

**REPORT OF THE BOARD OF CONTROL**  
**(Submit to 2026 Annual General Meeting of Shareholders)**

***ATTN: General Meeting of Shareholders of Vietnam National Reinsurance Corporation***

Pursuant to:

- The Charter of Organisation and Operation of Vietnam National Reinsurance Corporation (VINARE);

- Regulation on Operation rules and working agenda of the Board of Control;

The Board of Control would like to report as follows:

**A. REPORT OF THE BOARD OF CONTROL 2025:**

**I. Report on BOC activities in 2025:**

In 2025, the Board of Control has supervised the business operation of VINARE in 2025 and the first 6 months of 2025, attended the Annual General Meeting of Shareholders 2025 and the BOD meetings in 2025.

In addition to the duties and functions of the BOC, all members regularly keep track of the business operation and management of VINARE according to their assigned responsibilities among the members of the Board of Control.

**II. Inspection of VINARE business operation in 2025:**

**1. Evaluation of business activities in 2025**

Gross Domestic Product (GDP) in 2025 increased by 8.02% compared to the previous year, marking the second-highest growth rate in the 2011–2025 period, surpassed only by that of 2022. Total realized social investment reached VND 4,150.5 trillion, representing a year-on-year increase of 12.1%. The Consumer Price Index (CPI) rose by 3.31% compared to the previous year.

According to data from the Vietnam Insurance Association, the non-life insurance market recorded an 11% growth in 2025, nearly equivalent to the growth rate achieved in 2024. Personal insurance lines continued to serve as the primary growth driver of the market, with motor insurance increasing by 12%—the highest growth rate since 2019. Commercial insurance lines, such as Property and Engineering, maintained relatively strong growth momentum at approximately 11%.

The implementation of Decree No. 105 from July 2025 had a positive impact on Property insurance premium revenue during the year. Meanwhile, Cargo insurance recorded a modest growth of 5.2%, affected by intensified price competition and escalating geopolitical conflicts in various regions worldwide.

In addition, increasingly complex natural disaster developments resulted in significant and severe losses for the overall economy as well as for the insurance market. Against the backdrop of strong economic growth but heightened challenges from natural disasters, VNR's business operations in 2025 achieved the following results:

### 1.1. Result of implementation of the target plan approved by AGM

Based on the Resolution No. 10/2025/NQ-ĐHĐCĐ issued on 28th April 2025, VINARE has achieved the following results:

*Currency: mil VND*

Indicator	2025	2024	Plan 2025	Growth	Fullfillment
<b>Total revenue</b>	3,870,280	3,319,927	3,594,000	116.6%	107.7%
– Earned premium (*)	3,410,066	2,900,584		117.6%	
– Income from investment activities and other activities	460,214	419,343		109.7%	
<b>Profit before tax</b>	507,813	465,332	503,000	109.1%	101.0%

(\*) *Earned premium = Total gross written premiums – Unearned premium reserves*

VNR successfully achieved both its revenue and profit targets by the end of 2025. In particular, Total revenue grew by 16.6% compared to 2024, exceeding the annual plan by 7.7%. Profit before tax increased by 9.1% year-on-year and surpassed the planned target by 1.0%.

### 1.2. Business performance in 2025

*Unit: VND million*

No.	Indicator	As at 31/12/2025	As at 31/12/2024	% Change
1	<b>Total assets</b>	9,297,994	8,474,650	10%
2	<b>Equity</b>	3,883,709	3,657,489	6%
3	<b>Net technical reserves</b>	2,402,973	2,034,731	
	Unearned premium reserves	1,033,656	843,885	22%
	Outstanding claims reserves	1,130,622	973,444	16%
	Catastrophe reserves	238,695	217,402	10%

## 4. Revenue

<b>Indicator</b>	<b>2025</b>	<b>2024</b>	<b>% Change</b>
Gross written premiums	3,660,185	3,153,316	16%
Net insurance business revenue	2,398,389	1,903,415	26%
Net earned premiums	1,936,123	1,549,059	25%
Reinsurance commission income and other reinsurance-related income	462,266	354,356	30%
Financial income and investment property income	489,870	445,628	10%
Other income	1,375	2,253	-39%

