

# Insurance

## A promising industry

### Favorable fundamentals

Vietnam has a promising insurance market from its low penetration rate of 2.65% compared to 9.6% in advanced markets. Insurance density was USD72 compared to USD4,664 of the advanced markets. Total population possessed life insurance products was just ~8.5%. Those imply a potential field for all players in the sectors. In addition, Vietnam insurance sector is supported by bright economy prospect, macro stability and sizable population of ~97 million. The industry achieved a two-digit growth for many years and is expected to keep its robust trajectory in coming period.

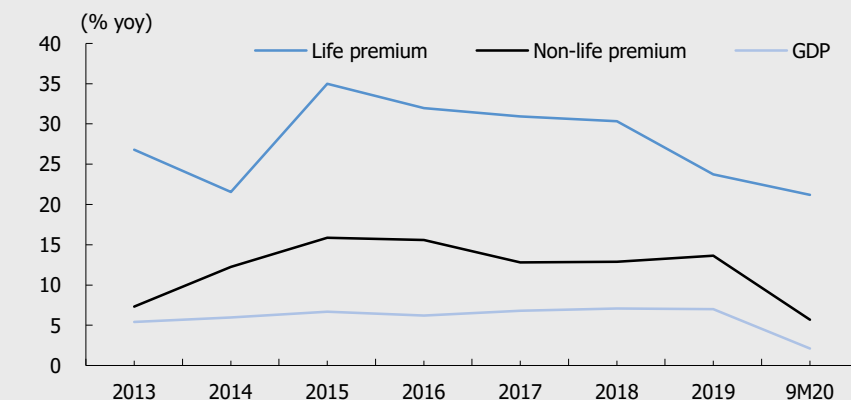
### An attractive destination for foreign-insurance companies

Vietnam market has 67 insurance companies, therein 31 non-life insurers, 18 life insurers, 16 brokers and two reinsurers. Many reputable foreign insurance companies have presences in Vietnam in both life and non-life sectors. Currently, local players such as BVH, PVI, PTI, BMI have large market shares in term of gross premium. Most of them are listed on Vietnam stock exchanges and have drained investors' attention.

### A bass note in 2020

The COVID-19 slowed down the non-life premium growth to 5.7% yoy in 9M20. The most impacted product lines are cargo with negative growth of 14.4%, automobile business and health business with slight growth of 2-3%. Meanwhile, the life insurance premium recognized positive growth at 21.2% yoy in 9M20. The sector's 2020 NP may have depressed by historical low interest rates level.

**Figure 1. Vietnam insurance premium growth**



Source: IAV, GSO, KIS VN

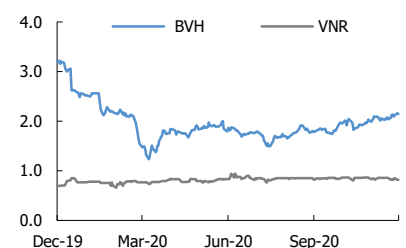
### Absolute performance (%)

	1M	6M	12M
BVH	5.4	20.5	(18.5)
PVI	4.8	5.8	4.8
PTI	3.0	-	-
BMI	5.6	38.4	31.0
PGI	13.8	32.4	40.4
BIC	7.9	0.5	(10.8)
MIG	12.7	35.4	27.9
BLI	15.7	22.9	17.6
ABI	3.1	32.0	26.0
VNR	(5.0)	4.6	18.9

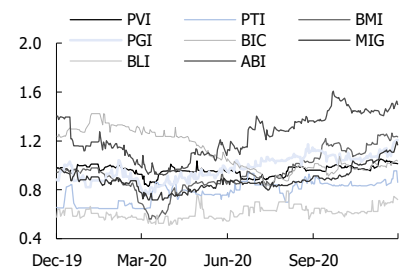
### Relative performance to VNIndex (%p)

	1M	6M	12M
BVH	(4.0)	(5.3)	(31.2)
PVI	(4.6)	(20.0)	(7.9)
PTI	(6.4)	-	-
BMI	(3.8)	12.6	18.3
PGI	4.4	6.6	27.7
BIC	(1.5)	(25.3)	(23.5)
MIG	3.3	9.6	15.3
BLI	6.3	(2.9)	4.9
ABI	(6.3)	6.2	13.4
VNR	(14.4)	(21.2)	6.2

### BVH & VNR PB



### Non-life insurers PB



Note: stocks statistic on 16 Dec 20  
Source: Bloomberg

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## What is the report about?

- Vietnam is the potential field for insurance industry.
- Drastic competitiveness in both life and non-life insurance segment.
- Short-term headwind due to COVID-19

