BIDV INSURANCE JOINT STOCK CORPORATION

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

Hanoi, 2019

THE PROPOSAL

For the approval of financial finalization and profit after tax allocation of 2018

To: GENERAL MEETING OF SHAREHOLDERS

- Pursuant to the Enterprise Law No. 68/2014/QH13 dated 26/11/2014 and the documents guiding the implementation thereof;

- Pursuant to the Insurance Business Law No.24/2000/QH10 dated 09/12/2000 and the documents guiding the implementation thereof;

- Pursuant to the Law amending and supplementing some articles of the Insurance Business Law No.61/2010/QH12 dated 24/11/2010 and the documents guiding the implementation thereof;

- Pursuant to Charter of BIC issued together with Decision No.018/QĐ-HĐQT dated 29/02/2016 of Board of Director of BIC;

- Pursuant to Financial Regulation of BIC issued together with Decision No.131/QĐ-HĐQT dated 31/07/2015 and the amending and supplementing issued together with Decision No.085/QĐ-HĐQT dated 09/11/2017 and Decision No.103/QĐ-HĐQT dated 31/12/2016 of the Board of Director of BIC ;

Based on the 2018 financial statements of BIC audited by Ernst&Young VN Ltd, the Board of Director would like to respectfully submit the 2018 operating result report to General Meeting of Shareholders for the approval of 2018 financial finalization; profit after tax allocation and dividend payment plan as follows:

I. Approval for 2018 financial statements

1. *The separate financial statements of BIC*

No	Main items	Audited amount (VND)	Approved amount (VND)
I	**Profit from insurance activities**	**(35,349,939,965)**	**(35,349,939,965)**
1	Income from insurance activities	2,068,809,972,208	2,068,809,972,208
2	Reinsurance premium ceded	(646,479,131,544)	(646,479,131,544)
3	Total insurance operating expense	(1,141,063,321,621)	(1,141,063,321,621)
4	General and administrative expense	(316,617,459,008)	(316,617,459,008)
II	**Profit from financial activities**	**238,011,534,402**	**238,011,534,402**
1	Finance income	254,967,334,357	254,967,334,357
2	Finance expense	(16,955,799,955)	(16,955,799,955)
III	**Net other profit**	**(84,499,770)**	**(84,499,770)**

1	Other income	1,298,012,702	1,298,012,702
2	Other expense	(1,382,512,472)	(1,382,512,472)
V	**Profit before tax**	**202,577,094,667**	**202,577,094,667**
VI	**Current corporate income tax**	**(53,944,807,091)**	**(53,944,807,091)**
VII	**Deferred income tax**	**(1,054,606,263)**	**(1,054,606,263)**
VIII	**Profit after tax**	**147,577,681,313**	**147,577,681,313**

2. *Consolidated financial statements*

No	Main items	Audited amount (VND)	Approved amount (VND)
I	**Profit from insurance activities**	**(38,142,369,409)**	**(38,142,369,409)**
1	Income from insurance activities	2,262,738,138,518	2,262,738,138,518
2	Reinsurance premium ceded	(775,755,887,975)	(775,755,887,975)
3	Total insurance operating expense	(1,187,452,015,111)	(1,187,452,015,111)
4	General and administrative expense	(337,672,604,841)	(337,672,604,841)
II	**Profit from financial activities**	**238,722,700,216**	**238,722,700,216**
1	Finance income	263,773,233,566	263,773,233,566
2	Finance expense	(25,050,533,350)	(25,050,533,350)
III	**Net other profit**	**1,898,054,923**	**1,898,054,923**
1	Other income	3,340,673,202	3,340,673,202
2	Other expense	(1,442,618,279)	(1,442,618,279)
V	**Profit before tax**	**202,478,385,730**	**202,478,385,730**
VI	**Current corporate income tax**	**(57,396,614,923)**	**(57,396,614,923)**
VII	**Deferred income tax**	**(1,054,606,263)**	**(1,054,606,263)**
VIII	**Profit after tax**	**144,027,164,544**	**144,027,164,544**
IX	**Attributable to NCI**	**3,206,692,647**	**3,206,692,647**
X	**Attributable to BIC**	**140,820,471,897**	**140,820,471,897**

II. Approval for Profit allocation plan and dividend payment of 2018

1. *2018 profit allocation plan*

No	Item	Amount (VND)
1	**Profit after tax of 2018**	**147,577,681,313**
2	Statutory reserve (2 = 1*5%)	7,378,884,066
3	Investment and Development fund (3 = 1*25%)	36,894,420,328
4	Bonus and welfare fund	25,000,000,000
5	**Retained earnings of 2018 (4=1-2-3)**	**78,304,376,919**

In which:

- No.2 "Statutory reserve": according to the regulation.

- No.3 "Investment and Development fund": similar to 2017, BIC proposes to allocate 25% of profit after tax to this fund, with the purpose of creating a reserve fund for big projects, purchasing new office for HO and branches, investing in core system or increasing capital if need.

- No.4 "Bonus and welfare fund": According to Decree No. 91/2015 / ND-CP and Circular No.158/2013/TT-BTC guiding some contents on financial supervision and performance evaluation for State owner enterprises and Circular No.195/2014/TT-BTC dated 17/12/2014 on assessment of insurance company, with class 1, the maximum accrual for bonus and welfare fund of BIC in 2018 is three monthly salaries. However, based on the actual retained earnings as at 31/12/2018, BIC proposes to accrue to this fund by 25 billion VND, equivalent to 1.40 actual monthly salaries in 2018 (in which: 35% for bonus and 65% for welfare fund).

2. *Dividend payment plan of 2018*

No	Item	Amount (VND)
I	**Retained earnings as at 31 Dec 2018**	**102,564,777,364**
1	Retained earnings from past years	24,260,400,445
2	Profit of 2018 after allocating to other funds	78,304,376,919
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**	**7%**
IV	**Total dividend paid (IV = III * II)**	**82,093,826,500**
V	**Remaining retained earnings as at 31/12/2018 (V = I - IV)**	**20,470,950,864**

BIC suggests the 2018 dividend payment rate at 7% which is equal to the plan approved by 2018 AGM. The remaining retained earnings will be used as financial reserve fund in un-expected cases (if happened). BIC also would like to suggest for the approval of General Meeting of shareholders in assigning to BOD for deciding and implementing the dividend payment in according to the state regulations

For the General Meeting of Shareholders of BIC to consider and approve./.

On behalf of BOD

VICE CHAIMAN IN CHARGE

TỔNG CÔNG TY CỔ PHẦN BẢO HIỂM NGÂN HÀNG ĐẦU TƯ VÀ PHÁT TRIỂN VIỆT NAM

RAMASWAMY ATHAPPAN