## 5. Expenses

<b>Indicator</b>	<b>2025</b>	<b>2024</b>	<b>% Change</b>
Claims expenses	1,302,462	1,204,849	8%
Of which: Net retained claims	830,575	787,433	5%
Management expenses and other insurance operating expenses (including catastrophe reserve provisions)	1,370,824	943,356	45%
Administration expenses	128,098	120,264	7%
Financial expenses and investment property expenses	29,951	27,601	9%
Other expenses	1,080	937	15%

## 6. Profit

<b>Indicator</b>	<b>2025</b>	<b>2024</b>	<b>% Change</b>
Gross profit from insurance business	175,697	166,253	6%
Gross profit from financial activities and investment properties	459,919	418,027	10%
Profit from other activities	295	1,316	-78%
Profit before tax	507,813	465,332	9%
Profit after tax	421,587	388,901	8%

Total assets and equity as at 31 December 2025 increased by 10% and 6%, respectively, compared to the beginning of the year, reflecting VNR's solid growth performance in 2025. Net technical reserves also recorded an increase compared to 31 December 2024. Reinsurance assumed premiums and net earned premiums both grew at rates exceeding 10%, at 16% and 26%, respectively. Income from financial activities and investment properties rose by 10% year-on-year. Claims expenses increased by 8%, while net retained claims grew at a lower rate of 5%. Commission

expenses and other insurance business operating expenses increased by 46% compared to 2024, mainly due to higher insurance commission costs corresponding to the growth in revenue and the strong expansion of Bancas PA activities. Management expenses increased by VND8 billion compared to 2024 (equivalent to a 7% increase). Profit before tax and profit after tax recorded year-on-year growth of 9% and 8%, respectively.

### ***1.2.1. Insurance business activities***

Reinsurance assumed premiums and net earned premiums in 2025 reached VND 3,660 billion and VND 2,398 billion, respectively, representing increases of 16% and 26% compared to the previous year. The key drivers are summarized as follows:

- **Engineering** : Revenue declined compared to the previous year and reached only 76.2% of the plan, mainly due to delays in the implementation of several large-scale projects (affected by administrative restructuring) and continued price competition in the market.
- **Property**: Revenue reached 95.1% of the previous year and 88% of the plan, impacted by persistent and increasingly intense competition. In addition, several policies were cancelled for longer period prior to the effective date of Decree 105, while revenue from domestic treaties decreased due to minimum underwriting conditions (with many accounts not meeting the criteria and requiring facultative placement).
- **Marine**: Revenue increased by 16.3% compared to 2024 and exceeded the plan by 10%, driven by strong growth in P&I business.
- **Miscellaneous Accidents and Motor**: Revenue grew by 4.2% year-on-year, achieving 92.6% of the plan.
- **Bancassurance PA**: Recorded significant growth, increasing by 303% compared to 2024, driven by successful negotiations of reinsurance conditions in line with VNR’s underwriting criteria.

Net claim payments increased by 18.7% compared to 2024, while total retained claims expenses rose by 5% year-on-year.

- Outstanding claims reserves increased by VND 151.7 billion, primarily due to several large losses in hull and cargo insurance, as well as losses arising from late-2025 storms and flooding in the Central region.
- **Property**: claim payments increased by 34% compared to 2024.
- **Engineering**: claim payments grew by 33% compared to 2024.
- **Miscellaneous** claim payments rose by 21% compared to 2024.

### ***1.2.2. Reinsurance overdue balance***

The updated reinsurance overdue balance as of 31 December 2025 is as follows:

*Unit: VND million*

<b>Indicator</b>	<b>Under 6 months</b>	<b>6 months – 1 year</b>	<b>1 – 2 years</b>	<b>2 – 3 years</b>	<b>Over 3 years</b>	<b>Total</b>
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Indicator	Under 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	Over 3 years	Total
Accounts receivable	448,265	131,362	36,828	15,336	40,622	672,414
Accounts payable	(388,501)	(167,600)	(97,421)	(17,943)	(46,843)	(718,308)
Net receivables – payables	59,764	(36,238)	(60,593)	(2,607)	(6,221)	(45,894)

As of December 31, 2025, both total accounts receivable and accounts payable decreased compared to December 31, 2024, with the majority being newly incurred balances. As of December 31, 2025, the net receivables are lower than the payables. The Corporation made adequate provisions in accordance with regulations.