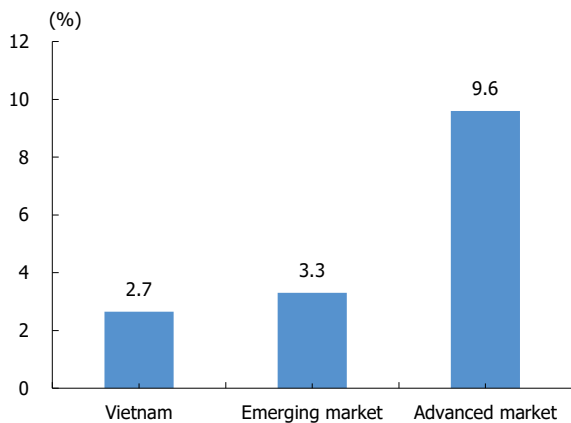
# I. A promising industry

## 1. Low penetration rate

**Low penetration rate implies a potential field for all players.**

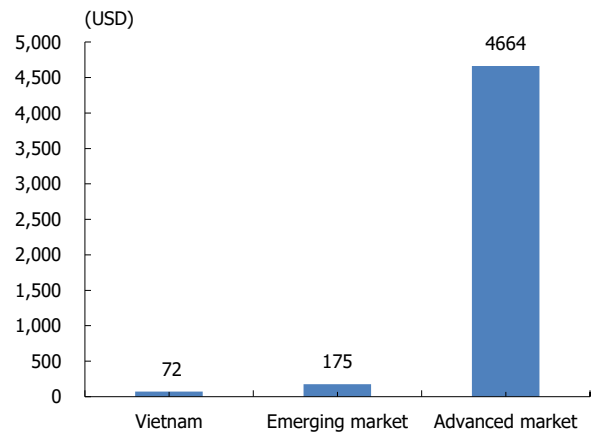
Vietnam insurance industry is underdeveloped with low penetration rate (insurance premium/GDP) and low density (average insurance spending per capita). The overall insurance penetration rate in Vietnam was 2.7% in 2019, 60bps below the average penetration rate in emerging markets and a distance vs. 9.6% in advanced markets. Average insurance spending per capital (density) was ~USD72 in Vietnam in 2019 vs. an average of USD175 in emerging markets and USD4,664 in advanced market. Total population possessed life insurance was ~8.5% in 2019, and the MoF expects to lift the ratio to 15% by 2025. Those imply a potential field for all players in the sectors.

**Figure 2. Insurance penetration rate 2019**



Source: Swiss Re Institute

**Figure 3. Insurance density 2019**



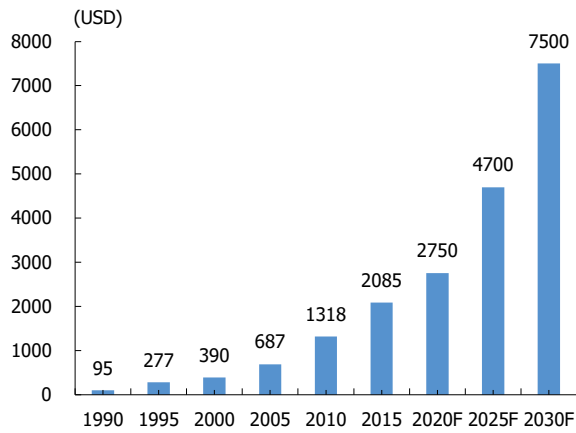
Source: Swiss Re Institute

## 2. Favorable fundamental factors

**The Government aims to raise GDP per capital to USD4,700-5,000 by 2025.**

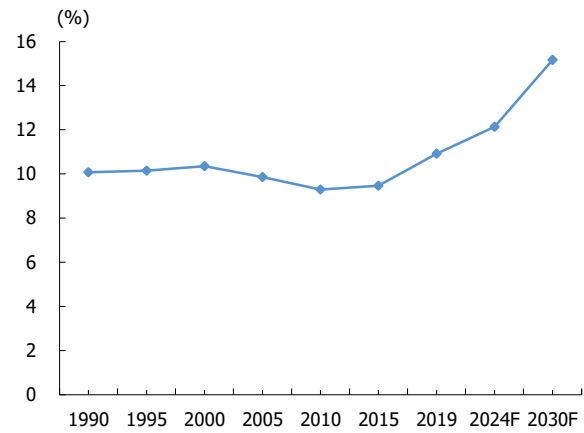
Good economy prospect, macro stability and sizable population of ~97 million people are favorable conditions for insurance industry. Vietnam has a steady economic growth with an average rate of 7.3% in 2001-2010 and 6.31% in 2010-2019. In 2020, despite of COVID-19 outbreak, Vietnam is one of minority countries accomplishing positive GDP growth (+2.12% in 9M20) and this outstanding trajectory is forecasted to continue in coming years. According to Vietnam development plan for 2021-2025 and 2021-2030, the Government aims to raise GDP per capital to USD4,700-5,000 by 2025 and to USD7,500 by 2030 from USD2,750 in 2020F.

**Figure 4. Vietnam GDP per capita**



Note: 2020F GDP estimated by Government in Oct 2020; 2030F GDP is Government's goal.  
Source: Worldbank

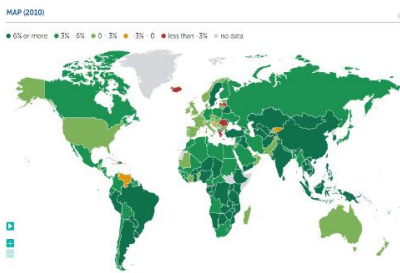
**Figure 5. Old-age dependency rate**



Source: Worldbank, 2024F and 2030F by Populationpyramid.net

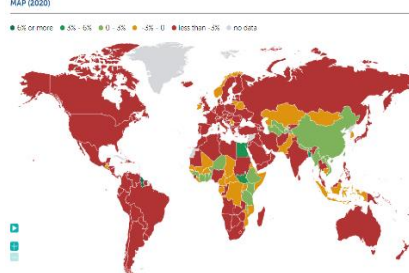
The country population is increasing and has been in “golden structure”. Urbanization will keep growing and the portion of urban population is forecasted to increase to ~45% from existing level of ~37%. In line with economy growth, there will be a rise in middle class population from 13% at present to 26% by 2026 according to Worldbank’s estimation. Besides, restructuring in healthcare system and social insurance scheme may provide opportunity for private insurers to ripen health insurance services. On the other hand, the development of banking system will assist the industry in approaching clients via bancassurance activity.

