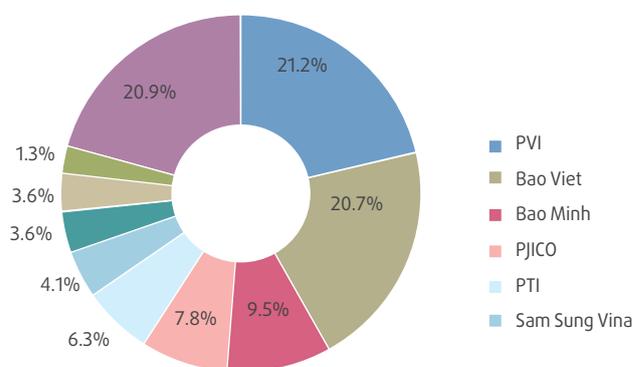
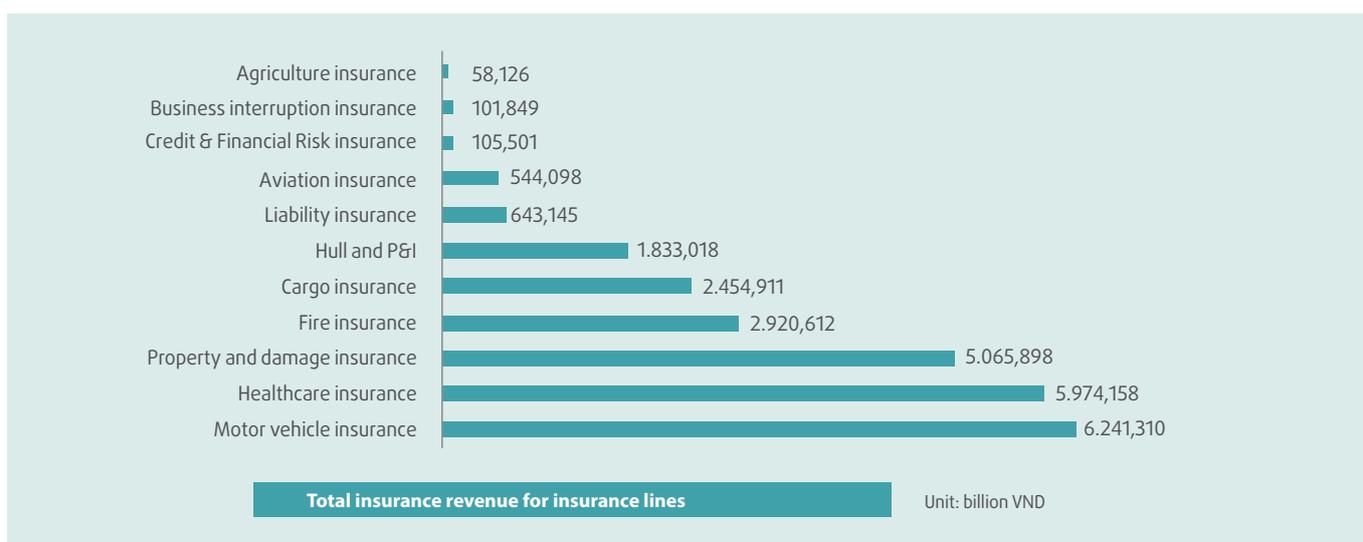


OVERVIEW OF NON-LIFE INSURANCE MARKET IN 2014 AND OUT-LOOK FOR 2015

OVERVIEW OF VIETNAM NON-LIFE INSURANCE MARKET IN 2014

In 2014, the non-life insurance market witnessed optimistic changes:

- Insurance companies focused on restructuring activities, especially M&A activities (Merge and Acquisition) drastically increased in terms of the number and volume of transactions compared to previous years.
- Insurance companies enhanced the insurance fraud prevention by strengthening the business supervising, improving the skills of staffs, reinforcing the cooperation and information exchange among insurance companies...
- Legal environment was gradually improved with the promulgation of new decrees and circulars: Decree No 91/2014/ND-CP providing advantageous amendments on taxes, Circular No 125/2012/TT-BTC improving the state management in insurance business...
- Although the revenue growth rate of the market was not as high as that in the golden growth period, the fact that it came back to a two-digit number which was a good sign for the recovery of the market in the future.



Market share chart of non-life insurance in 2014

Besides these encouraging changes, the non-life insurance market in 2014 still had its own problems:

- The non-technical competition such as reducing the premium (inconsistently with insurance liability), expanding contract terms and contract options, increasing other external expenses... was still happening.
- Saving interest rate and decreasing government bond yield rate despite the high operation cost had negative effects on the profits of insurance companies, which had already been low in recent years.
- The unexpected uprisings in Ha Tinh, Binh Duong, Dong Nai caused a damage of approximately 2,500 billion VND for 27/29 insurance companies. This was a significant factor affecting the business results of insurers.

Although there were still many challenges for insurance companies, 2014 was still a successful year for the insurance industry in general and non-life insurance in particular. It revealed the growth and the development of core business operations of insurance companies, and also recognized the rising role of insurance industry. With these business results and ambitious plans of insurance companies, the improvement of mechanisms and policies, the support of authorized agencies, BIC believes in a prospective outlook in 2015 and the following years.

MARKET FORECAST IN 2015

According to the orientation of Ministry of Finance, the insurance market will be encouraged to expand to meet the demand of the economy; enhance the financial capacity and business performance of insurance companies to compete with foreign companies and join international integrate. In 2015, the goal is to maintain stably the growth rate of the whole industry at 12-15% per year. The main tasks are:

- Improving the transparency, enhancing the requirements of giving business establishment license, strengthening the financial capacity and business management of insurance companies.
- Continuing to improve the mechanism and policies to meet the demand of insurance of the economy, encourage individuals and organization to participate in insurance activities as a kind of financial self-protection.
- Developing the insurance market effectively and sustainably, reinforcing the ability of insurers to meet insurance demand of corporate and individuals and to contribute to the sustainable development of the economy.
- In accompany with strict rules of authorities, in 2015 when the economy is predicted to recover strongly, BIC believes in a successful year for the non-life insurance market at a better growth rate for the following reasons:
 - The finalization of Trans-Pacific Partnership will have a great impact on financial and banking sector, which is highly correlated with the insurance market.
 - Stock market is forecasted to be bullish in 2015, creating opportunities for insurance companies to diversify their investment portfolios and increase their profitability.
 - Insurance companies will continue to focus on attracting more individual clients to build a sustainable client base and optimize revenue from them.
 - The insurance market will grow sustainably towards the better performance of insurers. Enterprises will focus more on profit indicators than revenue, and explore more sophisticated strategies to develop sustainably.
 - Circular No.194/2014/TT-BTC business issued by Ministry of Finance amending and supplementing a number of articles in Circular No.124 and Circular No.125 on insurance will take effect from the beginning of year 2015. This circular forces insurance companies, particularly non-life insurance companies, to complete rapidly the procedures to manage customers, control broker agencies, and assess claims... These new regulations and policies will force insurance companies to operate more transparently and healthily. Furthermore, according to the regulations in Circular 195/2014/TT-BTC guiding on assessing and ranking insurers, in case one company records loss in two consecutive fiscal years, the non-life insurance company shall report directly to the Ministry of Finance its situation, reasons, and threats; and it shall follow solutions proposed by the Ministry of Finance. These strict rules will help companies operate more effectively.

BUSINESS PERFORMANCE OF BIC IN 2014

INSURANCE ACTIVITIES

Although 2014 was a hard year for the whole insurance market, BIC still managed to achieve satisfactory results and reached all the targets planned thanks to effective business solutions.

Consolidated business performance

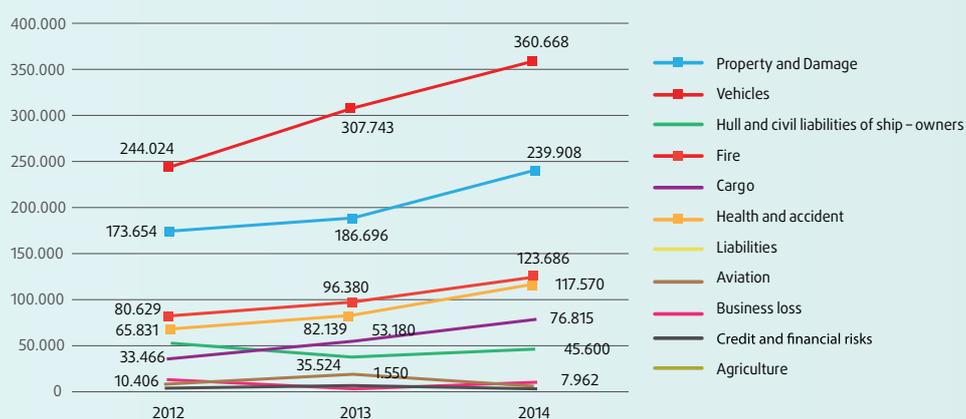
This is the second year that parent company BIC and Lao-Viet Insurance Company (LVI) consolidated business performance. BIC's great efforts and determinations together with LVI's significant growth in overseas brought positive business results:

- Total consolidated insurance premium of Cooperation reached **1,307.756 billion VND**, increasing by **39.67%** compared to 2013. Of which, direct insurance premium was **1,219.543 billion VND**, and the reinsurance premium is **88.213 billion VND**
- Net consolidated profit before tax reached **138.019 billion VND**, increasing by **10%** compared to 2013.
- Total consolidated assets were **3,066.760 billion VND**, a growth of **21.85%** compared to 2013.
- Consolidated equities reached **905,402 billion VND**, increasing by **14.33%** compared to 2013.
- Total consolidated underwriting reserves were **1,552.798 billion VND**, growing by **17.63%** compared to 2013.

Business performance of parent company

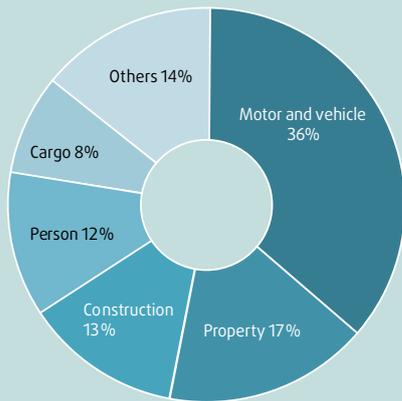
Revenue growth:

Total insurance premium of BIC (before consolidating) in 2014 was **1,116.447 billion VND**, increasing by **25.18%** compared to 2013, accomplished **111.6%** of the year plan, of which direct insurance premium was **991.163 billion VND**, increasing by **25.52%** - the highest growth of BIC in the history of nine years' operation, and reinsurance premium reached **125.284 billion VND**, increasing by **22.54%**.



Revenue of insurance lines

Unit: billion VND



Composition of insurance lines

By applying effectively appropriate measures, most of BIC's insurance product lines increased dramatically. Thanks to the government's priority in building and developing infrastructure, many construction projects have been restarted. Moreover, BIC members actively deployed high-revenue services, thus, the insurance line "Property and damage" saw a growth rate of 24.2%, 10.5% greater than the average rate of the market.

At the same time, the recovery of the economy and the thriving of import-export activities provided good conditions for BIC's marine insurance products to have better growth rate: Cargo insurance increased by 44.42%, Hull insurance and Insurance for civil liabilities of ship - owners increased by 28.36%

Meanwhile, the retail market witnessed a severe competition among insurance companies, especially in the vehicle insurance and personal insurance. With proper measures to

promote retail strongly, these business lines of BIC grew very well and contributed greatly to the total premium: Personal insurance grew at 43.14%, Motorcycle and car insurance: 17.2%.

Profit

Net profit before tax of BIC (before consolidating) reached 111.026 billion VND, decreasing by 2% compared to 2013

This resulted from the decline in financial investment. In 2014, the profit from financial investment of BIC reached 109.835 billion VND, falling by 7.4% in comparison with 2013. This was due to the decrease in savings interest rate in 2014, influencing on the yield of deposits which accounted for the highest proportion in BIC's investment portfolio allocation.

However, thanks to endeavors in cost saving, retained liability loss ratio reduction, liabilities management... In 2014, BIC still gained profit from insurance activities. More specifically, net operating income from insurance of BIC reached 3.123 billion VND. This is the 2nd year that BIC have a positive net operating income, which made a favorable condition for the following years.

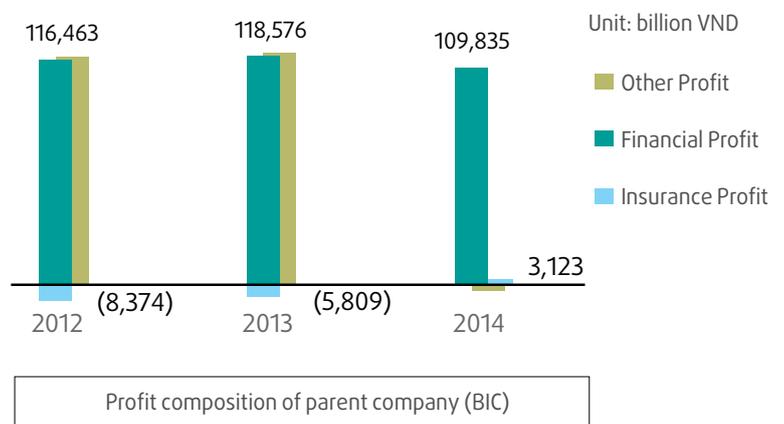
A comprehensive overview of assets and capital

A comprehensive overview of assets and capital

Total assets of parent company as of December 31st, 2014 are 2,386.373 billion VND, an increase of 25.87% compared to 2013.

Total owner's equity of parent company in 2014 is 878.091 billion VND, an increase of 12.87% compared to 2013.