### 1.2.3. Financial investment activities

\* Structure of investment activities as at 31 December 2025:

Unit: VND million

No.	Portfolio	31/12/2025		31/12/2024		Increase/ (Decrease)	Proportion
		Original Cost	Provision/ Entrusted Management Expenses	Original Cost	Provision/ Entrusted Management Expenses		
1	Bank Deposits	3,358,000	–	3,000,000	–	358,000	56.6%
2	Bonds	1,729,109	–	1,596,983	–	132,126	29.1%
3	Equity	488,193	–	494,296	(741)	(6,103)	8.2%
4	Securities, Fund Certificates, Entrusted Investment	356,000	13,896	330,000	7,213	26,000	6.0%
5	Office for Lease	–	–	954	–	(954)	0.0%
6	Real Estate Investment	3,362	3,362	10,613	9,280	(7,251)	0.06%
7	Current account balances	2,644	–	92,526	–	(89,883)	0.04%
	<b>Total</b>	<b>5,937,308</b>	<b>17,258</b>	<b>5,525,372</b>	<b>15,752</b>	<b>411,935</b>	<b>100%</b>

Total investment assets as of 31 December 2025 amounted to VND5,937 billion, an increase of VND412 billion compared to 31 December 2024. Deposits and bond

investments (100% of which are bank bonds) increased by VND358 billion and VND132 billion, respectively, accounting for 56.6% and 29% of the total portfolio. These allocations not only ensure VINARE’s ability to meet arising reinsurance obligations but also align with VINARE’s strategy to increase the proportion of bond investments, as approved by the Board of Directors in February 2025, thereby contributing to improved investment efficiency—especially in the context of declining market deposit interest rates throughout most of 2025. The value of VINARE’s portfolio of securities, fund certificates, and entrusted investments increased prudently (by VND26 billion in 2025), representing 6% of total investment assets.

*\* Financial investment performance 2025:*

*Unit: VND million*

	2025			2024			2025 Plan	% vs Plan	% vs 2024
	Revenue	Expense	Profit	Revenue	Expense	Profit			
Deposits	184,254	-	184,254	201,682	-	201,682	165,728	111.2%	91.4%
Bonds	117,955	-	117,955	93,161	15	93,146	119,064	99.1%	126.6%
Equity	124,283	(724)	125,007	59,133	741	58,392	99,009	125.1%	214.1%
Entrusted investment, Fund Certificates	43,730	8,398	35,332	60,697	1,542	59,155	60,000	58.9%	59.7%
Office Leasing	9,027	972	8,055	7,799	2,208	5,591	5,299	152.0%	144.1%
Other Investments foreign exchange Gains/Losses	11,995	22,386	(10,391)	25,409	24,032	1,377	(20,000)		
<b>Total</b>	<b>491,244</b>	<b>31,032</b>	<b>460,213</b>	<b>447,881</b>	<b>28,538</b>	<b>419,343</b>	<b>430,000</b>	<b>107.0%</b>	<b>198.8%</b>

- Financial investment income in 2025 increased by 7% compared to the plan and by 9.8% compared to 2024.
- From the end of 2024 to Q3 2025, deposit interest rates remained low, especially at state-owned commercial banks. From the end of Q3, banks began raising deposit rates, with a sharp increase toward the end of 2025 as credit growth accelerated and system liquidity tightened. In this context, VINARE flexibly managed its cash flow and adjusted deposit tenors during periods of low interest rates, thereby capturing the upward rate adjustments at the end of 2025 to roll over many deposits at rates 15–25% higher than at the beginning of the year. Deposit investment income in 2025 reached VND184 billion, equivalent to 91.4% of 2024, with an average yield of 6.04% per year.