**Figure 6. Real GDP growth 2010**



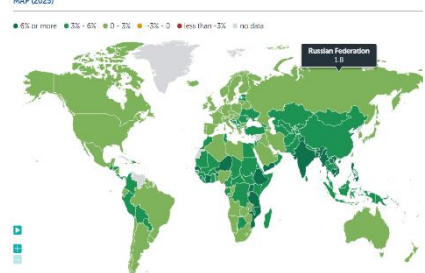
Source: IMF

**Figure 7. Real GDP growth 2020F**



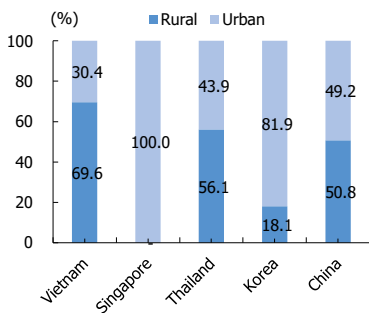
Source: IMF

**Figure 8. Real GDP growth 2025F**



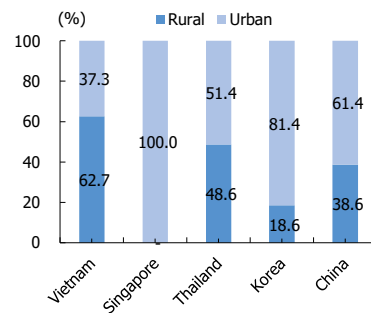
Source: IMF

**Figure 9. Urban vs. rural population in Vietnam and other countries in 2010**



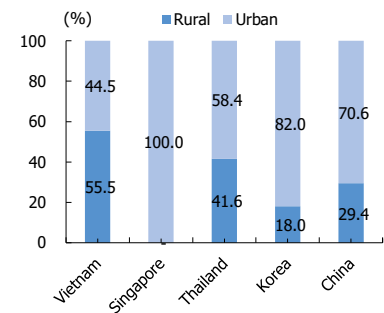
Source: United Nations

**Figure 10. Urban vs. rural population in Vietnam and other countries in 2020**



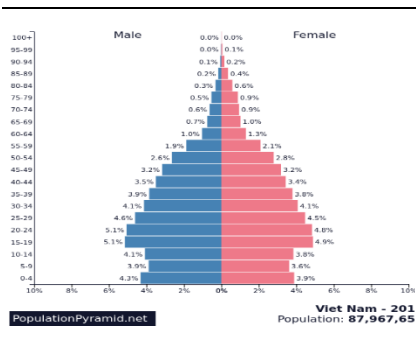
Source: United Nations

**Figure 11. Urban vs. rural population in Vietnam and other countries in 2030F**



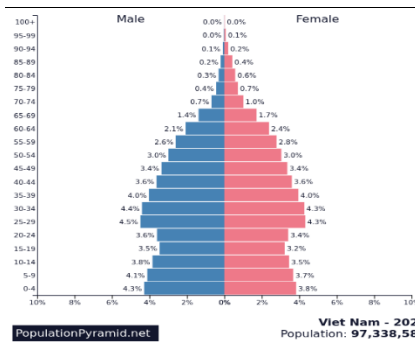
Source: United Nations

Figure 12. Population pyramid 2010



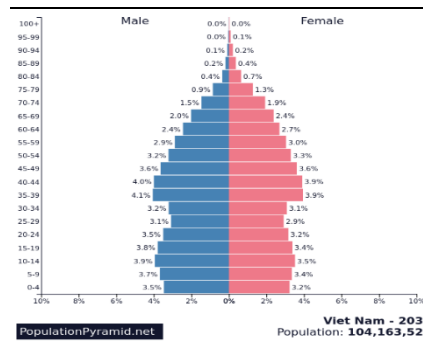
Source: Populationpyramid.net

Figure 13. Population pyramid 2020



Source: Populationpyramid.net

Figure 14. Population pyramid 2030F



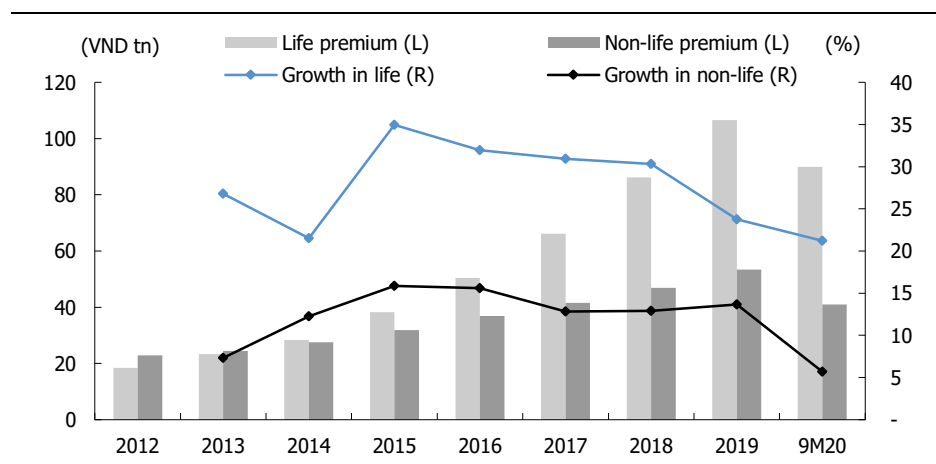
Source: Populationpyramid.net

### 3. Robust growth will continue

**The life insurance premium was still positive at a growth of 21.2% yoy in 9M20.**

Vietnam total insurance premium skyrocketed by 21-26% per year during 2015-2019. Notably growth in life insurance premium was around 24-35%/year while non-life insurance premium grew at 12-16%/year. Total segment assets increased at CAGR (2014-2019) of 22% and reached VND463tn in 2019. The industry investment portfolio achieved VND378tn in 2019, making a five-year CAGR of 9.3%. Of which, government bond investments accounted for 44%, approximately VND378tn and deposits made up ~40% or VND151tn in 2019. The COVID-19 slowed down the non-life insurance premium growth to 5.7% yoy while the life insurance premium was still positive at a growth of 21.2% yoy in 9M20.

