

No. 384 /ABIC - BKS

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SUPERVISORY BOARD'S REPORT
AGRICULTURAL BANK INSURANCE JOINT STOCK CORPORATION
(AT THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS)

Pursuant to:

- *The Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020.*

- *The Charter of organization and operation of the Agricultural Bank Insurance Joint Stock Corporation.*

- *The Regulation on the operation of the Supervisory Board of the Agricultural Bank Insurance Joint Stock Corporation.*

The Supervisory Board (SB) hereby reports to the Annual General Meeting of Shareholders (AGM) of the Agricultural Bank Insurance Joint Stock Corporation (ABIC) on the following contents:

I. ACTIVITIES OF THE SUPERVISORY BOARD

1. Personnel and Structure of the Supervisory Board in 2024

The Supervisory Board of the Agricultural Bank Insurance Joint Stock Company consists of the following members:

1. Mr. Truong Dinh Canh – Head of the Supervisory Board
2. Mr. Nguyen Ngoc Kien – Member
3. Mr. Kieu Gia Quy – Member (from June 27, 2024)
4. Mr. Duong Van Thanh – Member (until May 28, 2024)

2. Oversight of ABIC's Operations

On behalf of shareholders, the Supervisory Board has fulfilled its responsibilities in overseeing the operations of ABIC throughout 2024, as mandated by the General Meeting of Shareholders. The Board carried out supervision, inspection, and monitoring of governance, management, and operations of ABIC, specifically:

- The Supervisory Board held all regular meetings in 2024 as required to implement its supervisory functions. It regularly exchanged and discussed matters under its responsibilities to effectively implement the annual work plan, reviewed performance periodically, and fully attended all meeting held by ABIC's Board of Directors (BoD).

- Supervised the governance and management activities of the BoD and the General Director (CEO).

- Monitored the implementation of AGM and BoD resolutions and decisions by the CEO and other managers.

- Evaluated ABIC's annual and semi-annual business performance and financial statements.

- Inspected, supervised, and assessed the reasonableness, legality, honesty, and prudence in business operations, financial management, investment, accounting, statistics, and financial reporting; ensuring that the BoD and CEO strictly complied with legal regulations and ABIC's Charter.

- Fully performed other duties in accordance with the Law on Enterprises, ABIC's Charter, the Supervisory Board's Regulation, and AGM resolutions.

3. Evaluation of the Supervisory Board's Activities

The Supervisory Board operated in accordance with its Operating Regulation. The Board worked under a collective regime combined with the individual responsibilities of each member, who were proactively assigned to carry out inspection and supervision tasks by the Head of the Supervisory Board.

- During meetings and activities, members of the Supervisory Board worked actively and with a high sense of responsibility, strictly complying with the laws, the Company's Charter, and the Operating Regulation of the Supervisory Board.

- The Supervisory Board seriously and honestly carried out and completed its tasks for 2024, ensuring the maximum protection of the legitimate interests of the Company and its shareholders.

- The activities of the Supervisory Board in 2024 were conducted in strict compliance with the law, the Law on Enterprises, and the Company's Charter, fulfilling the functions, duties, and powers as defined by the Charter and the Resolutions of the General Meeting of Shareholders.

4. Remuneration and Operating Expenses of the Supervisory Board

The remuneration, operational expenses, and related regimes of the Supervisory Board were paid according to the regime approved by the General Meeting of Shareholders (GMS). Members of the Supervisory Board received remuneration based on their position and level of task completion, with the total remuneration within the limits approved by the GMS. The Supervisory Board's operating budget was part of the overall budget of the Board of Directors (BoD) and the Supervisory Board, as approved by the GMS and implemented in accordance with ABIC's financial expenditure regulations. (Details are presented in the final settlement report of the BoD and the Supervisory Board submitted to the GMS).

II. SUPERVISORY BOARD'S ASSESSMENT OF ABIC'S OPERATIONS IN 2024

Through the inspection and supervision of ABIC's business operations in 2024, the Supervisory Board provides the following evaluation:

1. Assessment of Compliance with State Policies and ABIC's Charter

Based on the Law on Enterprises, the Law on Insurance Business, regulations applicable to listed companies, and the Charter of organization and operation of the Agricultural Bank Insurance Joint Stock Company, the Supervisory Board assesses that in 2024, the Board of Directors and the General Director directed and managed the Company

in accordance with the functions, duties, and powers prescribed by law and as resolved by the General Meeting of Shareholders. The Company's business operations were conducted in strict compliance with state policies and legal regulations.

