

Hanoi, March ,2024

**REPORT ON OPERATION OF BOARD OF DIRECTORS IN 2023
AND PLAN OF 2024**

To: THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Pursuant to Charter of BIDV Insurance Corporation issued with Decision No. 038/QĐ-HĐQT dated 15/04/2022 of the Board of Directors of BIDV Insurance Corporation, the BOD of BIDV Insurance Corporation would like to report regarding its operation from the Annual General Meeting of shareholders 2022 to the Annual General Meeting of shareholders 2023 as follows:

A. OPERATION IN 2023

I. The main direction and orientation of the BOD in 2023 were:

- + Business orientation: continue to grow safely, effectively and sustainably, besides Bancassurance channel which is the main growth engine of the system, the BOD required the BOM to focus on parallel development of non-bancas segments, ensuring the growth rate is not lower than the market.
- + The BOM continued to organize Bancas discussions with areas that had not been done before to demonstrate BIC's close attention to insurance business activities with BIDV branches.
- + The BOM accelerated the transfer of CVI capital.
- + The BOM closely followed the progress, strictly followed the bidding regulations for the Core insurance transformation project. If the expenses approved by the BOD are not guaranteed, the BOM needs to submit them to the BOD for approval.
- + For the Network Development Updated Report, the Executive Board builded a specific development roadmap according to the plan, ensuring the effectiveness of each newly established branch. Quickly put 3 new companies (BIC Trang An, BIC Kien Giang, and BIC Gia Dinh) are in operation and preparations are being made to establish new affiliates according to the approved network project until the end of 2025.
- + For credit rating: The Executive Board needs to develop a specific credit rating upgrade roadmap for BIC in the coming time to ensure BIC achieves a higher ranking in the Vietnamese insurance market.

- + For new products: The Executive Board needs to build a new product research department, prepare adequate human resources to promote retail products, bancas...

II. General information:

- Implementation of governance, oversight of management operation of the corporation and Board of Management in accordance with Regulations, Resolutions and Decisions on authority of the Board of Directors.
- Implemented detailed assignment of business plan objectives approved by the 2023 Annual General Meeting of Shareholders. Oversaw the Chief Executive Officer's implementation of the business plan and direction of the Corporation to achieve the assigned targets.
- Approved, issued, amended regulations and decisions under the authority of the Board of Directors to ensure sustainable and consistent operations of the Corporation complying with applicable laws.
- In addition to obtaining opinions from members of the Board of Directors via email or in writing, meetings were also held quarterly to evaluate the business performance of the Corporation to provide appropriate direction in a timely manner. In 2023, the BOD issued 131 Decisions/Resolutions to guide the business operations of the Corporation.
- The Investment Committee performed well in their role of consulting the BOD on investment activities of the Corporation according to the authorization of BOD.
- After more than 1 year of establishment and operation, the Risk Committee has been active and implemented many contents such as: promulgated Risk Management Policy, updated Three Lines of Protection Policy, developed Risk Management Process, issued internal document system, updated according to new legal regulations, besides regularly having recommendations, warnings to the entire system and timely advice to the Board of Directors and Executive Board.

III. Details

1. Business performance:

On the basis of the business plan objectives assigned by the 2023 Annual General Meeting of Shareholders, The BOD has directed the General Director and branches, units to concentrate and make effort to implement the assigned targets and results as follows:

Đơn vị: billion Dong

No	Item	Actual 2023	Target 2023	% completion
1	Gross written premium	4,774	4,585	104.1%
	<i>Direct premium</i>	4,601	4,400	104.6%
2	Consolidated pre-tax profit	573.9	480	119.6%
3	COR (%)	94.7%	<= 98%	

Total insurance premium revenue will grow by 26.5% over the same period in 2022, reaching VND 4,774 billion, of which direct premium will reach VND 4,601 billion, growing by 27.9% over the same period. With the above premium results, BIC market share in 2023 has risen to 7th position in the market in terms of market share of direct premium.

The combined ratio reached 94.7%, very good compared to the set target and ensuring efficiency targets from direct premium.