Total underwriting reserves are 1,097.430 billion VND, an increase of 30.8% compared to 2013, which affirms that BIC's solvency ability is always maintained strong and ready for paying any huge losses that may occur.



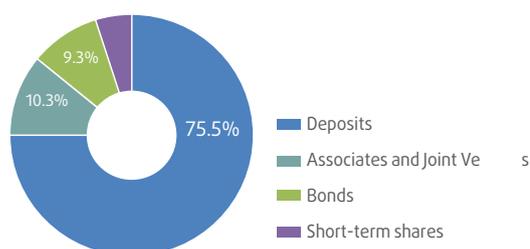
FINANCIAL INVESTMENT ACTIVITIES

BIC'S INVESTMENT PORTFOLIO

Unit: billion VND

No.	Item	2012		2013		2014	
		Amount	Proportion	Amount	Proportion	Amount	Proportion
I	Short-term investments	900.090	78.05%	1,000.717	80.42%	1,126.993	80.43%
1	Listed shares	35.349	3.07%	50.169	4.03%	67.188	4.80%
2	OTC	34.710	3.01%	5.438	0.44%	5.438	0.39%
3	Deposits	815.828	70.74%	901.000	72.41%	1,057.500	75.47%
4	Short - term corporate bonds	27.000	2.34%	44.900	3.61%	-	0.00%
5	Provision for devaluation of stock	(12.797)	(1.11%)	(790)	(0.06%)	(3.133)	(0.22%)
II	Long-term investments	253.133	21.95%	243.613	19.58%	274.192	19.57%
1	Unlisted long-term bonds	170.146	14.75%	150.146	12.07%	130.000	9.28%
2	Investment into joint venture	23.837	2.07%	34.660	2.79%	34.660	2.47%
3	Provision for devaluation of stock	76.090	6.60%	76.090	6.11%	126.090	9.00%
4	Provision for devaluation of stock	(16.940)	(1.47%)	(17.283)	(1.39%)	(16.558)	(1.18%)
Total		1,153.223	100%	1,244.330	100%	1,401.185	100%

The total amount of investment portfolio of BIC in 2014 is 1,401.185 billion VND, increasing by 12.6% compared to 2013.



Investment portfolio allocation in 2014



Portfolio value increase over the years

Unit: Billion VND

Under our principles of safe and effective investment, deposits continue to account for the highest proportion in BIC's investment portfolio in 2014 (75.5%), followed by equity and joint venture investments (10.3%), bonds (9.3%), and short-term stock investment (5.0%).

The revenue generated from investment activities in 2014 was 109.835 billion VND, a decrease of 7.4% compared to 2013, primarily due to a 10% decrease in saving accounts activities compared to last year. Particularly, as the stock market shows sign of recovery, revenues from stock investment and equity investment saw a huge increase (159.5%), resulting in a profit of 19.228 billion VND..

PERFORMANCE OF FINANCIAL INVESTMENT ACTIVITIES OF BIC Unit: billion VND

Item	2013	2014	Changes	
			Amount	Proportion
Deposits	87.336	78.573	(8.763)	(10.0%)
Bonds	24.982	16.409	(8.573)	(34.3%)
Stock, equity investment	7.410	19.228	11.818	159.5%
Profit/loss from FOREX	(0.248)	(4.051)	(3.803)	1,533.5%
Others	(0.904)	(0.324)	0.580	(64.2%)
Total	118.576	109.835	(8.741)	(7.4%)

BUSINESS ACTIVITIES PERFORMANCE IN OVERSEAS

LAO - VIET INSURANCE JOINT VENTURE COMPANY (LVI)



LVI was founded and officially went in operation in 2008 with 03 partners in the joint venture including BIDV Insurance Corporation (BIC), Banque Pour Le Commerce Exterieur Lao Public (BCEL) and Lao Viet Bank (Lao Viet Bank). During the 7 years of operation, LVI had rapid development in both HR section as well as a branch network throughout Laos. With the strategy emphasizing on sustainable and efficient development, LVI is currently one of the two market-leading insurance companies in Laos's insurance market in term of revenue, market share, branding...

By the end of 2014, LVI has two largest shareholders including BIDV Insurance Corporation (BIC) owning 65% shares and Banque Pour Le Commerce Exterieur Lao Public (BCEL) owning 35% shares.

BUSINESS PERFORMANCE OF LVI IN 2014

In 2014, the Laos's economy suffered from a great number of hardships and difficulties, slow growth rate, high inflation rate, business activities showing sign of slowdown... These aforementioned factors directly affect the Laos's insurance market in general and insurance companies in particularly. However, overcoming these challenges, LVI achieved promising business performance:

- Premium insurance revenue reached 11,548,077 USD, an increase of 27% compared to 2013.
- Retained liability loss ratio had a significant decrease in 2014, falling down to 23.16% compared to 37% of 2013.
- The total profit before tax in 2014 reached 1,364,945 USD, a growth of 82% compared to 2013. In which, revenue from insurance business activities was 683,941 USD, a remarkable number considering the average revenue of insurance business in Vietnam.
- Total assets as of December 31, 2014 were 39,484,562 USD, an increase of 16% compared to December 31, 2013.
- Owners' equity was 4,880,062 USD, an increase of 26% compared to December 31, 2013
- Total underwriting reserves amounted to 24,880,970 USD, an increase of 2% compared to December 31, 2013.
- ROE increased significantly to 23.76%, compared to 2013.

OTHER BUSINESS PERFORMANCE

- Financial management: Good practices of budget control and cost saving made an important contribution to the business performance of LVI.
- Business management: Completing the evaluation on business performance of products and product groups helped determine the strong-performing products and product groups to promote investment. Evaluation, classification and risk management were implemented properly during deploying process.
- Advertising and branding: LVI's brand has appeared in almost every city and province in Laos. LVI also usually promoted itself in newspapers, on television, and especially, its brand identity appeared on every domestic and international flight of Lao Airlines. Currently, LVI has become a popular insurance brand in Laos.
- Other cross-selling activities: LVI has deployed nearly 120 Bancassurance retailers by signing cooperation contracts with LVB, APB, STBanks, Indochina Bank.

ORIENTED ACTIVITIES IN 2015

- Following the successes of 2014, LVI will try to achieve the following business objectives in 2015:
- Total premium insurance revenue achieves 14.5 million USD.
- Net income before tax achieves 1.6 million USD.

Additionally, LVI will continue to consolidate its business structure through the opening of Pakse branch, Online insurance service department, and Customer service center; appointing an Deputy General Director; increasing charter capital to 5 million USD, and supplementing one shareholder which is Association of Vietnam Investors in Laos (AVIL) to provide insurance services to Vietnamese companies and individuals investing in Laos.



Your belief, our responsibility

CAMBODIA – VIETNAM INSURANCE COMPANY (CVI)

CVI is the seventh non-life insurance company operating in Cambodia, established and developed on the foundation of 58 years operation in the finance – banking field of BIDV and 10 years' experience in insurance market of BIDV – QBE Joint venture and BIC in Vietnam and Laos market.

The founding shareholders of CVI consist of IDCC (100% owned by BIDV), Kasimex and NH Holdings. Going in operation since September 2009, CVI operates in the field of non-life insurance, reinsurance, risk management and investment. Currently, CVI is under the management and

supervising of BIC. As planned, BIC will complete the transfer of IDCC's shares procedure to take the controlling interests of CVI in 2015.

CVI aims to become one of the market-leading companies in the Cambodia non-life insurance market, to contribute to the development and prosperity of Cambodia's economy, as well as, to strengthen the ties of longtime friendship between the two countries Vietnam and Cambodia.

BUSINESS PERFORMANCE OF CVI IN 2014

- Premium insurance revenue of CVI in 2014 achieved 4,364,716 USD, a growth rate of 36% compared to 2013, fulfilling 100.7% of the plan for 2014.
- Retained liability loss ratio was controlled effectively at 17.6%, far lower than planned (35%). The claim settlement speed was gradually improved.
- Net profit before tax in 2014 is 431,013 USD, an increase of 19.4% compared to 2013. In particularly, CVI earned profits from the insurance business activities with net profit of 51,526 USD.
- Total assets as of December 31, 2014 were 9,317,017 USD, an increase of 5.9% compared to those as of December 31, 2013.
- Owner's equity achieved 7,303,778 USD, a mild decrease of 1.6% compared to those as of December 31, 2013.
- Total underwriting reserves were 318,828 USD, an increase of 35.3% compared to those as of December 31, 2013.

OTHER BUSINESS PERFORMANCE

- Financial management: CVI has good practices of budget controls and cost saving which made an important contribution to the business performance in 2014.
- Business management and service development: Business management and risk management were enhanced considerably which contributed to developing and ensuring safe and efficient business activities.
- Advertising and Branding: CVI performed many activities to promote brand in Cambodia by Social welfares, advertising, organizing seminars, insurance consultancy for Cambodian customers and authorities. Thus, CVI's brand and image became popular and well-known in Cambodia.

BUSINESS ORIENTATION IN 2015

- Insurance market: CVI continued to maintain its leading position in the high income business group such as airlines insurance and, promote the development in agricultural insurance group (industrial plant, livestock insurance) with its potential customers being Vietnam investors and customers of Canadia Bank, BIDC.
- Product distribution channel: CVI focused on developing the distribution system, especially Bancassurance channel through the banks such as Canadia Bank, BIDC, CP Bank, Sacombank and other smaller financial institutions. Additionally, it also concentrated on the development of travel insurance group by co-operating with airlines such as Cambodia Angkor Air, Cambodia Bayon, Sky Angkor, Aspara Airlines to include the sale of insurance in the airlines tickets prices.
- Branding: CVI continued to promote marketing and brand development as well as other improvements to the quality of customer services to individuals, organizations, small and medium enterprises customer.

BIC'S ACHIEVEMENT'S IN 2014

Enhancing the corporate governance and approaching international standards

Determining the corporate governance being a key factor of a sustainable and effective development, BIDV Insurance Corporation had developed a corporate governance system on the basis of complying with Vietnamese laws while approaching international standards.

The governance structure of BIC includes a complete system of entities of a listed company (Shareholder Committee, Board of Directors, Board of Supervisors and Board of Management) in compliance with provisions of law and governance regulations of a public company in Vietnam. The governance model is built upon the application of other advanced models the world, with appropriate adjustment to better fit into Vietnamese environment.



In 2014, BIC had focused on several activities to increase the corporate governance capability, such as:

- Management structure: BIC had constantly reviewed and refined its management model, executive structure to better adapt to the actual business situation, and enhance, improve labor capacity.
 - Information transparency: 2014 is the first year BIC started reporting Financial statement in accordance to 2 accounting standards: Vietnam Accounting Standards (VAS) and International Financial Reporting Standards (IFRS). It not only provides information to the domestic investors but also aims toward the foreign investors, and through this, accelerates the procedure of searching for strategic investors. BIC also strictly reported on the corporate governance and disclosed these information in accordance to the regulations of law applicable for public companies. Information regarding BIC's business activities in Vietnam and overseas is adequately and promptly updated at the website address of www.bic.vn and other mass medias channels so customers and investors can easily access or refer to.
 - Training programs: Members of the Board of Directors and Board of Supervisors of BIC have participated in many training programs on the issue of corporate governance held by State Securities Commission as well as other acclaim, reputable seminars in and outside Vietnam. With that foundation, BIC had continually improved its governance strength in order to ensure a sustainable operation and development the Corporation.
- ◆ **Branches network expansion and customer service improvement**

In 2014, BIC continued to expand its business toward the ensuring of quality and efficiency and closely following potential key areas. To achieve this orientation, BIC had prepared the necessary conditions for expanding the branches network of Sales offices, responded to the growth requirements and enhancement of the quality of

customer service, and planned to increase its presence in key areas. In late 2014, Ministry of Finance has issued a written approval for BIC to establish 03 new subsidiaries which are BIC West North, BIC Lao Cai and BIC Cuu Long, effectively expanding BIC's branches network to 25 subsidiaries and over 120 sales offices over the country.

Also in 2014, BIC had organized many task forces to Republic of the Union of Myanmar, to meet the Government agencies and domestic insurance companies for surveying and exploring investment opportunities in this country. Currently, BIC was allowed by the Ministry of Finance to open a representative office in Myanmar in 2015.

➤ Number of Branches/ Subsidiaries and Sales offices

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Branches/ Subsidiaries	9	12	14	19	19	21	21	22	25
Sales office	8	37	47	56	74	91	94	104	120

Along with expanding branches network, enhancing the quality of customer service is also considered one of the important condition of the improvement of products, in order to better meet the requirements of the customers.

BIC continued to focus on the customer satisfaction surveys. In 2014, BIC had surveyed over 14,400 customers who received claim settlement. 82.32% of the customers felt satisfied and very satisfied with the quality of the claim settlement of BIC.

Starting from July 1, 2014, BIC officially implemented the 24/7 hotline number of 1900 9456. Through this system, BIC had received and responded over 17,600 calls from customers; effectively supported the customers in solving complaints, recording losses as well as consulting and guiding the customers to help them order appropriate insurance products in the most convenient and fastest way.

BIC continued to improve and complete the SMS messages system branded "Bao hiem BIC" for uses in supports the customers on the following activities: sending new year greeting messages, announcing customer care and gifts programs, alerting the customers of possible storms and flooding to minimize losses... In particular, BIC has completed the automation of the system to better serve the needs of customer services in 2014.

In 2015, BIC will continue pushing forward the customer service to meet the following objectives:

- Strengthening the management and the supervising of the insurance renewal, ensuring the average of renewal rate is above 70% system-wide in 2015;
- Ensuring the handling rate of customer call at Call Center network is above 95%;
- Ensuring the ratio of the customers who received support call after finishing claim settlement on vehicles and life insurance with value above 1 million VND is at least 90%.