- Regarding the bond portfolio: implementing the policy approved by the Board of Directors, in 2025 VINARE continued to increase allocation to bank bonds (100% being Tier II capital bonds of banks rated B1 or higher by Moody's to ensure stable medium- and long-term income). The company redeemed VND400 billion ahead of maturity and made new investments of VND532 billion in this segment. Income from the bond portfolio in 2025 reached nearly VND118 billion, up 26.6% compared to 2024, with a yield of 6.98% per year (higher than the average deposit yield and the average yield of corporate bonds in the banking sector). This result reflects the effectiveness of VINARE's strategy to increase its bond investment proportion.
- In the context of a relatively favorable Vietnamese stock market, VINARE's entrusted equity investment activities in 2025 continued to deliver positive results, maintaining cooperation with reputable asset management companies such as VCBF, SSIAM, Bao Viet Fund, and MB Capital. All entrusted investment contracts recorded net asset values (NAV) significantly higher than the invested capital, with no need for impairment provisions. By the end of 2025, the total NAV of the entrusted portfolio was 40.1% higher than the invested capital, with a 17.1% increase in NAV during 2025 alone.
- For the equity investment portfolio, both market value and book value of several investee companies are estimated to be significantly higher than the initial investment value. In 2025, VINARE implemented divestment plans in certain companies in accordance with Board resolutions and reversed provisions for impairment of investments in subsidiaries.
- Regarding cooperative investments with Vinare Invest in several real estate projects, in 2025 VINARE completed the termination of all rights and obligations under Business Cooperation Contract No. 25/2011/HĐHTKD dated July 25, 2011 with the Railway Signal Telecommunications JSC for the 142 Dinh Cong project, recovering all project costs in accordance with the Board resolution dated April 2, 2025. At the same time, the company recovered part of its capital contribution in the 360 Giai Phong project and is continuing to work with relevant parties and legal advisors to recover outstanding receivables from this project.

## **2. Review 2025 financial statements**

- The 2025 financial statements, audited by **Deloitte Vietnam LLC**, consist of two parts: the separate financial statements and the consolidated financial statements. Overall, VNR's 2025 financial statements fairly and accurately reflect, in all material aspects, the company's financial position as of December 31, 2025, as well as its business performance, cash flows, changes in equity, and fulfillment of obligations to the state budget during 2025, in accordance with accounting standards and relevant legal regulations on the preparation and presentation of financial statements.
- VNR has strictly complied with state financial management regulations, internal processes, and internal regulations.

**VINARE's business operations in 2025 recorded strong growth: total revenue increased by 16.6% compared to 2024, achieving 107.7% of the annual**

**plan; profit before tax rose by 9.1%, fulfilling 101% of the plan. VINARE also strictly complied with regulations on financial and accounting practices, with provisions fully made in accordance with the principle of prudence.**

### **3. The direction and management of the Board of Directors and the Board of Management:**

#### **3.1. Corporate governance and business management**

VNR strictly and fully follows all the orders and regulations of the Government and other internal administrative regulations.

#### **3.2. Coordination between the Board of Directors, Board of Management, the Departments and the Board of Control**

The Board of Management, the Executive Board and other departments/Ho Chi Minh City branch have cooperated well with BOC, performing the explanation, and providing data and documents to the BOC in a timely manner and upon request.

#### **3.3. Other activities**

- Completed the set of Corporate Culture Rules.
- Reviewed and restructured the organizational system to improve operational efficiency.
- Amended the Facultative guidelines and Claim guidelines
- Completed the reappointment of senior leadership positions (CEO, Deputy CEO) and managers whose terms had expired. Added Deputy CEO positions to the succession plan and updated the list of planned management and executive positions under the Board of Directors' authority.
- Ratings: continued to maintain FSR B++ and ICR bbb+ (AM Best).-
- Officially implemented the accounting software.
- Successfully organized the 9<sup>th</sup> Reinsurance Conference.

*All issues relating to the decision of the Board of Directors are discussed and informed fully to the Board of Management, Board of Control. The Board of Management has strictly complied with the resolutions and directives of the Board of Directors.*

### **III. Recommendations**

Based on the business results of 2025, BOC recommends that the Board of Directors and the Executive Management consider the following matters:

- Continue to expand gross written premium based on ensuring strict risk control principles through enhanced research and proposals for new products and services; strengthening underwriting capabilities and solutions for the market; and providing value-added service chains to customers.

- Implement investment asset allocation to ensure investment efficiency and capital preservation; closely monitor investment portfolios; and conduct periodic reporting and assessment.
- Consider upgrading the risk management framework to align with VINARE's future development scale. VINARE should establish a roadmap to comply with financial management requirements under the RBC model (Risk-Based Capital) as stipulated in the 2022 Insurance Business Law, effective from 01 January 2028.
- Consider strengthening and improving the capability of the actuary.
- Continue strict review and proactive recovery of reinsurance receivables.
- Coordinate with Vinare Invest to continue resolving outstanding issues to safeguard VINARE's interests in the 360 Giai Phong project, and develop a roadmap to restructure VINARE's investment in VinareInvest.