

Hanoi, March, 2018

THE REPORT

For the approval of financial finalization and profit after tax allocation of 2017

To: General Shareholders Meeting

- 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 of Board of Director of BIC and amended, supplemented under Decision No.085/QĐ/HDQT dated 09/11/2017 and Decision No. 103/QĐ-HĐQT dated 31/12/2016 of Board of Director of BIC;

Based on the 2017 financial statements of BIC audited by Ernst & Young VN Ltd, Board of Directors would like to respectfully submit to General Shareholders Meeting for the approval of 2017 audited operating result; financial finalization; profit after tax allocation and dividend payment plan as follows:

I. Approval for 2017 financial statements

1. The separate financial statements of BIC

No	Items	Audited amount (VND)	Approved amount (VND)
I	Profit from insurance activities	(17,390,714,722)	(17,390,714,722)
1	Income from insurance activities	1,871,532,702,260	1,871,532,702,260
2	Reinsurance premium ceded	(555,479,172,648)	(555,479,172,648)
3	Total insurance operating expense	(1,035,544,810,864)	(1,035,544,810,864)
4	General and administrative expense	(297,899,433,470)	(297,899,433,470)
II	Profit from financial activities	230,206,240,702	230,206,240,702
1	Finance income	247,913,340,613	247,913,340,613
2	Finance expense	(17,707,099,911)	(17,707,099,911)
IV	Net other profit	353,244,354	353,244,354
1	Other income	470,235,061	470,235,061
2	Other expense	(116,990,707)	(116,990,707)

V	Profit before tax	213,168,770,334	213,168,770,334
VI	Current corporate income tax	(43,772,804,966)	(43,772,804,966)
VII	Deferred income tax	5,406,119,820	5,406,119,820
VIII	Profit after tax	174,802,085,188	174,802,085,188

2. Consolidated financial statement

No	Items	Audited amount (VND)	Approved amount (VND)
I	Profit from insurance activities	(16,267,219,661)	(16,267,219,661)
1	Income from insurance activities	2,064,845,529,278	2,064,845,529,278
2	Reinsurance premium ceded	(684,352,373,280)	(684,352,373,280)
3	Total insurance operating expense	(1,081,463,761,423)	(1,081,463,761,423)
4	General and administrative expense	(315,296,614,236)	(315,296,614,236)
II	Profit from financial activities	199,014,776,079	199,014,776,079
1	Finance income	219,694,353,588	219,694,353,588
2	Finance expense	(20,679,577,509)	(20,679,577,509)
IV	Net other profit	3,707,512,988	3,707,512,988
1	Other income	4,324,021,735	4,324,021,735
2	Other expense	(616,508,747)	(616,508,747)
V	Profit before tax	186,455,069,406	186,455,069,406
VI	Current corporate income tax	(48,631,384,382)	(48,631,384,382)
VII	Deferred corporate income tax	5,406,119,820	5,406,119,820
VIII	Profit after tax	143,229,804,844	143,229,804,844
IX	Attributable to NCI	5,384,925,545	5,384,925,545
X	Attributable to BIC	137,844,879,299	137,844,879,299

II. Approval for Profit allocation plan and dividend payment of 2017

1. Profit allocation plan of 2017

No	Item	Amount (VND)
1	Profit after tax of 2017	174,802,085,188
2	Statutory reserve (2 = 1*5%)	8,740,104,259
3	Investment and development fund (3 = 1*25%)	43,700,521,297
4	Bonus and welfare fund	23,000,000,000
5	Retained earnings of 2017 (5=1-2-3-4)	99,361,459,632

In which:

- No.2 “Statutory reserve”: according to the regulation.
- No.3 “Investment and development fund”: For the purpose of having fund for large investment projects, BIC wishes to invest in the head office of the Corporation and its branches, core software, to increase the charter capital when necessary... The

Corporation proposes to set up the Investment and development fund commencing from the year 2017. In 2017, BIC had income from LVI dividend, thus, BIC proposes to accrue to this fund to 25% of profit after tax.

- 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 A, the maximum accrual for bonus and welfare fund of BIC in 2017 is three monthly salaries. However, based on the actual retained earnings as at 31/12/2017, BOM proposes to accrue to this fund by 23 billion VND, equivalent to 1.40 monthly salaries in 2017 (in which: 35% for bonus and 65% for welfare fund).

2. Dividend payment plan of 2017

No	Item	Amount (VND)
I	Retained earnings as at 31 Dec 2017	106,354,226,922
1	Retained earnings from past years	6,992,767,290
2	Profit of 2017 after allocating to other funds	99,361,459,632
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 31/12/2017 (V = I - IV)	24,260,400,422

BOD proposes the dividend payment rate in 2017 according to the plan approved by the General Shareholders Meeting by 7%. The remaining retained earnings after dividend payment is used for financial reserve for force majeure of the Corporation (if any).

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

ON BEHALF OF BOARD OF DIRECTORS

CHAIRMAN

Tran Luc Lang