➤ DEVELOPMENT OF PRODUCTS AND BRANCHES NETWORK

In the context where traditional insurance business continues to suffer difficulties, in 2014, BIC actively restructured the catalog of products toward the purpose of uniformity and efficiency, targeting individual customers and small, medium companies. As a result, BIC's retail products saw a remarkable growth rate in 2014. New enterprise insurance products targeting corporations such as: Insurance for Enterprise Manager (BIC Bao An), Insurance for living cattle... were also welcome and highly appreciated.

Additionally, in 2014, BIC also carried out a large number of attractive advertising promotions for these products: Comprehensive health insurance (BIC HealthCare), travel insurance, car insurance... in order to bring more efficient, practical benefits to our customers.

BIC is one of the non-life insurance company that possesses the most diverse distribution network, including: direct channel, agents channel, brokers channel, bank sales network selling insurance products (Bancassurance), Online-online insurance channel (E-business) and insurance sales telephone channel (Telesales). In addition to the restructure of the catalog of our products targeting individual customers, BIC also continued promoting retail distribution channels in order to bring its products closer to the customers.

BIC is a leading insurance company on the development of Bancassurance channel in term of the products quantity and the sales bank network. In 2014, BIC's revenue through this channel increased by 15% compared to 2013. In particular, BIC continued to improve the electronic Bancassurance software in 2014, contributing to a quick and simple ordering process of online insurance products at bank branches, effectively reduced the time and cost of the customers.

The online insurance channel of BIC at the website address www.baohiemtructuyen.com.vn also saw a remarkable growth rate of 43%. The website had been constantly updated with new, modern and user-friendly user interface. The method of receiving Electronic insurance certificate was also highly welcomed and appreciated by our customers. This also contributed to a self-contained insurance order process, completely enclosed in the online environment, starting from the process of order, payment to the certificate issuing, ensuring the most convenient way for customers.

In term of agency channel, with the expansion of the network of the Subsidiaries and Sales offices, in 2014, BIC's agency network expanded to over 1,500 ones working in almost every city and province in the country. In 2014, agency channel continued to account for the largest proportion of the overall distribution channels of BIC with revenue growth at 26% compared to 2013.

Additionally, in April 2014, BIC had officially implemented the insurance sales channel through telephones – Tel-sales, effectively opening up a potential retail channel, and initially, it had garnered some promising results.

➤ HUMAN RESOURCES DEVELOPMENT

Acknowledging the role of human resource to the sustainable development of the corporation, BIC has been always focusing on the resource on 3 aspects: training, remuneration policy and mental health of the staff.

Staff training

Determining staff training being a critical solution to the improvement of employees' performance and the meeting requirements of the jobs, in 2014, BIC had arranged 51 training courses for over 500 employees with the total budget up to billions VND. The content of the training courses were diversified, focused on many areas: insurance business, accounting business, human resources, marketing as well as other soft skills training courses for employees in the parent company.

Also in 2014, BIC organized seminars, conferences, conventions (on the subject of business, claim assessment, Bancassurance, accounting...) to open opportunities for the managers as well as the employees to improve their experience and explore solutions to a better, efficient BIC's business activities.

Along with the improvement on employees' experience and education, BIC also concentrates on the examination and testing of employees' professional experience by utilizing online professional examination programs. Hence, BIC can assess the efficiency of training courses as well as create further education training plan for managers and employees in the future.

Attractive remuneration policies

With meaningful, unique and competitive remuneration policies which are appropriate to the staff income, BIC hopes to become an ideal environment for employees to work and develop themselves through the following programs:

- Wages payment system is developed on the basis of market mechanism, work performance and is assessed, evaluated yearly.
- Rewarding system is based on the performance of employees.
- Long term remuneration policies and financial support.
- Sharing investing opportunities through attractive shares issuing policies

In 2014, BIC had issued 3.3 million shares for the Employee Stock Ownership Plan (ESOP) in March and April 2014. Accordingly, depending on the years of working and his positions, BIC's employees were allowed to buy a specified number of BIC's shares for par value of 10,000 VND per share, with no restriction on transferring ownership. The ESOP was met with high appreciation and unexpectedly successful as the actual registration ratio of the staff exceeded 5% of the outstanding shares.

Improvement to the spiritual health of the employees

In order to promote uniformity throughout the entire company, BIC always concentrates on the spiritual health of the employees through the organizing of sport and social activities:

- Sport activities: annual soccer and tennis cup.
- Annual performance art shows/ music contest of BIDV, BIC professional contest.
- Flower arrangement, birthday cake decoration contests to celebrate March 8th and October 20th.

- Mid-autumn event for staff's children including: gift-giving, rewards for children with excellent studying results. It also holds International Children day to hand out gifts to children.
- Visit and support staff's special circumstance family...

➤ BRAND DEVELOPMENT AND SOCIAL WELFARES

Brand development

In 2014, in the context when the economy in general and the insurance market, in particular, still suffered from hardships and difficulties, BIC still pushed forward the brand development project with budgets up to tens of billions VND.

BIC continued to invest on the advertising billboard system located at the entrances of major economic centers as well as territories of provinces and cities across the country. Other advanced, modern advertising channels such as Google Ads, Facebook Ads, Admicro Ads... were also utilized and diversified to catch up with the technology trends of the customers. In particular, exploiting the advantage of being a member of BIDV network, in 2014, BIC continued to increase its brands identity exposure in many BIDV bank branches, contributing to a consistent image as well as positively accelerating the process of engaging customers with the insurance products through the bank sales channels (Bancassurance). These aforementioned factors combined with a foundation of quality customer service had asserted the brands of BIC, effectively increased its popularity and favorable reception.

With its strategy of pushing forward BIC's business in overseas, BIC had actively promoted the brands of the joint-venture companies in Laos (LVI) and Cambodia (CVI), contributing to the increasing popularity of these brands, especially, for Vietnamese companies who have invested and will invest on Laos and Cambodia markets.

Besides the external mass media channels, BIC also focused on internal communication in order to build its corporate cultural, create and strengthen a collective union of BIC through professional exchange programs and other internal events. Specifically, Annual award ceremonies for excellent performance of team and individual (Venus Award) establish cultural characteristics of BIC and effectively attract attention from BIC's employees.

Social welfares

In over 9 years of operation, BIC has always been a community oriented and socially responsible firm. Deriving/ Originating from the word "Tam" (Heart) and carrying the spirit of deep humanity, BIC's social welfares activities are widely recognized and supported by its employees. The proportion of budgets spent for these activities accounted for 0.05% of total revenue. Additionally, BIC always organized voluntary donation programs funded by employees' salaries.



INFORMATION TECHNOLOGY

BIC has always considered information technology to be an important factor to increase its competitiveness

In 2014, BIC continued to upgrade its core software infrastructure for managing the activities of the Parent company electronically. Therefore, BIC's head office is capable of accessing and managing the performance of its branches and departments online anytime. Activities such as administration, assets, human resources, wages payment, and investment management... are carried out through the internal management software in order to achieve remarkable changes in labor productivity, as well as save cost and human resources.

In particular, in 2014, BIC had completed the transfer of the IT infrastructure of the two joint ventures LVI and CVI to Vietnam for better managing and consolidating financial statements, ensuring the data is centralized, safe and confidential. Besides, BIC also successfully upgraded the finance accounting system in accordance with the Circular No. 232/2012/TT-BTC of the Ministry of Finance which is for companies operating in the field of non-life insurance, reinsurance as well as non-life insurance branches.

Solid information technology infrastructure is the basis for BIC to develop advanced, modern sales channel such as Bancassurance, Online insurance, Telesales... and through this, BIC had constantly increased its revenues and customers' benefits. In particular, BIC is one of the few insurance companies that had successfully implemented the online claim inquiry system, enabling the customers to receive hourly update on the status of their claims, insufficient or incomplete claims documents as well as actively handle the duration and payments of their claims.

In 2015, BIC will continue to research and apply the integrated solution and intelligent data mining – Business Intelligence (BI). This is an advanced technology solution in the world, combining 3 factors: complete, fast, and identifiable information. It will enable BIC to mine information fast and release accurate reports, further enhance the efficiency of its business model.



OBJECTIVES AND PLAN 2015

➤ BUSINESS PERFORMANCE INDICATORS IN 2015

Criteria	Unit	2015f
Total insurance revenue of Parent company only	Billion VND	1.305
Of which:		
- Direct premium revenue	Billion VND	1.159
Retained liability loss ratio	%	≤ 40%
Net profit before tax of Parent company only	Billion VND	115
Consolidated profit before tax	Billion VND	147

➤ MAJOR OBJECTIVES IN 2015

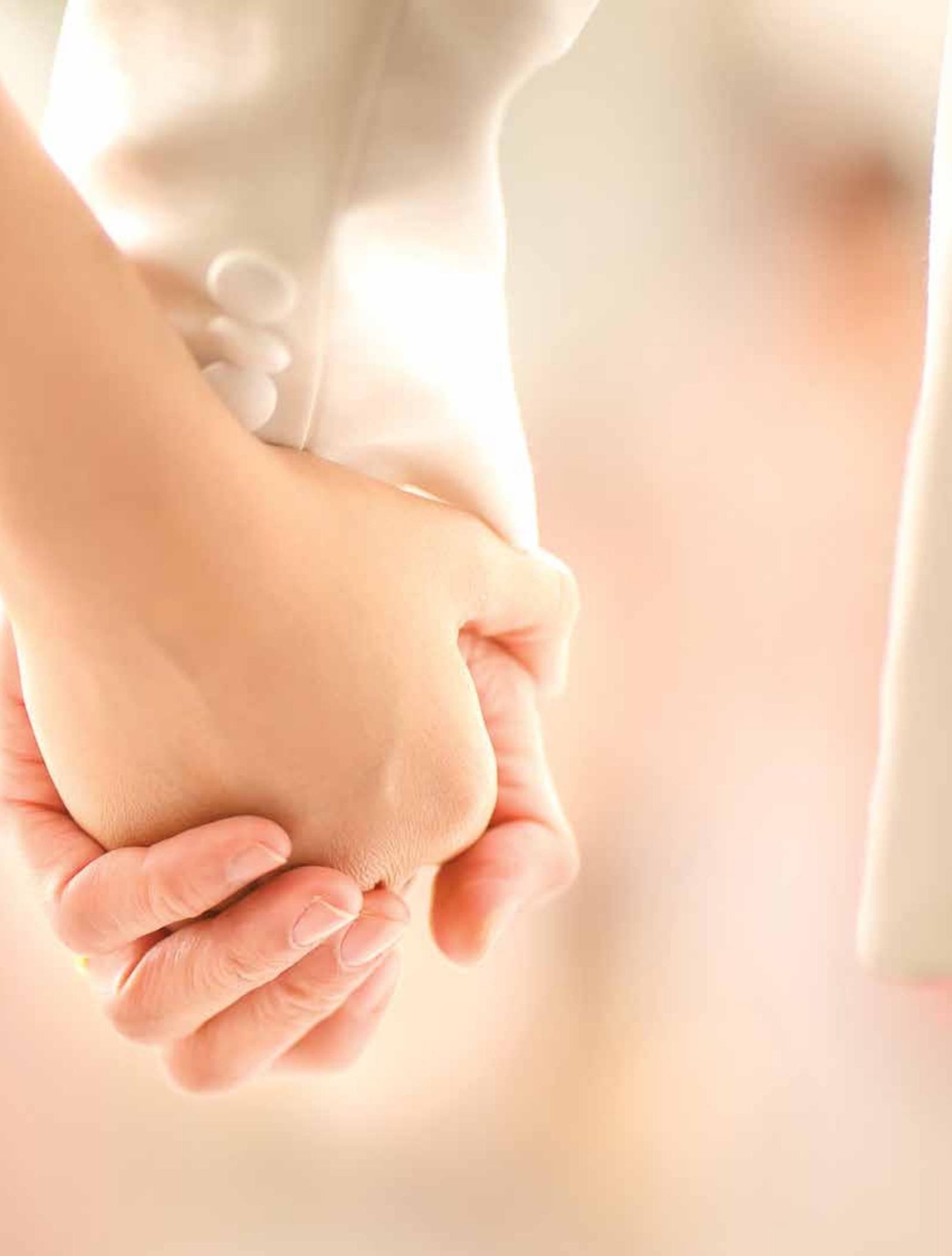
- Maintaining/ improving financial strength rating in comparison to the initial rating issued by A.M Best;
- Completing the project of selling shares to strategic foreign shareholders;
- Completing the receive of capital transfer from IDCC to directly control CVI;
- Increasing charter capital of LVI to 5 million USD, and appointing an additional shareholder to increase the financial strength and insurance exploitation capacity;
- Opening representative office in Myanmar, creating a ground for founding insurance company in the future.

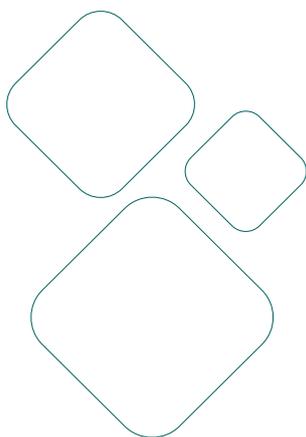
➤ ACTIVITIES

- Administration and management: Decentralization of the authority of Board of Directors aims toward a model of efficiency administration to boost performance. The decentralization of the authority will concentrate on each areas of operation: human resources, underwriting and business development toward boosting business activities.
- Geography and branches network: Supplementing labor force (human resources management, customer relation...) for branches covering large areas but currently being under labor shortage. Establishing an additional company in the area of Ho Chi Minh City to increase competitiveness and exploit this large area's potential to the fullest. Instructing the exploitation for each area, focusing down on the sales of each products, risk groups and customers...
- Product and distribution channels: Increase the competitiveness and claim quality of products, especially retail products; Accelerate retail channels such as Bancassurance, E-Business and Telesales; Expand cooperation network to other banks to sell insurance products.
- Human resources management: Carrying out comprehensive assessment of the quality of the employees; Appointing, recruiting, and transferring personnel based on their capabilities and the requirement of the businesses; Concentrating on the training of sales and customer services skills for sales staff as well as business training for underwriting employees.



