

PROPOSAL

Re: For distribution of after-tax profits in 2023 and dividend payment plan for 2024.

To: GENERAL MEETINGS OF SHAREHOLDERS OF BIDV INSURANCE CORPORATION

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

Based on the financial report data for 2023 that has been audited by Ernst&Young Vietnam Company Limited, the Board of Directors respectfully presents to the General meeting of Shareholders the plan for distribution of after-tax profits for 2023, the dividend distribution plan for 2023, and the dividend payment plan for 2024, are as follows:

I. Proposal for distribution of after-tax profits, payment of dividends for the year 2023

1. Proposal for distribution of after – tax profit of 2023

No.	Items	Amount (VND)
1	After – tax profit for the year 2023	442,567,794,238
2	Statutory reserve (2 = 1*5%, or when the reserve fund reaches the maximum level of 10% of the charter capital, equivalent to 117,276,895,000 VND)	13,565,533,305
3	Development investment fund (3 = 1*15%)	66,385,169,136
4	Bonus and welfare fund	132,770,338,271
5	Remaing profits for the year 2023 (5=1-2-3-4)	229,846,753,526

In which:

- No. 2 “Statutory reserve”: The amount of the Statutory Reserve Fund before the implementation of the 2023 profit distribution is 103,711,361,695 VND. Pursuant to Article 54 of Decree 46/2023/ND-CP dated 01/07/2023 on elaboration of the Law on Insurance business, the maximum amount of the Statutory Reserve Fund is equal to 10% of charter capital, equivalent to 117,276,895,000 VND. Thus, after extracting 3.07% from After – tax profit for the year 2023, equivalent to 13,565,533,305 VND, the Statutory Reserve Fund has reached the maximum level as prescribed by law.
- No. 3 “Development investment fund”: According to Resolution 01/2023/NQ-ĐHĐCĐ dated April 5, 2023, of the Shareholders' General Meeting regarding the proposed profit distribution plan for the year 2023,

the allocation rate is set at 15% of the after-tax profit based on BIC's separate financial statements.

- No. 4 “Bonus and welfare fund”:

In accordance with Resolution No. 01/2023/NQ-ĐHĐCĐ dated 05/04/2023 of Annual General Meeting on Plan for profit after tax allocation of 2023, 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%: 3.0 actual monthly salaries.

In 2023, BIC has achieved the business targets assigned by the General Meeting of Shareholder (with the combined ratio reaching 94.7%, pre-tax profit reaching nearly 558 billion VND, completing 121.3% of the assigned plan, and increasing by 49.5% compared to the results of 2022), then the allocation rate for the Bonus and Welfare Fund is 3 months of actual monthly salaries. However, on the basis of balancing the level of allocation of funds and profit after tax of BIC, while still ensuring the interests of employees, it is proposed that the allocation rate for the Bonus and Welfare Fund is set at 30% of the profit after tax (lower than the 3 months of actual monthly salaries mentioned above), equivalent to 132,770 million VND.

2. Plan for dividend payment of 2023

The minimum dividend payout rate for the 2023 plan approved by the 2023 Shareholders' Meeting is 13.5%. Considering the actual profit achieved by BIC in 2023 surpassing the assigned profit plan, it is proposed to seek approve for a higher dividend payout rate than initially anticipated at the beginning of the year, at 15%, as follows:

No.	Items	Amount (VND)
I	Retained earning as at 31/12/2023 entitled to pay dividend (I =1+2+3)	243,715,988,643
1	Remaining fund for support customer who are insured by BIC Binh An according to Resolution No. 01/2023/NQ - ĐHĐCĐ dated 17/02/2022 as at 31/12/2023	1,434,834,226
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)
1.3	Actual paid – out amount to customers who are insured under BIC Binh An in 2023	(100,000,000)
2	Retained earning as at 31/12/2023 (excluding the portion from the funds to support BIC Binh An	243,440,182,684

No.	Items	Amount (VND)
	policyholders)	
2.1	Profit of previous years before 2023 that have not yet been distributed (*)	13,593,429,158
2.2	Remaining profits for the year 2023 after distributed to funds	229,846,753,526
3	Excluding gains/losses from revaluation of monetary items and financial instruments.	(1,159,028,267)
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	15.0%
IV	Profit used to pay out dividend (IV = III * II)	175,915,342,500
V	Undistributed profit after payment dividend (V = I – IV – 3)	68,959,674,410

(*) The profit of previous years before 2023, that have not yet been distributed, is adjusted to increase by VND 2,652,811,095 according to the Report on audit results at BIC of the State Audit No. 2765/CV-TCKT dated December 1, 2023.

II. Proposed dividend payment rate of 2024

It is proposed that the dividend payout ratio in 2024 be 15% as follow:

No.	Items	Estimate for 2024 (Million VND)
I	Charter capital for dividend payment	1,172,769
II	Proposed stock dividend payment rate at 15%	175,915

The 2025 Generral Meetings of Shareholders will unanimously approve the final plan on the ratio and form of dividend payment, based on the actual situation.

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

**ON BEHALF OF BOARD OF
DIRECTOR**

CHAIRMAIN

Tran Xuan Hoang