Figure 15. Vietnam gross premium and growth



Source: IAV

**Table 1. Industry financial capacity**

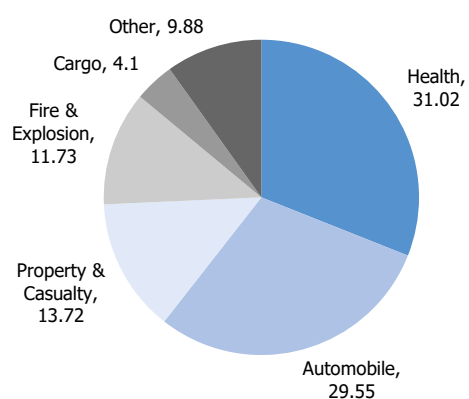
(VND bn)

	2015	2016	2017	2018	2019	1H20
Assets	202,378	248,247	316,487	395,215	462,642	211,273
life	143,250	181,705	240,847	311,140	370,343	137,838
non-life	59,128	66,542	75,640	84,075	92,299	73,435
Reserves	119,897	146,524	189,029	241,710	291,735	-
Industry investment portfolio	160,467	198,149	247,815	324,250	378,408	158,299
Deposits	47,693	59,916	77,007	129,252	150,758	-
VGBs	91,204	113,366	134,155	149,379	168,138	-
Secured CBs	2,005	2,080	3,848	10,323	17,367	-
Equity, Fund Certificate & unsecured CBs	8,073	10,619	16,099	22,670	29,115	-
Capital contribution	2,740	2,663	3,176	3,236	2,785	-
Real estate	296	496	623	659	614	-
Loans	6,628	6,793	7,031	7,373	8,485	-
Investment trust	529	1,331	5,117	542	530	-
Others	1,299	885	759	816	616	-

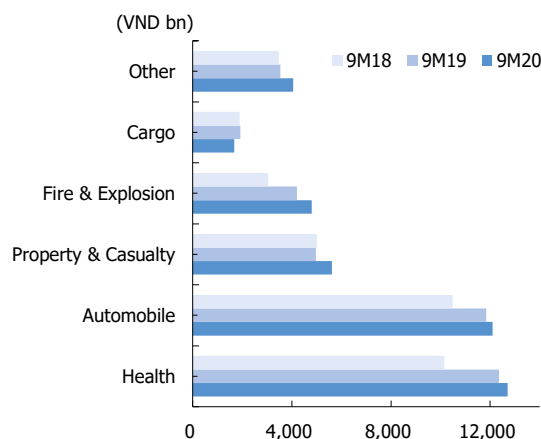
Source: IAV, Fin

**Premium of cargo business line declined by 14.41% yoy in 9M20 due to COVID-19**

Regarding to non-life insurance, main business lines comprise health insurance, automotive insurance, property & casual insurance, and fire & explosion insurance. Of which, automobile and health insurance showed strong premium growth of 12.5% and 20% respectively in 2019. However, due to COVID-19, premium of cargo business line declined by 14.41% yoy to VND1.68tn in 9M20 and premium of automobile and health business were decelerated at 2.2% yoy and 2.86% yoy respectively.

