

Hanoi,2025

REPORT
2024 Business result
2025 Business plan

To: GENERAL MEETING OF SHAREHOLDERS

PART 1: SUMMARY OF 2024 BUSINESS ACTIVITIES

I. 2024 insurance market outlook

In the context of ongoing global uncertainties caused by geopolitical tensions, escalating military conflicts, and extreme weather events, the global economy is on a slow recovery trajectory. International trade has shown signs of improvement, inflationary pressures have gradually eased, financial conditions have loosened, and labor supply has increased.

The insurance market has experienced some fluctuations in corporate collaboration and development. The Ministry of Finance has granted a license for the establishment of a new non-life insurance company under Techcombank, bringing the total number of Vietnamese non-life insurance companies to 31.

The year 2024 also witnessed the Yagi Typhoon, the most powerful super typhoon in 30 years in the East Sea and the strongest landfall in 70 years, with extremely high intensity (gusts reaching level 17). The typhoon caused massive destruction and had a widespread impact, leading to severe human and property casualty, with preliminary estimated costs reaching nearly VND 84 trillion (more than USD 3.4 billion). The total insurance payout amounted to approximately VND 13 trillion, significantly affecting the profitability of insurance companies. As a result, despite the non-life insurance industry's strong revenue growth of over 11% compared to 2023, the claim ratio also increased considerably, particularly in motor vehicle and property insurance. In this situation, Hanoi Re, a reinsurer with extensive operations in the local market, will face significant pressure from claim payouts alongside other insurance companies.

Regarding banking operations, by the end of 2024, interest rates have been adjusted flexibly in response to economic fluctuations. While deposit interest rates remained lower than expected in the early months of the year, the second half observed some increases. Lending rates slightly declined compared to the end of 2024, whereas savings interest rates showed a slight upward trend. The exchange rate was managed flexibly, maintaining stability despite significant international market fluctuations. Non-performing loans were effectively controlled, while the corporate bond and real estate markets showed signs of recovery.

II. Business results in 2024

Compared to the approved business plan for 2024 by the General Meeting of Shareholders, the business results for 2024 are as follows:

- Total revenue reached **VND 3,017 billion**, completing 106,6% of the plan; of which revenue from inward reinsurance premiums reached VND 2,483.4 billion, equal to 108% of the planned target;
- Total expenses were **VND 2,777 billion**, equivalent to 107% of the plan
- Pre-tax profit reached **VND 240.2 billion**, equal to 100% of the plan. In which, profit from reinsurance business reached only VND 23.2 billion, equivalent to 46.2% of the plan due to the negative consequences caused by Yagi Typhoon; profit from financial activities reached VND 217.6 billion, completing 114.5% of the plan and growing by 11.9% compared to the same period.
- Guaranteed a dividend rate of 16%.

Regarding reinsurance business:

In 2024, Hanoi Re remained closely aligned with the plan of inward reinsurance premiums revenue and the current underwriting policies. The structure and proportion of inward reinsurance premium revenue by source have been accurately shifted in the right direction.

Revenue from inward reinsurance premium in 2024 reached VND 2,483 billion, completing 108% of the plan and showing slight growth compared to the number of premiums revenue in 2023.

Regarding financial investment:

The total average financial investment capital in 2024 reached VND 3.148 billion, an increase of VND 578 billion compared to 2023.

The ratio of financial investment profit to total profit before tax reached 90.6%.

III. 2024 remarkable results

- **Completing the Business results:** Total revenue surpassed the VND 3,000 billion milestone for the first time (VND 3,017.3 billion), completing 106.6% of the plan. Both inward reinsurance premium and financial income met their respective targets. The company recorded VND 240.2 billion in profit before tax, fulfilling the planned target despite the significant challenges in 2024 business operations due to the severe impact of natural disasters.
- **Effective financial investment activities:** Strengthening cash flow balance allocated to financial activities. Taking advantage of and seizing market interest rate opportunities, promptly implementing investment plans as soon as additional capital is disbursed, thereby enhancing financial investment efficiency despite challenges in the early months of the year when interest rates across various investment types were lower than expected.