Overall, in 2023, the BOD assessed that the CEO followed the objectives, directions and implementation tasks assigned by the AGM and the BOD, namely:

- Clarified objectives and took measures to implement the business plan, strengthened financial management, claim management, etc., to achieve targets of continuing safe, effective growth, sustainable development and keep moving towards retail market segmentation, health & PA products, especially the Bancassurance channel with BIDV as well as other banks. In general, all 2023 targets of the AGM were well achieved and exceeded by the BOM, especially completed 121.3% of assigned profit.
- In monthly meetings, the General Director periodically evaluated implementation according to the orientation of the Board of Directors; regularly assessed business results in terms of premium revenue, loss ratio, combined ratio, debt ratio, results according to lines of businesses and branches, considered request/proposals of branches to provide work focus and specific instructions for each member of the BOM and Divisions at HO and branches.
- To continue to improve organizational structure and governance, consolidate the organizational structure, decentralize authority towards increasing autonomy for branches. Adjusted/supplemented authority and decentralization in accordance with management ability of Branch Directors regarding underwriting, claims, finance on the basis of reviewing and evaluating operational efficiency of each branch. In 2023, with the orientation of promoting and developing the Retail segment, completing customer service in areas far from the branches, BIC has established 3 new branches in Ha Noi, Dong Bang Song Cuu Long, Ho Chi Minh, bringing the total number of branches to 33. The 2023 business results of these 3 new branches are in the excellent/good group of the system and actively contribute to the overall success of BIC in 2023.

2. Others activities:

- Risk management: in 2023, with the active operation of the Internal Audit Division under the BIC's BOD, it has brought many valid recommendations from the review and evaluation of BIC's activities, helping the BOD and The BOM to has a basis to adjust the management and administration in a stricter and safer direction for BIC. In addition, in 2023, the Risk Committee has actively operated and provided many recommendations and advice to the Board of Directors on all aspects of the Corporation's operations.
- *Credit rating*: BIC continued to maintain financial capacity rating of B ++ by A.M. BEST, with stable prospect for rating upgrade in 2023, issuer capacity rating is bbb (good). In particular, in 2023, AM Best added a national credit rating (National Scale Rating - NSR) applicable to each country's market, converted from the rating results according to international standards. Accordingly, BIC's 2023 rating after conversion will be domestically ranked aaa.VN, the highest in Vietnam. The outlook for upgrading indicators is Stable.
- *Regulations Adherence*: updated and adjusted regulations on decentralization of authority in accordance with the current law.
- *Technical Assistance program from Fairfax*: with specialized personnel appointed by strategic shareholder Fairfax Asia to work directly at BIC, the coordination between working groups in each of the fields of Information Technology, Distribution, New Product Development, Risk Management Risk, Human Resources, Bancassurance, Investment Operations Management, Reinsurance, Marketing... in 2023 are deployed smoothly and closely follow the set goals. In particular, BIC's Core system project was actively supported by Fairfax experts.
- *Product development*: In 2023, BIC continues to cooperate with leading reinsurers in Vietnam and the region to develop new products.
- *Providing input to state agencies*: BIC actively contributed comment and input to state agency documents as well as drafted regulations to related management agencies such as the Ministry of Finance and the Vietnam Insurance Association.
- *Social Responsibility*: BIC is gradually moving towards sustainable development and increased society responsibilities. BIC emphasized care for staff and improvement in living standards thus creating a dynamic and youthful working environment and opportunities. BIC also engages in many meaningful volunteer activities, particularly with regards to special circumstances and challenges faced by staff

B. 2024 PLAN

1. BIC's operating motto in 2024 is "Discipline, quality, operational transformation".

2. To direct the CEO/Corporation to achieve targets for 2024 as approved by the AGM; Strive to continue improving market rankings;
3. To direct implementation of the Technical Assistance project with the strategic investor to improve competitiveness and service quality;
4. To push the pace of the the digital insurance system transformation;
5. To complete the receipt of CVI capital early in Quater 1, 2024;
6. To complete the change of the operation structure and improve the operation mechanism, governance of the Corporation to encourage initiative, increase accountability, enhance competency of all management levels in order to promote the business and improve competitiveness; Strictly comply with the provisions of law and BIC's regulations and business processes.
7. To enhance risk management for securing sustainable, comprehensive development and meeting requirements on general practice of safety ratio by the law;
8. To enhance the internal inspection throughout all operations.
9. To carry out the overall plan of training, human resources development in order to meet requirements for further development.

With the approval of shareholders, the Board of Directors determines to achieve the objectives above, ensure the sustainable development of BIC and protect the rights and interests of valued shareholders.

Sincerely./.

**ON BEHALF OF THE BOARD OF
DIRECTORS
CHAIRMAN**

(signed)

Tran Xuan Hoang