**Figure 16. Non-life premium mix by business lines 9M20**

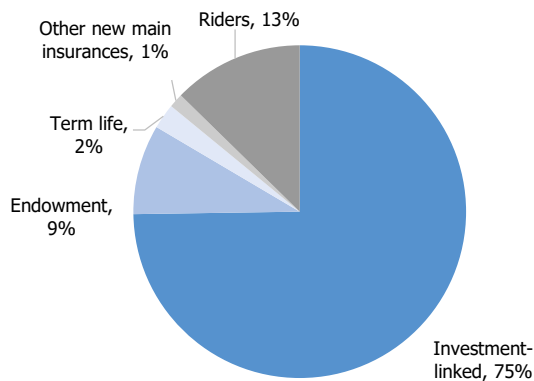
Source: IAV

**Figure 17. Non-life premium by business line in 9M18 - 9M20**

Source: IAV

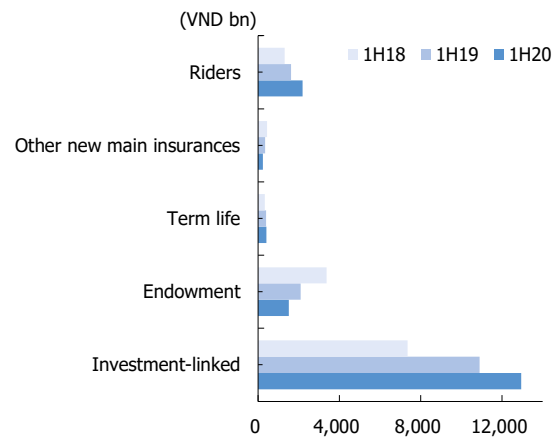
Regarding to life business, investment-linked products accounted for ~75% of first year premium, and 56% of new policies. Most of main insurance products showed weak results in 1H20 vs. that in the last two years except for investment-linked lines and riders.

**Figure 18. First year life premium mix by business lines 1H20**



Source: IAV

**Figure 19. First year premium by business line in 1H18-1H20**



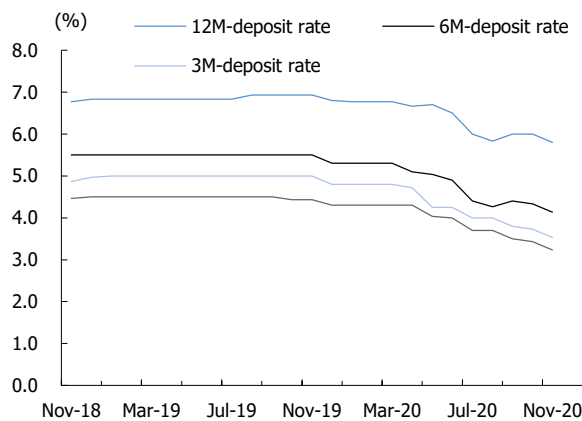
Source: IAV

There is a concern that the virus may restrain economic activities, then affects the insurance business outlook. However, since Vietnam's economy has been solid in 9M20 (+2.62% in 3Q20) and is expected to recovery strongly in 2021 (+6.1% by ADB), we believe the insurance sector may maintain its two-digit growths in future.

#### 4. Historical low interest rate level hurts short-term earnings

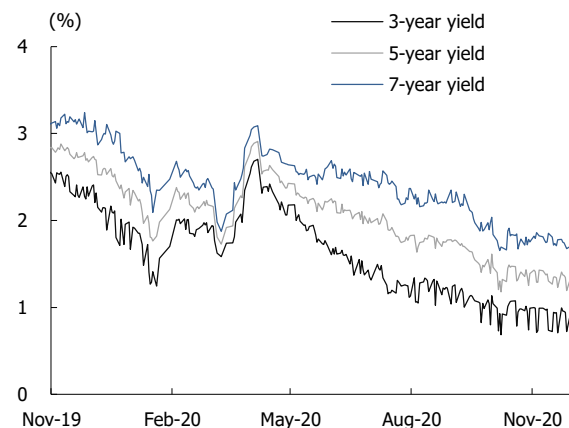
As mentioned above, G-bond and deposit account for above 80% of investment portfolio of insurance companies, the recent interest rate downward puts heavy pressure on the sector's financial income. However, our fixed-income team forecast that super low-yield environment may not last long in the near term since the country's credit has jumped up considerable to achieve 8.46% in Nov 2020 from 6.08% in 9M20. Given that, liquidity of the banking system would not be as easing as before, then it would put more upward pressure on the yields in Jan 2021.

**Figure 20. State-owned banks deposit rates**



Source: Company data, Local presses, KIS

**Figure 21. G-bond yields on secondary market**



Source: Bloomberg, KIS, HNX

## II. Market structure

### 1. M&A trend

**There are 67 insurance companies in Vietnam market**

The country has 67 insurance companies, therein 31 non-life insurers, 18 life insurers, 16 brokers and two reinsurers in 2019. There was significant change in the number of life and non-life insurance companies with an addition of one company each since 2015. However, many foreign insurers have entered Vietnamese market via M&A. For instance, FWD took over VCLI through a bancassurance agreement with Vietcombank worth of ~USD400mn in 2019, Sunlife acquired whole stake in PVI Sun life J.V in 2016, or Sumitomo Life raised its BVH holding by 4.6%p to 22.09% in 2019. We believe, the industry attractiveness may draw more foreign capital into Vietnam via M&A in coming period. Besides, EVFTA expands Vietnam's commitment to open insurance market e.g. reinsurance business, then may lift competitiveness in the sector.

**Table 2. Number of insurance company**

	2015	2016	2017	2018	2019
Total	61	63	64	65	67
No. of non-life	30	30	30	31	31
No. of life	17	18	18	18	18
No. of pro reinsurers	2	2	2	2	2
No. of brokers	12	13	14	14	16

Source: IAV

### 2. Foreign-brands dominate life insurance business

**BVL is the only domestic representative in life segment**

Except for Bao Viet Life (BVL), a subsidiary of Bao Viet Holding (HSX: BVH), life insurance business has been crowded with foreign-brand insurers. Top five largest life insurers in terms of total insurance premium comprises BVL (22.9% market share), Prudential (19.1%), Manulife (15.9%), Dai-ichi (11.6%) and AIA (11.4%), accounts for ~81% of overall premium in 6M20. Apart from the top-five, there are many foreign-players who are trying to capture the market opportunity. Some in the list of top ten largest first year premium five years ago have been replaced by new faces while some such as Generali, MB Ageas, FWD, Aviva, and Hanwha have significant increases in their rankings. Overall, the competitiveness in the industry is quite fierce.