- **Claims assessment & insurance auxiliary services:** Strengthening and expanding risk assessment consulting activities. Engaging in and supporting clients in managing and resolving major losses, accompanying and assisting partners on-site after Yagi Super Typhoon. In 2024, Hanoi Re was the pioneer in providing insurance pricing services in the Vietnamese market.
- **Credit rating:** A.M. Best adjusted the outlook for the issuer's long-term credit rating, upgrading it from stable to positive at bbb. Successfully maintained the financial strength rating at B++.
- **Training programs:** The employee exchange and professional training programs with partners continued to be actively implemented. Successfully organized basic and advanced reinsurance training programs for clients and partners both in local and overseas.
- **Better services policy:** Issued the “Better Services Policy”, which sets specific regulations on response time and service quality based on the principle of delivering higher-quality work in a shorter time compared to the procedures and the expectations of clients, partners, and leadership.
- **Digital transformation:** The company has completed and improved management platforms and business support systems through the Hanoi Re Smart software. Additionally, the AI team was launched with the goal of organizing regular AI training and knowledge-sharing activities, as well as accelerating AI integration into work processes, such as incorporating Ubot into payment procedures and developing an internal chatbot to support business operations.
- **Human resources and social welfare:** The company remains committed to employee well-being and corporate social responsibility initiatives:
 - + Supporting and developing young talent by collaborating with university student organizations, sponsoring academic competitions, and providing career orientation and skill training through internship programs.
 - + Supporting and providing timely assistance to local communities in recovering from the aftermath of Typhoon Yagi in Lao Cai, Yen Bai, Phu Tho, Tuyen Quang, Bac Kan, and engaging in other charitable activities..

PART 2: 2025 BUSINESS PLAN

I. 2025 business plan context

- The 2025 business plan is developed based on a charter capital of VND 1,044 billion.
- The total planned revenue for 2025 is projected to reach VND 3,306 billion, with a pre-tax profit of VND 244 billion.
- In the 2025 plan, Hanoi Re proactively restructures inward reinsurance premium revenue by cutting ineffective service revenues and strongly promoting the growth of efficient services and continuing to focus on revenue growth from domestic service sources.
- The dividend ratio for 2025 is 17%.

II. 2025 KPI targets

2025 Business plan

Until: VND Billion

No	Items	2025 Plan
1	Charter capital	1.044,0
2	Total revenue	3.305,7
3	Total expense	3.061,6
4	Pre-tax accounting profit	244,1
5	Dividend payout ratio	17%

III. Solutions

Business solutions:

- On reinsurance product:
 - + Focusing on the efficiency of facultative reinsurance business.
 - + Explore new international market that can support the facultative reinsurance business.
 - + Establish new treaty contracts – protection programs to cover overseas risks.
 - + Seek additional outward capacity and participate in new treaty contracts.
 - + Research and expand underwriting new products and services.
- On reinsurance market:
 - + Develop main business markets.
 - + Strengthen and expand potential foreign markets.
 - + Enhance customer engagement in main business markets and other emerging markets to seek service opportunities.
- On Risk engineering and Claims:
 - + Promote management, coordination and control of claims.
 - + Prioritize the speed of compensating partners to enhance the company's credibility in the market.
 - + Continuously expand and search for customers, diversify auxiliary insurance activities, and conduct in-depth risk engineering assessment
 - + Diversify opportunities for risk engineering activities. Strengthen the provision of insurance pricing services.
- On financial investment activities:
 - + Continue to increase the speed of debt collection to enhance cash flow, improve planning and balancing activities, utilize cash flow efficiently, and supplement capital for financial investment.
 - + Strengthen collaboration with partners to optimize investment strategies.

Human resources solutions:

- Innovate recruitment methods, diversify recruitment channels.
- Recruit an additional 5-6 new employees, giving priority to personnel with high expertise.
- Continue implementing professional training programs for staff abroad.

IT solutions:

- Continue developing an IT electronic connectivity system with local and overseas partners.
- Enhance and upgrade the development of software features, including new and existing applications within the system. Build and integrate an accurate business reporting system with enhanced analytical capabilities.
- Develop and strengthen the application of AI in business operations.

IV. Submit to the General Meeting of Shareholders for approval:

- 2024 Business results
- 2025 Business plan

Respectfully./.

CHIEF EXECUTIVE OFFICER