2. Assessment of ABIC's Governance and Management Activities

2.1 Activities of the Board of Directors (BoD)

The Board of Directors (BoD) convened all required regular meetings in accordance with regulations and frequently sought written opinions from BoD members. Each meeting had a specific agenda, was properly recorded in minutes, and resulted in Resolutions directing the General Director to implement the decisions.

- Successfully organized the 2024 Annual General Meeting of Shareholders on June 27, 2024, as well as regular BoD meetings. In 2024, the BoD held 11 meetings and conducted 33 rounds of written consultation with its members, issuing 49 Resolutions and 164 Decisions to fulfill its roles in strategic direction, organizational structuring, and oversight of all business operations of the Company.

- The BoD's activities closely followed the actual business requirements and emerging issues, allowing for timely issuance of appropriate Resolutions and Decisions. BoD members actively participated with a high sense of responsibility in line with their assigned duties.

- The operations of the BoD complied with the provisions of the law, the Company's Charter, and Resolutions of the General Meeting of Shareholders, ensuring transparency and a strong focus on business strategy aligned with the objectives approved by the shareholders.

2.2 Activities of the General Director

In 2024, the General Director closely followed the Company's objectives and strategic directions, fulfilling tasks assigned by the AGM and the BoD:

- The Executive Board currently includes 5 members (the General Director and 4 Deputy General Directors), who have effectively managed delegation and authority, ensuring stable and effective business operations across the Company and its branches.

- Despite being significantly impacted by Super Typhoon Yagi, the General Director made great efforts in directing and managing operations to achieve most of the adjusted targets and the basic strategic objectives set for 2024.

- The General Director translated objectives and directions into practical and effective solutions and measures; promoted the implementation of business plans, financial management, risk governance, claims control, risk assessment, etc., in line with the orientations set by the AGM and BoD.

2.3 Information Disclosure

The Company has strictly complied with regulations on information disclosure applicable to public companies. All disclosed information has been complete, accurate, transparent, and in full compliance with legal requirements.

3. Results of Implementation of AGM Resolutions

The results of implementing the key performance targets assigned by the General Meeting of Shareholders under Resolution No. 308/NQ-ABIC-DHDCD dated June 27, 2024,

2024, and Resolution No. 683/NQ-ABIC-DHĐCĐ dated November 30, 2024, are as follows:

Unit: VND Billion, %

Indicator (Unit: million VND)	Actual		2024 Plan	% of Plan Achieved	
	2023	2024		vs. 2023	Compared to the Plan
Gross Insurance Premium Revenue	1,998,105	2,301,313	2,280,000	+15.17%	101%
Financial Investment Income	172,570	149,934	148,000	-13.1%	101.3%
Profit Before Tax	308,066	256,144	226,000	-16.8%	113.3%
Dividend Paid to Shareholders (%)	51.34%	20%	20%	-61%	100%
Basic Earnings per Share (VND)	2,589	2,005			

- Gross insurance premium revenue reached VND 2,301.313 billion, achieving 101% of the business plan assigned by the General Meeting of Shareholders (GMS), representing a 15.17% growth compared to 2023.

- Financial activities: Financial investment income reached VND 149,934 billion, achieving 101.3% of the plan; a decrease of 13.1% compared to 2023.

- Profit before tax reached VND 256,144 billion, achieving 113.3% of the plan, a negative growth of 16.8% compared to 2023.

- Basic earnings per share: VND 2,005.

- Dividend paid to shareholders: 20%.

4. Results of the Financial Statement Audit

The financial statements for the year ended December 31, 2024, have been audited by KPMG Vietnam LLC, including:

- The Balance Sheet as of December 31, 2024.

- The Income Statement for the fiscal year 2024.

- The Cash Flow Statement for the fiscal year 2024.

- Notes to the Financial Statements.

The Supervisory Board has reviewed the audited financial statements of Agricultural Bank Insurance Joint Stock Company audited by KPMG Vietnam LLC and agrees with the auditor's opinion that "The financial statements fairly and reasonably present, in all material respects, the financial position of Agricultural Bank Insurance Joint Stock Company as of December 31, 2024, the results of its operations and cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting Regime, Circular No. 232/2012/TT-BTC dated December 28, 2012 issued by the Ministry of Finance guiding accounting applicable to insurance enterprises, and other relevant legal regulations on the preparation and presentation of financial statements'.