**Table 3. Life insurance market share by first year premium and ranking** (%)

	6M20	Ranking	2015	Ranking
Manulife	19.4	1	12.3	3
BVL	16.3	2	19.5	2
Prudential	14.0	3	21.9	1
Dai-ichi	11.9	4	10.3	5
AIA	11.7	5	11.4	4
Generali	4.7	7	-	-
MB ageas	4.5	8	-	-
FWD	3.3	9	-	-
Chubb	3.0	10	-	6
Avia	2.8	11	-	-
Hanwha	2.7	12	-	-
Others	5.7	-	24.7	-

Source: IAV



### 3. Fragmented non-life market

The non-life insurance market is fragmented with 31 players. Majority of them are local companies e.g. Bao Viet, PVI, PTI, BMI, Pjico, MIC ect. Top ten largest non-life players make up ~72% of industry gross premium and the other 21 companies share ~28% of the remaining pie.

**Table 4. Non-life insurance market shares by total premium and ranking** (%)

	6M20 (%)	Ranking	2015 (%)	Ranking
Bao Viet	17.2	1	18.3	2
PVI	15.0	2	20.3	1
PTI	10.9	3	7.7	4
Bao Minh	7.4	4	8.9	3
Pjico	6.6	5	7.0	5
MIC	5.3	6	4.4	7
BSH	3.4	7	1.2	18
VASS	3.4	8	4.0	8
Samsung Vina	1.4	9	3.6	9
Liberty	1.1	10	1.6	13
Others	28.3		23.1	

Source: IAV

### 4. Rise in bancassurance

**Life insurers have been seeking for exclusive distribution bancassurance agreements**

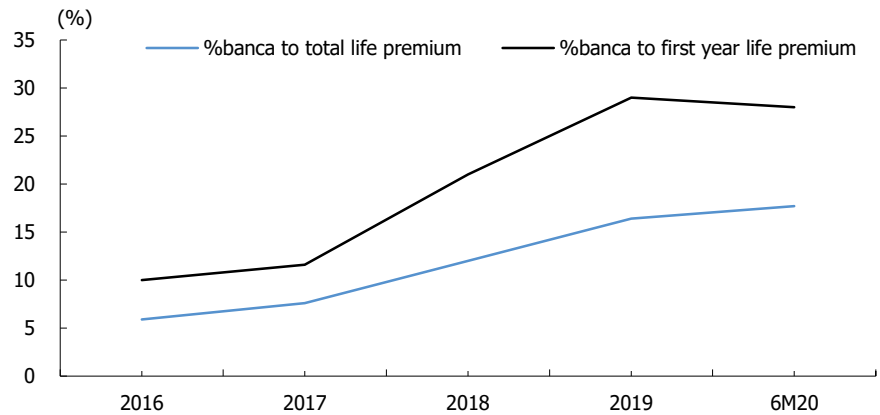
Number of insurance agents increased at a CAGR of 28% in 2014-2019 and reached more than 1 million in 2019. 84% of that was belong to life insurance business. These agents are important to the industry development. On the other hand, many insurers have inked bancassurance agreement with banks to leverage on bank's client base and their distribution networks. Penetration of bancassurance in total life insurance premium increased significantly from 5.9% in 2016 to 17.2% in 2019. We believe this trend will continue since both banks and insurance companies have emphasized on this business. Except for BVL, foreign-brand life insurers such as Manulife, Prudential, AIA, Dai-ichi, FWD and Sunlife etc. have tried to inked exclusive distribution agreement with commercial banks with generous upfront fee.

**Table 5. Number of agents**

	2015	2016	2017	2018	2019
Agents	561,773	595,040	743,778	899,071	1,026,224
Life	484,915	507,165	627,038	760,723	866,769
Non-life	76,858	87,875	116,740	138,348	159,455

Source: IAV

**Figure 22. GWP via bancassurance channel**



Source: Local presses, KIS

**Table 6. Life insurance bancassurance partnership**

(%)

	6M20 mkt share	Exclusive partners	Other partners
BVL	22.90	Bao Viet Bank (in-house)	
Prudential	19.10	MSB (2013, 10y); VIB (2015, 15y); Standard Chartered (2014, 15y), UOB (2019, 15y), PVcomBank (2019, 10y), SeABank (2020, 20y)	Shinhan, Vietbank
Manulife	15.90	SCB (2015); Techcombank (2017, 15y); Vietinbank (Dec2020, 16y)	ANZ, Shinhan
Dai-ichi	11.60	LPB (2016, 5y), STB (2017, 20y), SHB (2017, 15y), HDB (2015, 10y)	Bac A Bank
AIA	11.40	VPB (2017, 15y); HSBC (2017, 5y)	Citibank, KLB, Viet Capital Bank, Public Bank, Dong A Bank
Chubb (Ace Life: before-2015)	3.10	Viet A Bank (2018, 10y)	Viet Capital Bank
Generali	2.90	Eximbank (2016, 5y); OCB (2019, 15y)	Bac A Bank, CIMB
Hanwha	2.70	-	Shinhan Bank, Woori Bank
MB ageas	2.40	MBB (in-house)	-
Aviva	2.10	Vietinbank (in-house) – To transfer to Manulife since 2021	KLB