BICO *10 years of*
**CULTIVATING
TRUST**





CORPORATE GOVERNANCE



REPORTS OF BOARD OF DIRECTORS

MEMBERS OF THE BOARD OF DIRECTORS

TT	Member of the Board of Directors	Position	Number of share owned	Ratio (%) compared to the total outstanding shares
1	Mr. Pham Quang Tung	President	253,000	0.3319%
2	Ms. Nguyen Thi Thanh Van	Member	11,000	0.0144%
3	Mr. Ton Lam Tung	Member	140,223	0.1839%
4	Mr. Le Ngoc Lam	Member	0	0
5	Dang Thi Hong Phuong	Independent member	0	0

ACTIVITIES REPORTS OF THE BOARD OF DIRECTORS IN 2014

In 2014, Board of Directors of BIC had 07 Meetings which were Meeting No. 13, 14, 15, 16, 17, 18 and 19 for the period of 2010-2015, held respectively on the date of February 18, 2014, May 12, 2014, July 31, 2014, October 02, 2014, October 22, 2014, October 27, 2014 and November 17, 2014. The details of the meeting are as below:

Session	Members attending	Main contents
Meeting No. 13 Date: February 18, 2014	Board of Director: 5/5 members Board of Management: 5/5 Board of Supervisors: 3/3	<ul style="list-style-type: none"> Reporting business performance in 2013 and approving financial settlement for 2013. Approving business orientation for 2014. Approving Annual General Meeting plan in 2014. Reporting on the progress of the following projects: ESOP, financial strength rating evaluation project, strategic shareholder, BIDV – MetLife capital contribution.
Meeting no. 14 Date: May 12, 2014	Board of Directors: 5/5 members Board of Management: 5/5 Board of Supervisors: 3/3	
Meeting no. 15 Date: July 31, 2014	Board of Directors: 5/5 members Board of Management: 5/5 Board of Supervisors: 3/3	<ul style="list-style-type: none"> Evaluating business performance in the first 6 months of 2014 and identifying business focus for the last 6 months. Reporting the result of the dividend payout plan in 2013, progress of the financial strength rating evaluation project and strategic sales. Discussing regarding the plan of setting up subsidiaries in the region of Mekong Delta and the Northern mountains.
Meeting No. 16 Date: October 02, 2014	Board of Directors: 5/5 members Board of Management: 5/5	<ul style="list-style-type: none"> Evaluating the business performance of the first 9 month in 2014 and identifying business focus for the last 3 months. Reporting on the progress of the project of setting up 03 subsidiaries in the region of Mekong Delta and Northern mountains. Reporting on the results of the market assessment and the plan of opening representative office in Myanmar. Reporting on the progress and the plan of the strategic sales.
Meeting No. 17 Date: October 22, 2014	Board of Directors: 5/5 members	<ul style="list-style-type: none"> Accepting Mr. Ton Lam Tung's resignation from the position of General Director of BIC. Nominating candidate to replace Mr. Ton Lam Tung.
Meeting No. 18 Date: October 27, 2014	Board of Directors: 5/5 members Board of Management: 5/5 Board of Supervisors: 3/3	<ul style="list-style-type: none"> Approving the official appointment of General Director of BIC
Meeting No. 19 Date: November 17, 2014	Board of Directors: 5/5 members	<ul style="list-style-type: none"> Approving the results of the bidding regarding the consultants supporting the search and selection of strategic shareholder, and other related matters.

For issues arising among the meetings, Board of Directors will discuss and settle through documents asking for opinion or emails exchanges and will confirm in the following meeting.

RESOLUTION RATIFIED BY THE BOARD OF DIRECTOR IN 2014

	Resolution	Issuing date	Contents
1	010/NQ-HDQT	January 24, 2014	Issuing stock options to BIC's employees
2	012/NQ-HDQT	February 18, 2014	Appointing members of the Board of Director and Board of Supervisors of LVI
3	023/NQ-HDQT	February 26, 2014	Approving the contract of Insurance Branches with BIDV
4	027/NQ-HDQT	March 05, 2014	13th Resolution of Board of Directors for the period of 2010-2015.
5	082/NQ-HDQT	May 26, 2014	Adjusting members of the Board of Directors of LVI
6	105/NQ-HDQT	July 30, 2014	Amending and supplementing the decentralization of authority on the areas of administration and operation management of BIC
7	179/NQ-HDQT	October 29, 2014	Approving of the new General Director

SUB-COMMITTEE UNDER THE BOARD OF DIRECTORS

INVESTMENT COMMITTEE

Members:

- Chairman of BOD - Chairman
- BOD's member in charge of finance – Vice Chairman
- Chief Executive Officer – Member
- Chief Financial Officer – Member
- Director of Finance & Accounting Division – Member
- Director of Risk Management Division – Member
- Director of Finance and Investment Division – Member
- Activities: The Investment Committee carried out a meeting on April 23, 2013 to evaluate the financial investment activities on 2013, proposing financial investment activities orientation for 2014 and limitations on BIC's investments.

OPERATION REPORT OF BOARD OF SUPERVISORS

MEMBERS OF BOARD OF SUPERVISORS

1	Mr. Cao Cu Tri	President	1,100	0.0014%
2	Mr. Nguyen Trung Kien	Member	0	0
3	Mr. Nguyen Thanh Cong	Member	0	0

ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2014

On behalf of the shareholders to supervise the activities of BIDV Insurance Corporation, during the year, Board of Supervisor had carried out the following activities:

- Supervise the administration and operation management of the Board of Directors and Board of Management.
- Independently evaluating BIC's financial reports for period of 6 months and one year in 2014.
- Reviewing and evaluating the Internal Inspection reports of BIC as well as the revising work after the evaluation and review.
- Performing other tasks in accordance with provisions in Law on Enterprises, the Corporation Charter, Mechanism of Board of Supervisors' operation, and Shareholders Committee's decisions.

MANAGEMENT REPORT

SALARY, COMPENSATION AND OTHER BENEFITS

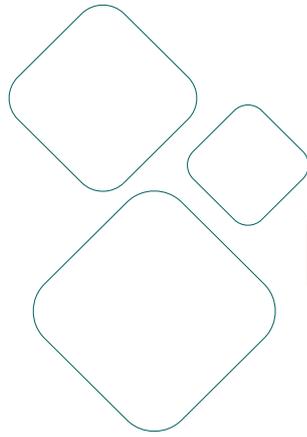
In accordance to the approval of the Annual General Meeting, in 2014, BIDV Insurance Corporation had paid salaries and bonuses to members of the Board of Directors and Board of Supervisors as follows:

No.	Contents	Payment in 2014
1	Salary, compensation	346,500.000
2	Meeting compensation	70,000.000
3	Total	416,500.000

TRADING TRANSACTIONS OF RELATING PEOPLE

No.	Trading individual	Relationship with internal/major shareholder	No. of shares holding at the beginning		No. of shares holding at the end		Increase/Decrease reason (Buy, sell, transfer, bonus...)
				Ratio	No. of shares	Ratio	
1	Tran Hoai An	General Director	39,250	0.051%	37,950	0.05%	Sell
2	Tran Trung Tinh	Deputy General Director	53,500	0.070%	0	0	Sell
3	Vu Minh Hai	Deputy General Director	52,470	0.069%	0	0	Sell
4	Lai Ngan Giang	Director of Finance Accounting Division	40,730	0.053%	0	0	Sell





INVESTOR RELATION MANAGEMENT

STOCK INFORMATION

BIC STOCK INFORMATION

at 12/31/2014

Charter capital	762,299,820,000	VND
Number of listed shares	76,229,982	Shares
Type of stock	Common stock	
Number of outstanding shares	76,229,982	Shares
Treasury shares	0	Shares
Par value	10,000	VND per share

HISTORY OF DIVIDEND PAYMENT

Year	Dividend yield	Payment date
2014	10% (cash)	April 24, 2015
2013	10% (stock)	July 30, 2014
2012	10% (cash)	April 26, 2013
2011	10% (cash)	April 26, 2012

STATISTICS OF THE VOLUME OF BIC'S STOCK TRADING IN 2014

Number of session	247	Session
Total trading volume	38,854,160	Shares
Total trading value (VND)	462,571,000,000	VND
Average trading volume/day	137,491	Shares
Highest trading volume in 52 weeks (October 02, 2014)	919,790	Shares
Lowest trading volume in 52 weeks (May 07, 2014)	2,310	Shares
Highest trading price in 52 weeks (October 13, 2014)	15,700	VND/share
Lowest trading price in 52 weeks (May 13, 2014)	9,100	VND/share

FLUCTUATIONS OF BIC'S STOCK IN COMPARISON WITH THE MARKET

In 2014, BIC's stocks have attracted attention of investors with considerable high trading volume and trading value. In particular, during 2014, the foreign investors had purchased a total of 1,233 million BIC's share with total value of up to 16 billion VND, most of these orders happened in the last 02 months of the year.

STATISTIC OF BIC'S STOCK

Indicator	2011	2012	2013	2014
Number of session	84	250	250	247
Total trading volume	4,025,390	25,419,820	18,761,180	34,854,160
Total volume value	28,915,139,000	203,056,112,000	184,036,975,000	462,571,000,000
Total Buy volume	7,674,190	58,874,720	37,437,100	74,826,940
Total Sell volume	10,053,970	53,144,670	41,090,950	69,259,120

COMPARISON OF THE AVERAGE TRADING VOLUME OF NON-LIFE INSURANCE STOCK

Indicator	BIC	BMI	PTI	PGI
Average trading volume (share per session)	144,649	269,458	9,110	21,616
Average volume value (VND per session)	1,917,261,364	4,380,148,623	1,199,333,441	218,303,644

The price of stock rose from 11,600 VND per share to 13,400 VND per share in 2014, an increase of 15.5%; while the average growth of VN Index is 8.1%. The highest trading price is 15,700 VND per share on the date of October 13, 2014.

As the market fluctuates, in general, BIC's stock had seen some relatively strong fluctuations as seen in the 4 significant stages of decrease and increases.

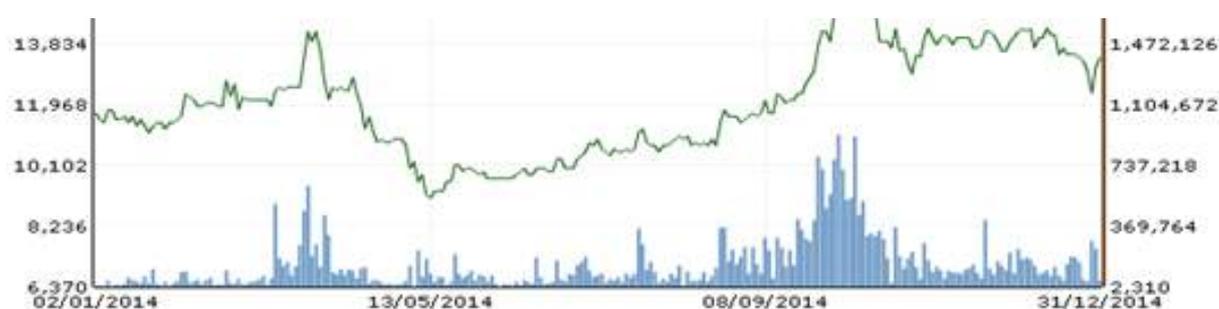
FLUCTUATION OF THE PRICE OF BIC'S STOCK IN 2014

+ From January 2014 to March 2014, BIC's stock price increased from 12,500 to 14,000 VND per share; the average trading volume is 96,640 shares per day; average volume value is 1.338 billion VND per day.

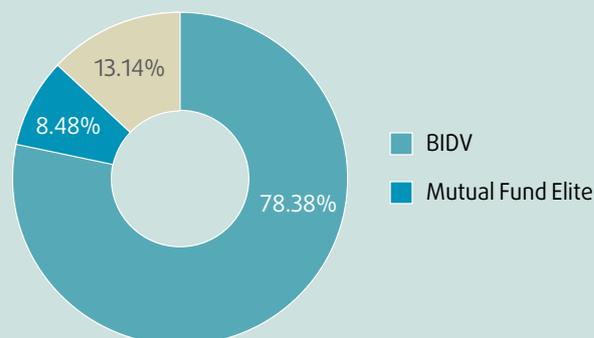
+ From April 2014 to the end of May 15, 2014, due to the controversial event of South China Sea, following the trend of other stock's performance, BIC's stock price plummeted from 14,000 to 9,100 VND per share, the average trading volume is 98,000 share per day; the average volume value is 1.22 billion VND per day.

+ From May 16, 2014 to October 15, 2014, following the trends of the market, the supplement financial reports and the announcement of stock dividend payout plan, it had increased the demand of investors for BIC stock, effectively pushed the stock price from 9,100 VND per share to its peak of 15,700 VND per share; the average trading volume is 182,000 shares per day; the average volume value is 2.36 billion VND per day.

+ From October 16, 2014 to December 31, 2014, the stock price fluctuated within the range of 12,500 – 14,000 VND per share; the average trading volume is 145,000 shares per day; the average volume value is 2.0 billion VND per day.



