**BIDV INSURANCE CORPORATION** **SOCIALIST REPUBLIC OF VIET NAM**

**Independent – Freedom - Happiness**

*Ha Noi, Dated / /2023*

# PROPOSAL

***Re:* Adjusting for distribution of after-tax profits in 2022 and proposed plan for profit distribution in 2023**

**To: GENERRAL MEETINGS OF SHAREHOLDERS OF BIDV INSURANCE CORPORATION**

Pursuant to the Charter on organization and operation of BIDV insurance corporationissued together with Decision No. 038/NQ – HDDQT dated 15/04/2022

On the basis of reviewing financial statement and Funds of BIC and to increase the benefits to BIC's shareholders, the Board of Directors respectfully presents to the General meeting of Shareholders the plan for distribution of after-tax profits for 2022, the dividend distribution plan for 2022, and the profit distribution plan for 2023 as follows:

## I. Proposal for distribution of after-tax profits, payment of dividends for the year 2022

### 1. Proposal for distribution of after – tax profit of 2022

| No. | Items | Amount (vnd) |
|---|---|---|
| **1** | **After – tax profit for the year 2022** | **299.235.809.298** |
| 2 | Statutory reserve (2 = 1*5%) | 14.961.790.465 |
| 3 | Development investment fund (3 = 1*20%) | 59.847.161.860 |
| 4 | Bonus and welfare fund | 88.582.796.672 |
| **5** | **Remaing profits for the year 2022 (5=1-2-3-4)** | **135.844.060.301** |

**In which:**

- No. 2 "Statutory reserve": according to the regulation
- No. 3 "Development investment fund": According to the Resolution No. 02/2022/NQ-ĐHĐCĐ dated 14/04/2022, the approved rate is 25% on separate profit after tax of BIC, however, considering the growth of BIC's profit through the years and to increase the dividend payment rate for BIC's shareholder, Board of Directors propose to decrease the extract rate for Development investment fund of 2022 from 25% to 20%.
- No. 4 "Bonus and welfare fund":

In accordance with Resolution No. 02/2022/NQ-ĐHĐCĐ dated 14/04/2022 of Annual General Meeting on Plan for profit after tax allocation of 2022, the profit is allocated to Bonus and welfare Fund as followings:

- In case of combined ratio is higher than or equal to 100%: 1,5 actual monthly salaries.
- In case of combined ratio is from 99% to 100%: 2,0 actual monthly salaries.
- In case of combined ratio is from 98% to 99%: 2,5 actual monthly salaries.

In case combine expense ratio is less than 98%: 3 actual monthly salaries.

In 2022, BIC has achieved the business targets assigned by the General Meeting of Shareholder (with the combined ratio reaching 98,50%, pre-tax profit reaching nearly 370 billion VND, completing 101,4% of the assigned plan, and decreasing by 23,71% compared to the results of 2021). Based on the approved contents of the 2022 Annual Shareholders' Meeting, the allocation rate for the Bonus and Welfare Fund is set at 2,5 months of actual monthly salaries, equivalent to 88.583 million VND, with 35% of the fund allocated to the Bonus fund and 65% allocated to the welfare fund.

### 2. Plan for dividend payment of 2022

Proposing adjust the dividend payment rate for 2022 increase from 12,5% to 13%, then the profit after distribution to Funds and pay dividend is as follows:

| No. | Items | Amount (vnd) |
|---|---|---|
| **I** | **Retained earning as at 31/12/2022** | **164.935.415.789** |
| **1** | **Remaining fund for support customer who are insured by BIC Binh An according to Resolution No. 01/2022/NQ - ĐHĐCĐ dated 17/02/2022 (extract from profit of previous year before 2022 that have not yet been distributed)** | 1.534.834.226 |
| *1.1* | **Fund for support customer who are insured by BIC Binh An according to Resolution No. 01/2022/NQ - ĐHĐCĐ dated 17/02/2022** | 3.000.000.000 |
| *1.2* | *Actual paid – out amount to customers who are insured under BIC Binh An in 2022* | (1.465.165.774) |
| **2** | **The remaing profit entitled to pay dividend as at 31/12/2022** | **163.400.581.563** |
| 2.1 | Profit of previous year before 2022 that have not yet been distributed | 27.556.521.262 |
| 2.2 | Remaing profits for the year 2022 after distributed to funds | 135.844.060.301 |
| **II** | **Charter capital for dividend payment** | **1.172.768.950.000** |
| 1 | Total charter capital | 1.172.768.950.000 |
| **III** | **Proposed dividend payment rate** | **13%** |
| **IV** | **Profit used to pay out dividend (IV = III * II)** | **152.459.963.500** |
| **V** | **Undistributed profit after payment dividend (V = I - IV) (*)** | **12.475.452.289** |

(*)Including unused fund for support customer who are insured by BIC Binh An according to Resolution No. 01/2022/NQ - ĐHĐCĐ dated 17/02/2022 is 1.534.834.226 dongs.

## II. Propose to profit distribution of 2023

### 1. Allocate to Funds in 2023

The plan for profit allocation to funds as follows:

- Allocating to Statutory reserve: according to provision at article 77 Decree No. 73/2016/NĐ-CP “The cap of statutory reserve is 10% of the charter capital of

insurance enterprise", as the balance of BIC's Staturory reserve as at 31/12/2022 is 103.711.361.695 vnd, then in 2023, accrual the lower amount in 2 cases: (i) 5% separated after- tax profit Or (ii) 13.565.533.305 vnd – amount that will reach the cap 10% of BIC's charter capital.

- Allocating to development investment fund: propose to extract 15% on separate profit after tax of BIC to Development investment funds and the cap of extract amount to Development Investment Fund is 100% BIC's charter capital.

- Allocating to Bonus and welfare fund: extract from 1,5 to 3,0 actual monthly salaries based on combined ratio achieved:

In case combined ratio is higher than or equal to 100%: accrue 1,5 actual monthly salaries.

In case combined ratio is from 99% to 100%: accrue 2,0 actual monthly salaries.

In case combined ratio is from 98% to 99%: accrue 2,5 actual monthly salaries.

In case combine expense ratio is less than 98%: accrue 3,0 actual monthly salaries.

## 2. Proposed dividend payment rate of 2023

In line with proposal on profit allocation above, to propose the dividend rate for 2023 is 13,5% as follows:

| No. | Items | Estimate for 2023 (Million dongs) |
|---|---|---|
| **I** | **Retained earnings as at 31/12/2022 that can be paid as dividend** | **10.941** |
| **II** | **Estimated profit after tax of 2023** | **368.000** |
| 1 | Estimated profit before tax | 460.000 |
| 2 | Estimated CIT expense | (92.000) |
| **III** | **Proposed profit allocation** | **182.608** |
| 1 | Statutory reserve (*) | 13.566 |
| 2 | Development investment Fund (3 = II*15%) | 55.200 |
| 3 | Bonus and welfare Fund (**) | 113.842 |
| **IV** | **Estimated remaining profits of 2023 (IV)=(II)-(III)** | **185.392** |
| **V** | **Estimated undistributed profit that can be paid as dividend as at 31/12/2023 (V)=(I)+(IV)** | 196.333 |
| **VI** | **Charter capital for dividend payment** | **1.172.769** |
| | Proposed dividend payment rate at 13,5% | 158.324 |
| **VII** | **Remaining undistributed profit as at 31/12/2023** | **38.009** |

*(*) According to provision at article 77 Decree No. 73/2016/NĐ-CP "The cap of statutory reserve is 10% of the charter capital of insurance enterprise". Expected amount accrue is 13,566 billion dongs (less than 5% after – tax profit). The balance of Staturory reserve will reach 10% charter capital is 117,277 billion dongs.*

(**) *Assuming that the accrual is 2,5 months of average salary.*

For the General Meetings of Shareholder of BIC to consider and approve./.

**ON BEHALF OF BOARD OF DIRECTOR**

**CHAIRMAIN**

**Tran Xuan Hoang**