Source: Local presses, KIS

# Insurance stocks

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Bao Viet Holding (BVH)

Non-life stocks – PVI, BMI, BIC, PGI, MIG, PTI, ABI

Reinsurance stocks – VNR

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**Table 7. Earnings and valuation**

Recommendation & TP				Earnings & Valuation									
Company				Revenue (VND bn)	OP (VND bn)	NP (VND bn)	EPS (VND)	BPS (VND)	PER (x)	PBR (x)	ROE (%)	ROA (%)	DY (%)
<b>Life &amp; Non-life</b>													
BVH	Recommendation	-	2016A	23,281	1,773	1,123	1,718	19,149	31.96	2.87	9.13	1.71	1.46
(HSX)	TP (VND)	-	2017A	29,482	2,524	1,563	2,292	20,221	27.34	3.10	11.64	1.90	1.60
	Price (VND)	58,000	2018A	37,464	2,023	1,115	1,518	21,092	57.00	4.10	7.28	1.09	1.16
	Mkt cap (VND bn)	43,055	2019A	40,317	2,377	1,182	1,649	25,821	41.01	2.62	6.89	0.98	1.48
			T12M20	42,590	2,280	1,278	1,731	27,149	27.72	1.77	7.13	0.96	2.08
<b>Non-life</b>													
PVI	Recommendation	-	2016A	5,453	727	540	2,231	29,628	8.58	0.65	7.58	3.36	10.44
(HNX)	TP (VND)	-	2017A	5,398	692	500	2,115	29,654	12.30	0.88	7.15	2.76	7.69
	Price (VND)	30,600	2018A	6,173	751	553	2,305	29,354	12.46	0.98	7.88	2.82	4.88
	Mkt cap (VND bn)	6,840	2019A	6,538	860	648	2,580	29,946	11.15	0.96	8.70	3.10	6.96
			T12M20	5,537	868	652	2,729	30,040	10.95	1.00	9.10	2.85	7.53
BMI	Recommendation	-	2016A	2,903	223	182	2,039	23,766	9.88	0.85	8.56	3.64	4.51
(HSX)	TP (VND)	-	2017A	3,357	190	163	1,787	23,291	17.72	1.36	7.59	3.09	6.32
	Price (VND)	30,200	2018A	3,310	200	162	1,776	24,541	10.40	0.75	7.43	2.97	5.42
	Mkt cap (VND bn)	2,759	2019A	3,562	218	181	1,660	24,833	13.98	0.93	7.75	3.25	5.17
			T12M20	3,885	243	201	1,949	24,565	14.73	1.17	8.69	3.43	5.23
BIC	Recommendation	-	2016A	1,406	165	127	1,095	17,321	31.01	1.96	6.32	2.88	1.77
(HSX)	TP (VND)	-	2017A	1,580	183	138	1,176	17,576	28.56	1.91	6.74	3.00	2.08
	Price (VND)	21,250	2018A	1,726	214	155	1,321	18,021	18.36	1.35	7.42	3.14	2.89
	Mkt cap (VND bn)	2,492	2019A	1,929	270	211	1,800	18,897	13.61	1.30	9.75	3.97	2.86
			T12M20	2,095	341	258	2,198	19,817	8.31	0.92	11.44	4.61	3.83
PGI	Recommendation	-	2016A	2,173	126	102	1,449	12,882	11.18	1.26	11.87	2.55	6.17
(HSX)	TP (VND)	-	2017A	2,415	148	127	1,682	16,546	10.50	1.07	10.70	2.74	6.23
	Price (VND)	20,800	2018A	2,474	177	145	1,631	16,827	9.22	0.89	9.77	2.79	7.98
	Mkt cap (VND bn)	1,845	2019A	2,661	198	163	1,833	17,332	9.47	1.00	10.73	2.90	6.91
			T12M20	2,906	227	183	2,061	17,238	8.63	1.03	12.11	3.07	7.31
MIG	Recommendation	-	2016A	1,477	87	70	1,107	9,173	n.a	n.a	n.a	n.a	n.a
(UPCOM)	TP (VND)	-	2017A	1,768	81	44	431	9,564	20.69	0.93	5.11	1.49	n.a
	Price (VND)	13,400	2018A	1,756	131	108	1,171	10,707	8.66	0.95	11.55	3.24	n.a
	Mkt cap (VND bn)	1,742	2019A	2,008	181	142	1,210	11,382	8.23	0.88	11.49	3.30	8.03
			T12M20	2,425	159	124	956	11,069	14.01	1.21	8.52	3.30	9.80
PTI	Recommendation	-	2016A	2,679	133	108	1,347	22,989	9.47	1.07	5.87	2.35	5.28
(HNX)	TP (VND)	-	2017A	2,960	190	154	1,912	23,635	11.23	0.91	8.20	2.97	5.59
	Price (VND)	20,700	2018A	3,415	34	17	207	22,576	99.42	0.91	0.90	0.29	5.83
	Mkt cap (VND bn)	1,664	2019A	4,409	146	112	1,390	23,162	14.03	0.84	6.08	1.63	4.10
			T12M20	4,888	296	223	2,775	24,046	7.39	0.85	11.95	2.91	4.88
ABI	Recommendation	-	2016A	988	138	111	1,819	16,333	10.60	1.18	11.56	7.83	6.22
(UPCOM)	TP (VND)	-	2017A	1,084	160	128	1,651	17,854	14.31	1.32	9.66	7.69	5.08
	Price (VND)	36,000	2018A	1,327	214	172	3,146	20,321	13.45	1.24	16.48	8.74	5.40
	Mkt cap (VND bn)	1,326	2019A	1,571	303	242	6,582	24,187	4.48	1.22	29.58	10.30	4.07
			T12M20	1,758	339	272	7,152	26,844	5.03	1.34	28.94	9.90	3.86
<b>Reinsurance</b>													
VRE	Recommendation	-	2016A	1,155	248	240	1,816	20,789	9.01	0.79	8.97	3.74	9.16
(HNX)	TP (VND)	-	2017A	1,022	267	259	1,934	20,507	10.00	0.94	9.56	4.04	11.37
	Price (VND)	19,400	2018A	1,182	292	297	2,264	22,507	8.99	0.90	10.52	4.52	0.98
	Mkt cap (VND bn)	2,543	2019A	1,507	301	288	2,163	23,441	9.20	0.85	9.42	4.22	6.03
			T12M20	1,681	343	321	2,373	23,163	8.18	0.84	10.50	4.51	10.31