SHAREHOLDERS' STRUCTURE (*)



Shareholders Structure of BIC

SHAREHOLDING STRUCTURE ACCORDING TO GEOGRAPHIC AREAS

Shares owning based on geographic areas	Number of shareholder	Ratio	Number of shares owned	Ratio
Vietnam	947	96.7%	69,349,042	90.97%
- Individual	941	96.1%	9,368,633	12.29%
- Institution	6	0.6%	59,980,409	78.68%
Overseas	33	3.3%	6,880,940	9.03%
- Individual	29	2.9%	203,280	0.27%
- Institution	4	0.4%	6,677,660	8.76%
Total	980	100%	76,229,982	100%

SHAREHOLDING STRUCTURE ACCORDING TO THE QUANTITY OF SHARES

Quantity of shares	Number of shareholder	Ratio	Total shares owned	Ratio
1-999	313	31.9%	98,979	0.1%
1,000 - 10,000	476	48.7%	1,588,883	2.1%
10,001 - 1,000,000	188	19.1%	5,906,863	7.8%
1,000,000 and above	3	0.3%	68,635,257	90.0%
Total	980	100%	76,229,982	100%

(*)As of the record date July 09, 2014

INVESTOR RELATIONS IN 2014

Investor relations aim to protect the benefits of investors, comply with the regulations and ensure the transparency and timely information disclosure.

Protect the benefits of investors

BIC always consider the protection of shareholders' benefits as one of the top priority in its investor relation management through the following:

- BIC always actively and positively support and resolve investors' inquiries: fast and accurate responses to investors' inquiries such as shareholders' information correction, additional share issuance depository, and shareholder certificate re-issuance.
- BIC always complies with the regulation on information disclosure and ensures the shareholders can approach the information in the most convenient and timely way.

Transparent and timely information disclosure

Transparency has always been a key factor since the early establishment of BIC. After becoming a public company, apart from the compliance with regulations on information disclosure, BIC always ensures the information available in the most transparent and timely way for the investors to access.

- BIC has created the Information Disclosure Procedure to ensure the information disclosure in fiscal periods and extraordinary events fully in compliance with regulations, updated with the latest regulation on information disclosure of Ministry of Finance, State Security Commission, Hochiminh Stock Exchange.
- BIC ensures the information is publicly announced in the mass media channels of Hochiminh Stock Exchange, State Security Commission, BIC's website and other convenient advertisings, newspapers and televisions for easily access of investors.
- For its financial reports, in particular half yearly reviewing financial reports and yearly auditing financial reports, BIC always accelerated the progress to ensure the information is disclosed 2 weeks to 1 month prior to the deadline. There are rarely any other listed companies carrying out this practice.
- For extraordinary events that may have significant impact on the business of our Company such as tax inspection decision or adjustment to financial reports...BIC always announce promptly and appropriately within 24 hours per regulations.
- In additional to the strict information disclosure procedure, BIC also actively provides the investors with necessary information on its activities to allow them to make the best investment decision, for example: information on quarterly business results, personnel appointment announcement, establishment of subsidiaries and sales branches...

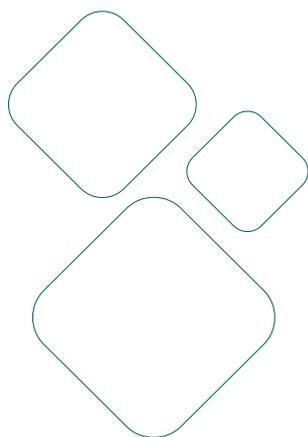
Ensuring the dividend payment is carried out timely and appropriately for investors through its stable dividend payout plan.

- After 4 years of becoming listed company, BIC always ensures the dividend yield is stable at 10% per year, allowing a reliable income for shareholders...
- The procedure of dividend payout is gradually standardized. Shareholders can receive dividend in cash or stock quickly and conveniently. Our Company also allows shareholders who have not deposited their securities to receive dividend by wire transferring the dividend or send shareholder certificate through express shipping services to those requests.



BICO *10 years of*
**TRANSPARENCY &
FAIRNESS**





AUDITED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2014

GENERAL INFORMATION	55 - 56
REPORT OF MANAGEMENT	57
INDEPENDENT AUDITOR'S REPORT	58
CONSOLIDATED BALANCE SHEET	59 - 61
CONSOLIDATED INCOME STATEMENT	62 - 64
CONSOLIDATED CASH FLOW STATEMENT	65

CORPORATION

BIDV Insurance Joint Stock Corporation (“the Corporation”) was established on 1 October 2010 under the Business Licence No.11/GPDC7/KDBH dated 1 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam (“BIDV”) and established under Business License No 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Company successfully completed the Initial Public Offering. Accordingly, percentage of share held by Bank for Investment and Development of Vietnam (BIDV) and other shareholders was respectively 82.3% and 17.7% of its charter capital. Under Employee Share Option Program (ESOP), the Corporation issued shares to its employees on 5 May 2014. As at reporting date, percentage of outstanding share held by BIDV and other shareholders was 78.83% and 21.62% respectively.

The following summarizes some key information about the entity:

- **Registered Company name** : **BIDV INSURANCE JOINT STOCK CORPORATION**
- **Address** : 16th Floor, A Tower, Vincom, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi
- **Operating activities** : To provide general insurance products, reinsurance, loss survey, investing activities and other business operations that are in line with prevailing laws and regulations

The Corporation has one subsidiary as follow:

LAO VIET INSURANCE COMPANY

- **Address:** 3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR
- **Principal activities:** General insurance products, reinsurance services, investing activities and other business activities that are in line with prevailing laws and regulations in Lao PDR
- **% directly owned 65%**
- **Charter Capital:** As at 31 December 2014, the charter capital was 762 billion VND (31 December 2013: 660 billion VND).

LOCATION AND BRANCH NETWORK

The Corporation has its Head office located at 16th floor, Tower A, Vincom City Towers, 191 Ba Trieu street, Hai Ba Trung district, Hanoi. As at 31 December 2014, the Corporation has twenty-five (25) branches nationwide.

EMPLOYEE

Total employees of the Corporation and its subsidiary as at 31 December 2014 was 753 persons (31 December 2013: 679 persons).

BOARD OF DIRECTORS

Members of the Board of Directors for the year ended 31 December 2014 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT
Mr. Pham Quang Tung	Chairman	Appointed on 1 October 2010
Ms. Nguyen Thi Thanh Van	Member	Appointed on 1 October 2010
Mr. Ton Lam Tung	Member	Appointed on 4 November 2013
Mr. Le Ngoc Lam	Member	Appointed on 4 November 2013
Ms. Dang Thi Hong Phuong	Member	Appointed on 4 November 2013

BOARD OF SUPERVISION

Members of the Board of Supervision for the year ended 31 December 2014 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT
Mr. Cao Cu Tri	Head of Board	Appointed on 1 October 2010
Mr. Nguyen Trung Kien	Member	Appointed on 1 October 2010
Mr. Nguyen Thanh Cong	Member	Appointed on 16 March 2012

MANAGEMENT

Members of Management for the year ended 31 December 2014 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT/ RESIGNATION
Mr. Tran Hoai An	General Director	Appointed on 31 October 2014
Mr. Ton Lam Tung	General Director	Resigned on 31 October 2014
Mr. Tran Trung Tinh	Deputy General Director	Appointed on 1 October 2012
Mr. Vu Minh Hai	Deputy General Director	Appointed on 16 April 2012
Ms. Doan Thi Thu Huyen	Deputy General Director	Appointed on 1 May 2012

LEGAL REPRESENTATIVE

The legal representative of the Corporation at the date of this report is Mr. Tran Hoai An – Title: General Director.

AUDITORS

The auditor of the Corporation is Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of BIDV Insurance Joint Stock Corporation (“the Corporation”) presents its report and the Corporation’s separate financial statements for the year ended 31 December 2014.

STATEMENT OF MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of financial period which give a true and fair view of the state of affairs of the Corporation and of its results and cash flows for the period. In preparing those consolidated financial statements, the management is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Corporation and to ensure that the accounting records comply with the registered accounting system. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the consolidated financial statements for the year ended 31 December 2014.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2014 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to general insurance companies, and with the statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of Management:

A red circular stamp with the text "S.G.P: 11 - C.T.C.P", "TỔNG CÔNG TY CỔ PHẦN BẢO HIỂM NGÂN HÀNG ĐẦU TƯ VÀ PHÁT TRIỂN VIỆT NAM", and "Q. HAI BÀ TRUNG - TP. HÀ NỘI". A handwritten signature in black ink is written over the stamp.

Mr. Tran Hoai An
General Director

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

Currency: VND

Code	ITEMS	Notes	Ending Balance	Beginning Balance (restated)
100	A. CURRENT ASSETS (100 = 110+120+130+140+150+190)		2.645.785.861.399	2.225.158.917.708
110	I. Cash and cash equivalents	4	154.229.365.232	29.960.714.185
111	1. Cash		58.729.365.232	29.960.714.185
112	2. Cash equivalents		95.500.000.000	-
120	II. Short-term investments	5	1.063.843.940.648	1.059.287.738.000
121	1. Short-term investments		1.066.976.832.716	1.060.077.535.905
	2. Provision for diminution in value of short-term investment		(3.132.892.068)	(789.797.905)
130	III. Short-term receivables		398.318.625.058	285.628.251.503
131	1. Trade receivables	6	363.952.882.261	223.257.813.549
131.1	1.1. Insurance receivables		362.664.462.583	223.153.273.174
131.2	1.2. Other trade receivables		1.288.419.678	104.540.375
132	2. Advances to suppliers		1.854.102.733	2.000.007.331
135	3. Other receivables	7	59.069.139.691	77.634.394.387
139	4. Allowance for doubtful debts		(26.557.499.627)	(17.263.963.764)
140	IV. Inventories		257.051.523	83.641.171
141	1. Inventories		257.051.523	83.641.171
150	V. Other short-term assets		61.944.714.792	12.425.788.849
151	1. Prepaid expense		52.278.352.548	915.941.672
151.1	1.1. Unallocated commission expense		51.345.778.180	-
151.2	1.2. Other prepaid expense		932.574.368	915.941.672
152	2. Deductible VAT		864.879.581	4.919.220.101
158	3. Other short-term assets	8	8.801.482.663	6.590.627.076
190	VI. Reinsurance assets	19.1	967.192.164.146	837.772.784.000
191	1. Reinsurance assets from unearned premium reserve		272.302.379.543	215.843.923.932
192	2. Reinsurance assets from claim reserve		694.889.784.603	621.928.860.068
200	B. NON-CURRENT ASSETS (200 = 210 + 220 + 250 + 260)		420.974.271.787	291.620.877.026
210	I. Long-term receivables		6.000.000.000	6.000.000.000
218	1. Other long-term receivables		6.000.000.000	6.000.000.000
218.1	1.1. Statutory deposit	9	6.000.000.000	6.000.000.000
220	II. Fixed assets		24.693.259.879	19.471.976.028
221	1. Tangible fixed assets	10	18.156.546.923	12.913.596.400
222	- Costs		50.631.521.299	41.474.776.123
223	- Accumulated depreciation		(32.474.974.376)	(28.561.179.723)
227	2. Intangible assets	11	6.536.712.956	6.558.379.628
228	- Costs		6.606.599.125	6.606.599.125
229	- Accumulated amortisation		(69.886.169)	(48.219.497)
250	III. Long-term investments	12	381.860.515.867	259.549.762.981
258	1. Other long-term investments		398.418.363.704	276.832.767.037
259	2. Provision for diminution in value of long-term investment		(16.557.847.837)	(17.283.004.056)

Code	ITEMS	Notes	Ending Balance	Beginning Balance (restated)
260	IV. Other long-term assets		8.420.496.041	6.599.138.017
261	1. Long-term prepaid expense	13	2.219.406.495	1.231.828.056
262	2. Deferred tax asset		-	418.770.415
268	3. Other long-term assets		6.201.089.546	4.948.539.546
270	TOTAL ASSETS (270 = 100 + 200)		3.066.760.133.186	2.516.779.794.734
300	A. LIABILITIES (300 = 310 + 330)		2.127.989.271.776	1.698.649.176.042
310	I. Current liabilities		2.120.594.012.200	1.694.819.586.297
312	1. Trade payables	14	393.913.624.037	279.195.171.253
312.1	1.1. Insurance payables		393.895.041.220	279.192.673.821
312.2	1.2. Other payables		18.582.817	2.497.432
313	2. Advance from customers		6.711.317.151	5.459.928.614
314	3. Tax and other statutory obligations	15	52.037.024.104	31.530.708.785
315	4. Payables to employees		33.844.232.187	34.170.219.803
316	5. Accrued expenses	16	14.304.710.299	6.492.201.071
319	6. Other payables	17	15.487.106.419	12.353.889.073
319.1	7. Un-earned commission revenue	18	47.566.972.730	-
323	8. Bonus and welfare funds		3.931.236.644	5.585.049.585
329	9. Technical reserves	19	1.552.797.788.629	1.320.032.418.113
329.1	9.1. Gross un-earned premium reserve		657.613.843.658	509.655.162.844
329.2	9.2. Gross claim reserve		816.630.245.242	739.773.284.750
329.3	9.3. Catastrophe reserve		78.553.699.729	70.603.970.519
330	II. Non-current liabilities		7.395.259.576	3.829.589.745
333	1. Other long-term liabilities		2.554.754.614	168.000.000
335	2. Deferred tax liability		71.521.103	-
338	3. Unearned revenue		4.768.983.859	3.661.589.745
400	B. VOWNERS' EQUITY		905.401.997.829	791.935.586.193
410	I. Owners' equity	20	905.401.997.829	791.935.586.193
411	1. Charter capital		762.299.820.000	660.000.000.000
412	2. Share premium		4.875.765.330	4.875.765.330
416	3. Foreign exchange differences		7.052.332.500	7.052.332.500
418	4. Financial reserve fund		1.800.187.891	1.800.187.891
419	5. Statutory reserve		17.652.521.022	13.311.197.165
421	6. Retained earnings		111.721.371.086	104.896.103.307
430	C. NON - CONTROLLING INTERESTS		33.368.863.581	26.195.032.499
440	TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300 + 400 + 430)		3.066.760.133.186	2.516.779.794.734

