

# BIDV Insurance Company (HSX – BIC)

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## COMPANY BRIEFS



Canadian Financial Group's Fairfax Financial Holdings has just announced today that, through its subsidiary Fairfax Asia, it will acquire 35% stake of BIDV Insurance Corporation (BIC) through the issuance of additional shares. Fairfax Financial Holdings is the parent company that invests in non-life insurance, reinsurance and investment management areas through its subsidiaries. Earlier, in the 2015 AGM of BIC, the company announced its plan to issue a maximum of 41 million shares to a foreign strategic investor but the name was not revealed. This transaction will be finalized upon Vietnam Authorities' approval and it is expected to be completed by Q3/2015. With expected new charter capital of VND1,000 billion (USD46.6 million) and capital premium post-transaction, BIC will join top four non-life insurance companies with largest owners' equity in Vietnam.

BIC is a leading non-life insurance company in Vietnam that has exclusive bancassurance agreement with its largest shareholder, Bank for Investment and Development of the Bank (BIDV). BIDV is a key player in Vietnam banking industry, with approximately 1,000 branches and seven million customers. In 2014, BIC achieved total net revenue from insurance business of about USD60 million, with impressive annual growth in revenue and profit. In Q1/2015, BIC recorded total net revenue from insurance business of VND314 billion (USD14.6 million), up 48.5 percent y-o-y, completed 24 percent of 2015's target. Of this, gross written premium grew 44 percent y-o-y and reinsurance premium increased 121.4 percent y-o-y. This was a fairly high result compared with the average growth rate of the non-life insurance market, 17 percent y-o-y in Q1/2015.

According to Mr. Prem Watsa, Chairman and CEO of Fairfax, BIDV Insurance has a strong presence in Vietnam, as well as in Cambodia and Laos. This is a great opportunity for Fairfax to expand in these areas with a partner who has a history of strong growth and profitability driven business strategy. Details of the deal as well as the price, however, have yet to be disclosed at this time.

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