Source: Bloomberg, Fiinpro. Data as of 16 Dec 2020.

## Bao Viet Holdings (BVH)

Stock price (16 Dec, VND)	58,600
Market cap (USD mn)	1,881
Shares outstanding (mn)	742
52W High/Low (VND)	71,948/31,835
6M avg. daily turnover (USD mn)	1.86
Free float (%)	31.9
Foreign ownership (%)	28.4

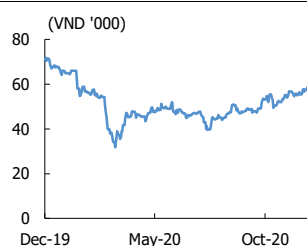
Yr to	Sales	OP	NP	EPS	BPS	PE	PB	ROA	ROE	DY
Dec	(VND bn)	(VND bn)	(VND bn)	(VND)	(VND)	(x)	(x)	(%)	(%)	(%)
2016A	23,281	1,773	1,123	1,718	19,149	31.96	2.87	9.13	1.71	1.46
2017A	29,482	2,524	1,563	2,292	20,221	27.34	3.10	11.64	1.90	1.60
2018A	37,464	2,023	1,115	1,518	21,092	57.00	4.10	7.28	1.09	1.16
2019A	40,317	2,377	1,182	1,649	25,821	41.01	2.62	6.89	0.98	1.48
T12M20	42,590	2,280	1,278	1,731	27,149	27.72	1.77	7.13	0.96	2.08

### Modern distribution channels threat the King

#### Performance

	1M	6M	12M
Absolute (%)	8.5	20.9	(18.2)
Relative to VNI (%p)	(3.9)	(5.3)	(31.2)

#### Stock price trend



**Well-recognized SOE - brands:** Bao Viet was established in 1965 and is the oldest insurance company in Vietnam. MOF holds the largest stake at 65%. Sumitomo Life is the second largest shareholder at 22.09%, following a private placement for 4.61% stake in Dec 2019 and an acquisition of 17.48% of stake from HSBC insurance in 2013.

The company always affirms its leading position in terms of market share, original insurance premium as well as charter capital. Bao Viet takes the first place in both life insurance market (~23%) and non-life insurance market (~16%), provides clients with a wide range of services, including 80 non-life insurance products and 55 life insurance ones. Particularly, thanks to its high reputation of a large SOE-companies, Bao Viet is the best well-known brand in rural areas, where banking system has yet approached.

**Advantage with wide distribution network:** Apart from well-known brands, physical distribution network is another BVH's advantages, including 220 branches and 1,000 transaction offices across all provinces in Vietnam. BVH had 6,600 staffs and 250,000 agents (~24.4% of whole sector) and possessed a client base of 17 million in 2019.

**Threat from bancassurance:** BVH has not seek for any exclusive bancassurance distribution agreement at present which is contrast to foreign-owned insurers in the market. Even though BVH has the in-house Bao Viet Bank (49.5% stake), it still emphasizes on developing its owns agent. Besides, Bao Viet Bank's distribution network includes 23 branches and transaction offices, which is small vs. peers and even small vs. BVH.

#### Company overview

BVH Holdings (BVH), formerly known as Vietnam Insurance Company, was established in 1964. The Company operates its business in provision of financial industries, such as insurance, banking, securities, funds management and real estate of which insurance is the core business. Bao Viet's business strategy is to become leading financial-insurance group with strong financial strength, gradually integrating into regional market and international markets based on 3 cores: Insurance, Banking and Investment.

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- Hold: Expected total return will be between -5%p and 15%p
- Sell: Expected total return will be -5%p or less
- KIS Vietnam Securities Corp. does not offer target prices for stocks with Hold or Sell ratings.

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