COFF BALANCE SHEET ITEMS

Currency: VND

ITEMS	Ending Balance	Beginning Balance (restated)
1. Doubtful debts written off (VND))	2.293.099.309	2.293.099.309
2. Insurance policies signed but for which no obligations have arisen on the part of the Corporation (VND)	108.990.008.989	48.608.496.929
3. Foreign currencies		
- United States dollar (US\$)	718.433,51	42.940,67
- Euro (EUR)	262,62	270,46
- Laos Kip (LAK)	1.430.096.173	35.659.699
- Thai Bath (THB)	42.393,42	23.192,55



Mr. Nguyen Xuan Dong
Accountant
Finance - Accounting Division



Ms. Lai Ngan Giang
Director
Finance - Accounting Division



Mr. Tran Hoai An
General Director

Hanoi, Vietnam 02 March 2015

CONSOLIDATED INCOME STATEMENT

PART I

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

for the year ended 31 December 2014

Currency: VND

Currency: VND

Code	ITEMS	Current Year	Previous Year (restated)
10	1. Total operating income	798.371.665.857	662.815.163.423
12	2. Finance income	148.880.793.220	145.510.239.001
13	3. Other incomes	2.446.863.715	2.444.010.441
20	4. Total direct operating expenses	(549.317.473.902)	(497.403.107.538)
22	5. Finance expense	(25.801.906.269)	(16.459.588.462)
23	6. General and administrative expenses	(232.405.597.525)	(170.224.148.029)
24	7. Other expenses	(4.154.994.773)	(1.089.496.836)
50	8. Profit before corporate income tax (50=10+12+13+20+22+23+24)	138.019.350.323	125.593.072.000
51	9. Current corporate income tax	(30.205.921.435)	(29.610.025.326)
52	10. Deferred corporate tax expense	(490.291.518)	418.770.415
60	11. Net profit for the year after corporate income tax (60=50+51+52)	107.323.137.370	96.401.817.089
60	12. Net attributable to Non-controlling interests	(7.173.831.082)	(1.747.356.326)
60	13. Net attribute to the Corporation	100.149.306.288	94.654.460.763
70	14. Earnings per share	1.411	1.444



PART 2: CONSOLIDATED OPERATIONAL INCOME STATEMENT

for the period ended 31 December 2014

Currency: VND

Code	ITEMS	Notes	Current Year	Previous Year (restated)
01	1. 1. Insurance revenue (01 = 01.1 + 01.2 + 01.3)	21	1.142.820.896.827	899.065.114.893
	In which:			
01.1	- Direct written premiums		1.219.542.615.314	853.101.824.894
01.2	- Reinsurance premium assumed		88.213.006.696	83.220.796.600
01.3	- Increase in un-earned premium reserve		(164.934.725.183)	(37.257.506.601)
02	2. Reinsurance premium ceded (02 = 02.1 + 02.2)	22	(439.377.085.814)	(360.948.754.050)
	In which:			
02.1	- Reinsurance premium ceded		(512.782.701.025)	(368.671.901.479)
02.2	- Increase in ceded premium reserve		73.405.615.211	7.723.147.429
03	3. Net insurance premiums (03 = 01 + 02)		703.443.811.013	538.116.360.843
04	4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2)		94.927.854.844	124.698.802.580
	In which:			
04.1	- Commission on reinsurance ceded	23	66.859.033.579	89.933.749.470
04.2	- Other income from insurance activities		28.068.821.265	34.765.053.110
10	5. Total net revenue from insurance business (10 = 03 + 04)		798.371.665.857	662.815.163.423
11	6. Claim expenses (11 = 11.1 + 11.2)	24	405.982.001.038)	(791.037.900.751)
	In which:			
11.1	- Claim expenses		(406.804.962.581)	(791.037.900.751)
11.2	- Claim expense reductions		822.961.543	-
12	7. Recoveries from reinsurance ceded		153.731.840.585	603.045.909.671
13	8. Increase in Direct and assumed claim reserve		(85.629.418.857)	(474.246.803.090)
14	9. Increase in ceded claim reserve		82.929.964.589	443.509.502.035
15	10. Net claim expenses (15 = 11 + 12 + 13 + 14)		(254.949.614.721)	(218.729.292.135)
16	Increase in catastrophe reserve		(7.949.729.210)	(11.709.869.394)
17	12. Other operating expenses (17 = 17.1 + 17.2)	25	(286.418.129.971)	(266.963.946.009)
	In which:			
17.1	- Commission expense		(73.733.488.367)	(95.791.860.453)
17.2	- Other underwriting expenses		(212.684.641.604)	(171.172.085.556)
18	13. Total direct operating expenses (18 = 15 + 16 + 17)		(549.317.473.902)	(497.403.107.538)
19	14. Gross insurance operating profit (19 = 10 + 18)		249.054.191.955	165.412.055.885
23	15. Finance income	26	148.880.793.220	145.510.239.001
24	16. Finance expense	27	(25.801.906.269)	(16.459.588.462)

25	17. Profit from financial activities (25 = 23 + 24)		123.078.886.951	129.050.650.539
26	18. General and administrative ex- penses	28	(232.405.597.525)	(170.224.148.029)
30	19. Net operating income (30= 19 + 25 + 26)		139.727.481.381	124.238.558.395
31	20. Other income		2.446.863.715	2.444.010.441
32	21. Other expenses		(4.154.994.773)	(1.089.496.836)
40	22. Net other profit (40 = 31 + 32)		(1.708.131.058)	1.354.513.605
50	23. Profit before corporate income tax (50= 30 + 40)		138.019.350.323	125.593.072.000
51	24. Current corporate income tax	29	(30.205.921.435)	(29.610.025.326)
52	25. Deferred (expense)/income tax	29	(490.291.518)	418.770.415
60	26. Net profit for the year after corporate income tax (60 = 50 + 51 + 52)		107.323.137.370	96.401.817.089
60	27. Net attributable to Non -control- ling interests		(7.173.831.082)	(1.747.356.326)
60	28. Net attribute to the Corporation		100.149.306.288	94.654.460.763
70	29. Earnings per share		1.411	1.444

Mr. Nguyen Xuan Dong
Accountant
Finance - Accounting Division

Ms. Lai Ngan Giang
Director
Finance - Accounting Division

Mr. Tran Hoai An
General Director

Hanoi, Vietnam 02 March 2015

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2014

Currency: VND

Code	ITEMS	Notes	Current Year	Previous Year (restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Net profit before tax		138.019.350.323	125.593.072.000
	Adjustments for:			
02	Depreciation and amortisation		3.935.461.325	2.724.118.527
03	Insurance reserves and provision for diminution in investment value		281.535.567.858	69.118.656.504
05	Profits from investing activities		(129.980.056.116)	(126.959.247.816)
07	Interest expense		-	991.208.516
08	Operating income before changes in working capital		293.510.323.390	71.467.807.731
09	Increase in receivables		(131.554.934.091)	(129.712.075.604)
10	Increase in inventory		(146.828.992)	-
11	Increase in payables		57.743.537.550	140.746.743.164
12	Increase in prepaid expense		(56.211.930.862)	(1.451.736.612)
13	Interest expense paid		-	(991.208.516)
14	Corporate income tax paid		(27.191.191.974)	(27.602.744.493)
15	Increase in receivables from other activities		4.594.413.836	-
16	Increase in receivables from other activities		(28.001.008.640)	(2.687.775.446)
20	Net cash inflows from operating activities		112.742.380.217	49.769.010.224
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase of fixed assets		(9.156.745.176)	(6.851.958.359)
23	Payments for investments in other entities		(1.198.907.261.522)	(1.300.134.668.657)
24	Proceeds from sale of investment		1.070.422.368.044	1.209.446.539.454
27	Interest received		116.191.852.484	120.528.265.153
30	Net cash inflows from/(used in) investing activities		(21.449.786.170)	22.988.177.591
III. CASH FLOWS FROM FINANCING ACTIVITIES				
	Sale treasury shares		-	6.557.533.810
	Capital increased	20	33.000.000.000	-
	Dividends paid		(23.943.000)	(64.546.053.200)
40	Net cash inflows/(outflows) from/(used in) financing activities		9.056.956.999	(57.988.519.390)
50	Net increase in cash		124.268.651.047	14.768.668.425
60	Cash and cash equivalents at beginning of the year		29.960.714.185	15.192.045.760
70	Cash and cash equivalents at end of the year	4	154.229.365.232	29.960.714.185



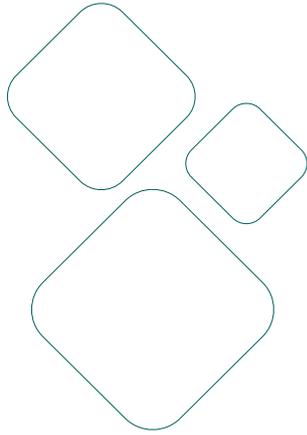
Mr. Nguyen Xuan Dong
Accountant
Finance - Accounting Division



Ms. Lai Ngan Giang
Director
Finance - Accounting Division



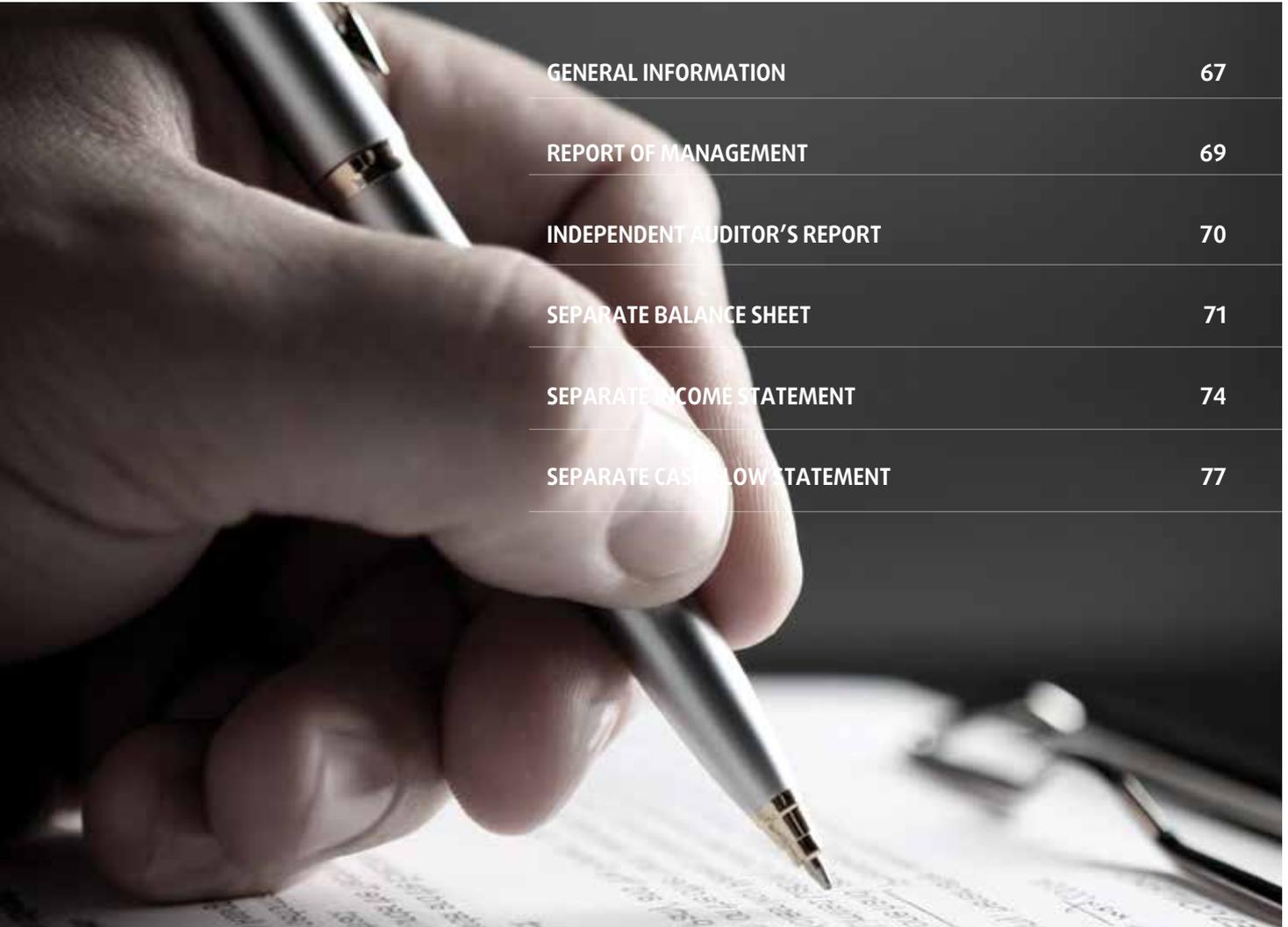
Mr. Tran Hoai An
General Director



AUDITED SEPARATE FINANCIAL STATEMENTS

31 December 2014

GENERAL INFORMATION	67
REPORT OF MANAGEMENT	69
INDEPENDENT AUDITOR'S REPORT	70
SEPARATE BALANCE SHEET	71
SEPARATE INCOME STATEMENT	74
SEPARATE CASH FLOW STATEMENT	77



CORPORATION

BIDV Insurance Joint Stock Corporation (“the Corporation”) was established on 1 October 2010 under the Business Licence No.11/GPDC7/KDBH dated 1 October 2010 issued by the Ministry of Finance.

The Corporation was transformed from equalization of BIDV Insurance Company, which was a wholly-owned subsidiary of Joint Stock Commercial Bank for Investment and Development of Vietnam (“BIDV”) and established under Business License No 11GP/KDBH dated 10 April 2006 granted by the Ministry of Finance. On 5 August 2010, the Company successfully completed the Initial Public Offering. Accordingly, percentage of share held by Bank for Investment and Development of Vietnam (BIDV) and other shareholders was respectively 82.3% and 17.7% of its charter capital. Under Employee Share Option Program (ESOP), the Corporation issued shares to its employees on 5 May 2014. As at reporting date, percentage of outstanding share held by BIDV and other shareholders was 78.83% and 21.62% respectively.

The following summarizes some key information about the entity:

- **Registered Company name:** BIDV INSURANCE JOINT STOCK CORPORATION
- **Address:** 16th Floor, A Tower, Vincom, 191 Ba Trieu Street, Hai Ba Trung District, Hanoi
- **Operating activities:** to provide general insurance products, reinsurance, loss survey, investing activities and other business operations that are in line with prevailing laws and regulations.

THE CORPORATION HAS ONE SUBSIDIARY AS FOLLOW:

Subsidiary

LAO VIET INSURANCE COMPANY

- **Address:** 3rd Floor, LVB Tower, No 44, Lanexang Avenue, Hatsady Village, Chanthabouly District, Vientiane, Lao PDR
- **Principal activities:** General insurance products, reinsurance services, investing activities and other business activities that are in line with prevailing laws and regulations in Lao PDR
- **% directly owned:** 65%
- **Charter Capital:** As at 31 December 2014, the charter capital was 762 billion VND (31 December 2013: 660 billion VND).

LOCATION AND BRANCH NETWORK

The Corporation has its Head office located at 16th floor, Tower A, Vincom City Towers, 191 Ba Trieu street, Hai Ba Trung district, Hanoi. As at 31 December 2014, the Corporation has twenty-five (25) branches nationwide.

EMPLOYEE

Total employees of the Corporation as at 31 December 2014 was 693 persons (31 December 2013: 628 persons).

BOARD OF DIRECTORS

Members of the Board of Directors for the year ended 31 December 2014 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT
Mr. Pham Quang Tung	Chairman	Appointed on 1 October 2010
Ms. Nguyen Thi Thanh Van	Member	Appointed on 1 October 2010
Mr. Ton Lam Tung	Member	Appointed on 4 November 2013
Mr. Le Ngoc Lam	Member	Appointed on 4 November 2013
Ms. Dang Thi Hong Phuong	Member	Appointed on 4 November 2013

BOARD OF SUPERVISION

Members of the Board of Supervision for the year ended 31 December 2014 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT
Mr. Cao Cu Tri	Head of Board	Appointed on 1 October 2010
Mr. Nguyen Trung Kien	Member	Appointed on 1 October 2010
Mr. Nguyen Thanh Cong	Member	Appointed on 16 March 2012

MANAGEMENT

Members of Management for the year ended 31 December 2014 and at the date of this report are:

NAME	POSITION	DATE OF APPOINTMENT/ RESIGNATION
Mr. Tran Hoai An	General Director	Appointed on 31 October 2014
Mr. Ton Lam Tung	General Director	Resigned on 31 October 2014
Mr. Tran Trung Tinh	Deputy General Director	Appointed on 1 October 2012
Mr. Vu Minh Hai	Deputy General Director	Appointed on 16 April 2012
Ms. Doan Thi Thu Huyen	Deputy General Director	Appointed on 1 May 2012

LEGAL REPRESENTATIVE

The legal representative of the Corporation at the date of this report is Mr. Tran Hoai An – Title: General Director.

AUDITORS

The auditor of the Corporation is Ernst & Young Vietnam Limited

REPORT OF MANAGEMENT

Management of BIDV Insurance Joint Stock Corporation (“the Corporation”) presents its report and the Corporation’s separate financial statements for the year ended 31 December 2014

STATEMENT OF MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of financial period which give a true and fair view of the state of affairs of the Corporation and of its results and cash flows for the period. In preparing those separate financial statements, the management is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the separate financial statements; and reprepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Corporation and to ensure that the accounting records comply with the registered accounting system. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the separate financial statements for the year ended 31 December 2014.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Corporation as at 31 December 2014 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System applicable to general insurance companies, and with the statutory requirements relevant to preparation and presentation of separate financial statements.

For and on behalf of Management:



Mr. Tran Hoai An

General Director

Hanoi, Vietnam 02 March 2015

INDEPENDENT AUDITORS' REPORT

To: Shareholders of BIDV Insurance Joint Stock Corporation

We have audited the accompanying separate financial statements of BIDV Insurance Joint Stock Corporation ("the Corporation") as prepared on 02 March 2015 and set out on pages 6 to 67, which comprise the separate balance sheet as at 31 December 2014, 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 Accounting System applicable to general insurance companies and with 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.

Auditor's 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 auditor's 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 entity'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 entity'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 2014 and of the separate results of its operations and its separate cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and the Vietnamese Accounting System applicable to general insurance companies and with the relevant statutory requirements to preparation and presentation of separate financial statements.

Users of these separate financial statements should read them together with the consolidated financial statements of the Corporation and its subsidiary as at 31 December 2014 and for the year then ended in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Corporation and its subsidiary as a whole.

Ernst & Young Vietnam Limited



Saman Bandara
Deputy General Director
Audit Practising Registration
Certificate No. 2036-2013-004-1

Le Duc Linh
Auditor
Audit Practising Registration
Certificate No. 1672-2013-004-1

Hanoi, Vietnam 02 March 2015

SEPARATE BALANCE SHEET

As at 31 December 2014

Currency: VND

Code	ITEMS	Notes	Ending Balance	Beginning Balance (restated)
100	A. A. CURRENT ASSETS (100=110+120+130+140+150+190)		2.083.167.053.488	1.628.057.517.714
110	I. Cash and cash equivalents	4	145.220.016.867	22.422.009.742
111	1. Cash		49.720.016.867	22.422.009.742
112	2. Cash equivalents		95.500.000.000	-
120	II. Short-term investments	5	1.031.493.160.648	1.000.717.425.500
121	1. Short-term investments		1.034.626.052.716	1.001.507.223.405
129	2. Provision for diminution in value of short-term investment		(3.132.892.068)	(789.797.905)
130	III. Short-term receivables		298.733.582.234	195.674.401.585
131	1. Trade receivables	6	265.301.208.588	138.172.363.148
131.1	1.1. Insurance receivables		265.301.208.588	138.172.363.148
132	2. Advances to suppliers		1.854.102.733	2.000.007.331
135	3. Other receivables	7	51.337.153.214	69.515.102.876
139	4. Allowance for doubtful debts		(19.758.882.301)	(14.013.071.770)
140	IV. Inventories		146.828.992	-
141	1. Inventories		146.828.992	-
150	V. Other short-term assets		49.950.643.817	11.025.699.397
151	1. Prepaid expense		42.866.113.304	547.126.890
151.1	1.1. Unallocated commission expense		42.446.555.541	-
151.2	1.2. Other prepaid expense		419.557.763	547.126.890
152	2. 2. Deductible VAT		404.432.939	4.514.418.386
158	3. Other short-term assets	8	6.680.097.574	5.964.154.121
190	VI. Reinsurance assets	19.1	557.622.820.930	398.217.981.490
191	1. Reinsurance assets from unearned premium reserve		214.249.195.339	187.943.303.844
192	2. Reinsurance assets from claim reserve		343.373.625.591	210.274.677.646

Code	ITEMS	Notes	Ending Balance	Beginning Balance (restated)
200	B. NON-CURRENT ASSETS			
	(200 = 210 + 220 + 250 + 260)		303.205.839.885	267.802.065.694
210	I. Long-term receivables		6.000.000.000	6.000.000.000
218	1. Other long-term receivables		6.000.000.000	6.000.000.000
218.1	1.1. Statutory deposit	9	6.000.000.000	6.000.000.000
220	II. Fixed assets		20.748.306.681	16.522.663.400
221	1. Tangible fixed assets	10	14.211.593.725	9.964.283.772
222	- Costs		40.280.132.768	32.979.460.493
223	- Accumulated depreciation		(26.068.539.043)	(23.015.176.721)
227	2. Intangible assets	11	6.536.712.956	6.558.379.628
228	- Costs		6.606.599.125	6.606.599.125
229	- Accumulated amortisation		(69.886.169)	(48.219.497)
250	III. Long-term investments	12	274.192.172.163	243.612.849.277
251	1. Investment in subsidiary		34.660.020.000	34.660.020.000
258	2. Other long-term investments		256.090.000.000	226.235.833.333
259	3. Provision for diminution in value of long-term investment		(16.557.847.837)	(17.283.004.056)
260	IV. Other long-term assets		2.265.361.041	1.666.553.017
261	1. Long-term prepaid expense	13	2.219.406.495	1.231.828.056
262	2. Deferred tax asset		-	418.770.415
268	3. Other long-term assets		45.954.546	15.954.546
270	TOTAL ASSETS (270 = 100 + 200)		2.386.372.893.373	1.895.859.583.408
300	A. LIABILITIES (300 = 310 + 330)		1.508.281.622.194	1.117.911.894.713
310	I. Current liabilities		1.500.886.362.618	1.114.082.304.968
312	1. Trade payables	14	271.284.029.874	200.510.520.813
312.1	1.1. Insurance payables		271.265.447.057	200.509.206.114
312.2	1.2. Other payables		18.582.817	1.314.699
313	2. Advance from customers		3.869.042.310	3.739.260.779
314	3. Tax and other statutory obligations	15	26.210.700.683	16.628.914.668
315	4. Payables to employees		29.938.955.213	31.799.561.513
316	5. Accrued expenses	16	14.304.710.299	6.492.201.071
319	6. Other payables	17	11.702.220.027	10.327.303.352
319.1	7. Un-earned commission revenue	18	42.215.411.883	-
323	8. Bonus and welfare funds		3.931.236.644	5.585.049.585
329	9. Technical reserves	19	1.097.430.055.685	838.999.493.187
329.1	9.1 Gross un-earned premium reserve		569.539.138.918	456.786.545.766
329.2	9.2 Gross claim reserve		454.441.140.575	315.922.310.556
329.3	9.3 Catastrophe reserve		73.449.776.192	66.290.636.865
330	II. Non-current liabilities		7.395.259.576	3.829.589.745
333	1. Other long-term liabilities		2.554.754.614	168.000.000
335	2. Deferred tax liability		71.521.103	-
338	3. Unearned revenue		4.768.983.859	3.661.589.745

400	B. OWNERS' EQUITY		878.091.271.179	777.947.688.695
410	I. Owners' equity	20	878.091.271.179	777.947.688.695
411	1. Charter capital		762.299.820.000	660.000.000.000
412	2. Share premium		4.875.765.330	4.875.765.330
418	3. Financial reserve fund		1.800.187.891	1.800.187.891
419	4. Statutory reserve		17.652.521.022	13.311.197.165
421	5. Retained earnings		91.462.976.936	97.960.538.309
440	TOTAL LIABILITIES AND OWNERS' EQUITY (440 = 300 + 400)		2.386.372.893.373	1.895.859.583.408

OFF BALANCE SHEET ITEMS

Currency: VND

ITEMS	Ending Balance	Beginning Balance (restated)
1. Doubtful debts written off (VND)	2.293.099.309	2.293.099.309
2. Insurance policies signed but for which no obligations have arisen on the part of the Corporation (VND)	108.906.611.908	48.588.799.997
3. Foreign currencies		
- United States dollar (USD)	711.649,95	42.480,11
- Euro (EUR)	262,62	270,49



Mr. Nguyen Xuan Dong
Accountant
Finance - Accounting Division



Ms. Lai Ngan Giang
Director
Finance - Accounting Division



Mr. Tran Hoai An
General Director

Hanoi, Vietnam 02 March 2015

SEPARATE INCOME STATEMENT

PART 1: SEPARATE COMPREHENSIVE INCOME STATEMENT

for the period ended 31 December 2014

Currency: VND

Code	ITEMS	Current Year	Previous Year (restated)
10	1. Total operating income	719.833.500.849	633.634.049.933
12	2. Finance income	134.417.547.204	133.432.394.245
13	3. Other incomes	1.511.280.754	1.371.705.329
20	4. Total direct operating expenses	(506.422.273.237)	(466.276.972.358)
22	5. Finance expense	(24.582.750.297)	(14.856.654.199)
23	6. General and administrative expenses	(210.288.525.981)	(173.166.557.133)
24	7. Other expenses	(3.443.136.753)	(852.295.654)
50	8. Profit before corporate income tax (50=10+12+13+20+22+23+24)	111.025.642.539	113.285.670.163
51	9. Current corporate income tax	(23.708.873.885)	(28.726.052.797)
52	10. Deferred corporate tax expense	(490.291.518)	418.770.415
60	11. Net profit for the year after corporate income tax (60=50+51+52)	86.826.477.136	84.978.387.781

PART 2: SEPARATE OPERATIONAL INCOME STATEMENT

for the period ended 31 December 2014

Code	ITEMS	Notes	Current Year	Previous Year (restated)
01	1. Insurance revenue (01 = 01.1 + 01.2 + 01.3) In which:	21	1.003.665.984.251	859.583.660.606
01.1	- Direct written premiums		991.163.210.452	789.650.231.627
01.2	- Reinsurance premium assumed		125.284.251.720	102.243.261.530
01.3	- Increase in un-earned premium reserve		(112.781.477.921)	(32.309.832.551)
02	2. Reinsurance premium ceded (02 = 02.1 + 02.2) In which:	22	(374.227.637.935)	(348.953.115.256)
02.1	- Reinsurance premium ceded		(400.533.529.430)	(351.384.227.554)
02.2	- Increase in ceded premium reserve		26.305.891.495	2.431.112.298
03	3. Net insurance premiums (03 = 01 + 02)		629.438.346.316	510.630.545.350
04	4. Commission on reinsurance ceded and other insurance incomes (04 = 04.1 + 04.2) In which:		90.395.154.533	123.003.504.583
04.1	- Commission on reinsurance ceded	23	66.719.366.827	88.507.963.297
04.2	- Other income from insurance activities		23.675.787.706	34.495.541.286
10	5. Total net revenue from insurance business (10= 03+04)		719.833.500.849	633.634.049.933
11	6. Claim expenses (11 = 11.1 + 11.2) In which:	24	(341.821.967.676)	(291.292.930.780)
11.1	- Claim expenses		(342.644.929.219)	(291.292.930.780)
11.2	- Claim expense reductions		822.961.543	-
12	7. Recoveries from reinsurance ceded		108.261.964.428	112.037.262.017
13	8. Increase in Direct and assumed claim reserve		(128.204.472.257)	(77.376.126.560)
14	9. Increase in ceded claim reserve		123.953.986.544	48.399.675.028
15	10. Net claim expenses (15 = 11 + 12 + 13 + 14)		(237.810.488.961)	(208.232.120.295)
16	11. Increase in catastrophe reserve		(7.159.139.327)	(11.167.211.057)
17	12. Other operating expenses (17 = 17.1 + 17.2)	25	(261.452.644.949)	(246.877.641.006)

		In which:			
17.1	-	Commission expense		(65.502.553.283)	(94.292.765.547)
17.2	-	Other underwriting expenses		(195.950.091.666)	(152.584.875.459)
18	13.	Total direct operating expenses (18 = 15 + 16 + 17)		(506.422.273.237)	(466.276.972.358)
19	14.	Gross insurance operating (19= 10 + 18)		213.411.227.612	167.357.077.575
23	15.	Finance income	26	134.417.547.204	133.432.394.245
24	16.	Finance expense	27	(24.582.750.297)	(14.856.654.199)
25	17.	Profit from financial activities (25 = 23 + 24)		109.834.796.907	118.575.740.046
26	18.	General and administrative expenses	28	(210.288.525.981)	(173.166.557.133)
30	19.	Net operating income (30= 19 + 25 + 26)		112.957.498.538	112.766.260.488
31	20.	Other income		1.511.280.754	1.371.705.329
32	21.	Other expenses		(3.443.136.753)	(852.295.654)
40	22.	Net other profit (40 = 31 + 32)		(1.931.855.999)	519.409.675
50	23.	Profit before corporate income tax (50= 30 + 40)		111.025.642.539	113.285.670.163
51	24.	Current corporate income tax	29	(23.708.873.885)	(28.726.052.797)
52	25.	Deferred (expense)/income tax	29	(490.291.518)	418.770.415
60	26.	Net profit for the year af- ter corporate income tax (60 = 50 + 51 + 52)		86.826.477.136	84.978.387.781

Mr. Nguyen Xuan Dong
Accountant
Finance - Accounting Division

Ms. Lai Ngan Giang
Director
Finance - Accounting Division



Mr. Tran Hoai An
General Director

Hanoi, Vietnam 02 March 2015

SEPARATE CASH FLOW STATEMENT

for the year ended 31 December 2014

Currency: VND

Code	ITEMS	Notes	Current Year	Previous Year (re-stated)
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Net profit before tax		111.025.642.539	113.285.670.163
	Adjustments for:			
02	Depreciation and amortisation		3.075.028.994	2.318.549.996
03	Insurance reserves and provision for diminution in investment value		265.794.310.973	63.702.023.524
05	Profits from investing activities		(115.516.810.103)	(120.528.265.152)
07	Interest expense		-	991.208.516
08	Operating income before changes in working capital		264.378.172.403	59.769.187.047
09	Increase in receivables		(103.271.974.050)	(77.035.491.651)
10	Increase in inventory		(146.828.992)	-
11	(Increase)/ decrease in payables		(19.487.851.964)	72.154.865.460
12	Increase in prepaid expense		(43.306.564.853)	(1.332.029.699)
13	Interest expense paid		-	(991.208.516)
14	Corporate income tax paid		(26.268.355.967)	(27.461.914.493)
15	Increase in receivables from other activities		4.594.413.836	1.434.761.419
16	Increase in receivables from other activities		(18.123.998.503)	-
20	Net cash inflows from operating activities		58.367.011.910	26.538.169.567
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase of fixed assets		(7.300.672.275)	(6.332.304.646)
23	Payments for investments in other entities		(1.133.395.364.022)	(1.257.167.426.157)
24	Proceeds from sale of investment		1.070.422.368.044	1.181.651.779.454
27	Interest received		101.728.606.468	120.528.265.153
30	Net cash inflows from investing activities		31.454.938.215	38.680.313.804

1. BIC Lao Cai

2nd Floor, BIDV Building, No., 2 Hoang Lien Str., Lao Cai
Tel: 020 3795 999; Fax: 020 3795 888

2. BIC Tay Bac

4th Floor, Viettel Son La, No. 1 Chu Văn Thinh, Son La
Tel: 022 625 8888; Fax: 022 626 2828

3. BIC Vinh Phuc

No. 1, Ly Bon Str., Vinh Phuc
Tel: 0211 6.252.526
Fax: 0211 6.252.566

4. BIC Thai Nguyen

7th Floor, No. 653 Luong Ngoc Quyen Str., Thai Nguyen
Tel: 0280 3.656.858
Fax: 0280 3.656.838

5. BIC Ha Noi

5th, Vimedimex Group Building, 46-48 Ba Trieu Str., Ha Noi
Tel: 04 3.932 8888
Fax: 04 3.932 8077

6. BIC Dong Do

13th Floor, BITC Tower, Duy Tan Str., Ha noi
Tel: (04) 6268 22 55
Fax: (04) 6268 22 33

7. BIC Thang Long

6th Floor, Hapulico Complex Building, No. 1 Nguyen Huy Tuong, Ha Noi
Tel: 04. 664 1188
Fax: 04. 664 1155

8. BIC Dong Bac

4th Floor, 10 Nguyen Dang Dao Str., Bac Ninh
Tel: 0241 6.250.038
Fax: 0241 6.250.039

9. BIC Hai Duong

No. 115 Tran Hung Dao Str., Hai Duong
Tel: 0320. 3.837 779
Fax: 0320. 3.837 778

10. BIC Hai Phong

No. 20 Ben Binh Str., Hai Phong
Tel: 0313.747 373

11. BIC Quang Ninh

BIDV Tower, Cai Lan Str., Quang Ninh
Tel: 033. 3.518 338
Fax: 033. 3.518 118

12. BIC Bac Bo

No. 92C Hung Vuong Str., Nam Dinh
Tel : 0350 3.630 396
Fax: 0350 3.649 947

13. BIC Bac Trung Bo

BIDV Tower, No. 8, Lenin Revenue, Vinh, Nghe An
Tel: 038 3.592 877
Fax: 038. 3.592 878

14. BIC Da Nang:

No 40-42, Hung Vuong Str., Da nang
Tel: 0511. 3.865 803
Fax: 0511. 3.865 804

15. BIC Binh Dinh

No. 72 Le Duan, Quy Nhon, Binh Dinh
Tel: 056 3.520 052
Fax: 056 3.520 089

16. BIC Bac Tay Nguyen

No. 1 Nguyen Van Troi, Pleiku, Gia lai.
Tel: 059 3.241041
Fax: 059 3.720039

17. BIC Tay Nguyen

No. 41 Nguyen Tat Thanh Str., Buon Ma Thuot, Dac Lac.
Tel: 0500 3.957351
Fax: 0500 3.957350

18. BIC Nam Trung Bo

No. 35, 2/4 Str., Nha Trang Str., Khanh Hoa
Tel: 058 3.516 081
Fax: 058 3.516 080

19. BIC Mien Dong

No. 28 Dong Khoi Str., Bien Hoa, Dong Nai
Tel: 061 8823 111
Fax: 061 8823 112

20. BIC Binh Duong

No. 37 Yersin, Str., Thu dau mot, Binh Duong
Tel: 0650 848.509
Fax: 0650 848.508

21. BIC Ho Chi Minh:

No. 108 -110 Nguyen Van Troi Str., Phu Nhuan Str., Ho Chi Minh
Tel: 08 3.997 3999
Fax: 08 3.997 4000

22. BIC Sai Gon

8th Floor, No. 472 Nguyen Thi Minh Khai
Tel: 08 38 303 000
Fax: 08 38 302 000

23. BIC Mien Tay

No. 29-31 Chau Van Liem, Can Tho.
Tel: 0713.816 367
Fax: 0713.916 368

24. BIC Cuc Long

8th Floor, Tien Giang Post Building, No. 71 A Nam Ky Khoi Nghia, Tieng Giang
Tel : 0733 954 757; Fax: 0733 954 767

15. BIC Vung Tau

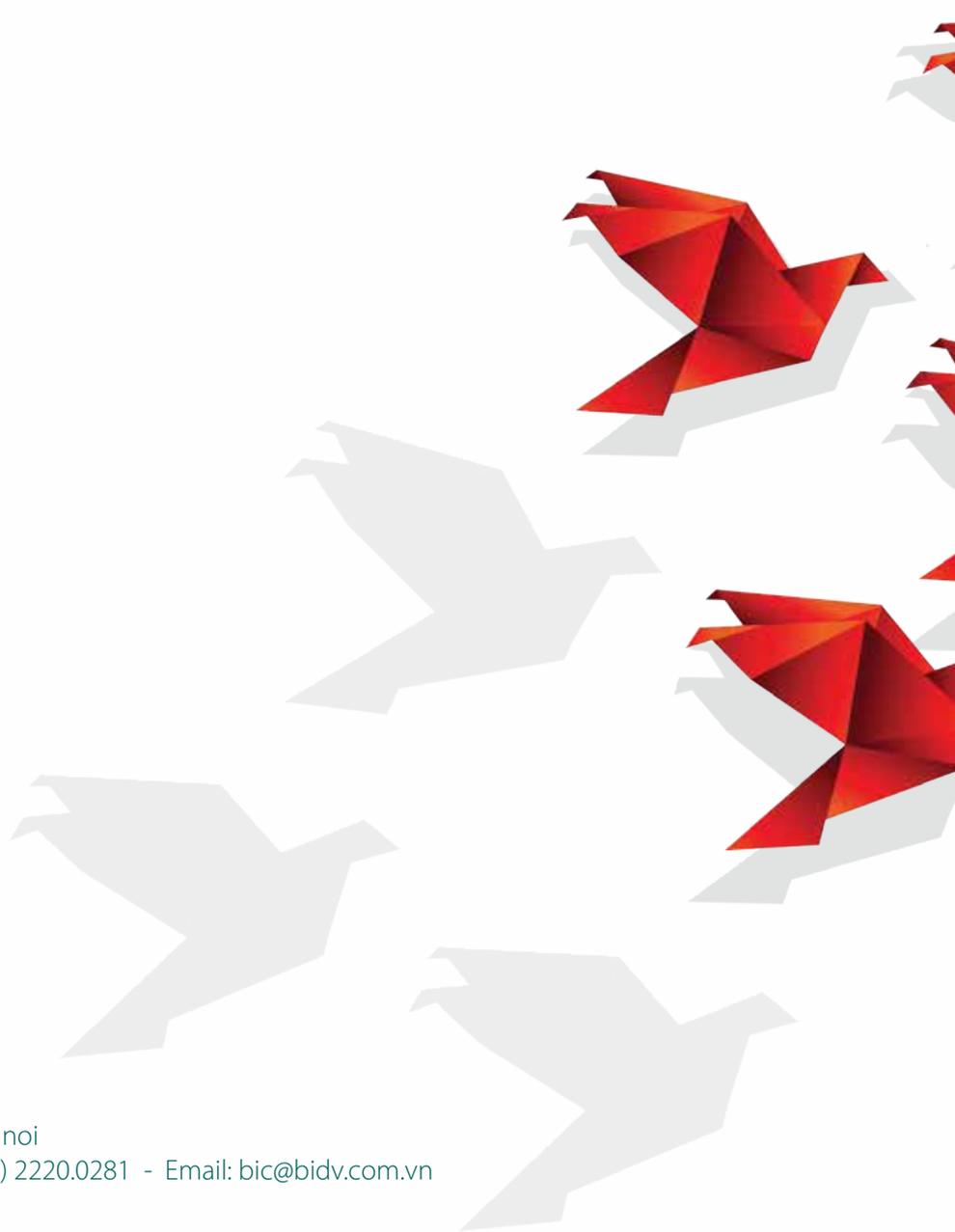
No. 72A Tran Hung Dao, Vung Tau, Ba Ria - Vung Tau
Tel : 064 6.253 218
Fax: 064 6.253 168



Lao Viet Insurance Company
Head office: 3th Floor, LVB Tower,
No. 44 Lanxane Revenue, Vientiane, Laos
Tel: (856-21) 264 972-5
Fax: (856-21) 264 971 | (856-21) 285 388
Email: lvi@laovietinsurance.com
Website: www.laovietinsurance.com



Cambodia - Vietnam Insurance Company
Head office: No. 99, No. Norodom Blvd, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Cambodia
Tel: (855) 23 212 000
Fax: (855) 23 215 505
Email: info@cvi.com.kh
Website: www.cvi.com.kh



BIDV INSURANCE CORPORATION (BIC)

Add : 16/F, Vincom Tower, 191 Ba Trieu St., Hanoi

Tel: (84-4) 2220.0282 / 18009456 - Fax: (84-4) 2220.0281 - Email: bic@bidv.com.vn