SOME BASIC INDICATORS

Unit: VND

No.	CONTENT	End of Year Amount	Beginning of Year Amount
A	Current Assets	4,180,315,820,249	3,781,230,421,554
B	Fixed Assets	160,019,042,880	176,314,221,651
	TOTAL ASSETS	4,340,334,863,129	3,957,592,523,137
A	Liabilities	2,799,517,923,846	2,425,374,746,563
B	Owner's Equity	1,540,816,939,283	1,532,217,776,574
	TOTAL CAPITAL	4,340,334,863,129	3,957,592,523,137

OPERATING RESULTS

Unit: VND

No.	Indicator	Year 2024	Year 2023
1	Total Revenue	2,304,535,960,044	2,191,286,163,325
2	Total Expenses	2,048,391,655,146	1,883,175,490,499
3	Profit Before Tax	256,144,304,898	308,110,672,826
4	Profit After Tax	204,717,146,978	246,347,400,506
5	Basic Earnings Per Share (VND)	2,005	2,589

Financial Indicators to Evaluate the Company's Financial Status

No.	Indicator	Unit	End of Year	Beginning of Year
1	Asset and Capital Structure			
1.1	<i>Asset Structure</i>			
	-Fixed Assets and Long-term Investments / Total Assets	%	3.69	4.46
	- Current Assets and Short-term Investments / Total Assets	%	96.31	95.54
1.2	<i>Capital Structure</i>			
	- Liabilities / Total Capital	%	64.50	61.28
	- Owner's Equity / Total Capital	%	35.50	38.72
2	Liquidity Ratios			
2.1	<i>Quick Ratio</i>	Times	1.18	1.29
2.2	<i>Current Ratio</i>	Times	1.55	1.63

No.	Indicator	Unit	End of Year	Beginning of Year
2.3	Short-term Debt Payment Ability	Times	1.49	1.56
3	Profitability Ratios			
3.1	Profit Margin / Revenue			
	- Profit Before Tax / Revenue	%	11.11	14.06
	- Profit After Tax / Revenue	%	8.88	11.24
3.2	Profitability / Total Assets			
	- Profit Before Tax / Total Assets	%	5.90	7.78
	- Profit After Tax / Total Assets	%	4.72	6.22
3.3	Profit After Tax / Owner's Equity	%	13.29	16.08

5. Financial Situation Assessment of the Company:

- The business results fully reflect the revenue and expenses incurred. The financial statements for the fiscal year ended December 31, 2024, comply with the Vietnamese Accounting Standards and the accounting regime applicable to insurance enterprises.

- The total assets of ABIC as of December 31, 2024, amounted to VND 4,340.334 billion, compared to VND 3,957.592 billion as of December 31, 2023, an increase of VND 382,742 billion, equivalent to a growth rate of 9.67%.

Asset structure as of December 31, 2024: Current assets accounted for 96.31%, and long-term assets accounted for 3.69%.

- Capital structure as of December 31, 2024: Owner's equity accounted for 35.5%, and liabilities accounted for 64.5%.

- Liquidity ratios: Current ratio (total liquidity) is 1.55 times; short-term debt payment ability is 1.49 times; quick ratio is 1.18 times.

- Profit before tax: VND 256,144 billion

- Profit after tax: VND 204,717 billion

- Profitability ratios: Profit after tax / Revenue 8.88%
Profit after tax / Total assets 4.72%
Profit after tax / Owner's equity 12.29%

Basic financial indicators of ABIC in 2024 such as total assets, owner's equity, and revenue all showed growth compared to 2023. Gross insurance premium revenue increased by 15.17%, and the technical reserve fund grew by 14.8% compared to 2023. However, profit before tax decreased by 16.8% compared to 2023.

6. Insurance Business Activities and Cost Management

- Gross insurance premium revenue in 2024 reached VND 2,301.313 billion, increasing by 15.17% compared to 2023. Among this: Health insurance rose by 17.1% compared to 2023, accounting for 67.78% of gross premium revenue. Motor vehicle insurance increased by 12.93% compared to 2023, accounting for 16.40% of gross premium revenue. Fire and explosion insurance grew by 26.6%, accounting for 5.39% of gross premium revenue. Property insurance declined by 14.6% compared to 2023, accounting for 6.58% of gross premium revenue. Some other insurance lines such as

marine insurance and cargo insurance saw growth but still accounted for a small proportion of total gross premium revenue.

- Total claim expenses in 2024 increased by 10.1% compared to 2023; the loss ratio rose by 1.6 percentage points from 33.6% in 2023 to 35.2% in 2024.

- The expense ratio for insurance business activities slightly increased from 58.5% in 2023 to 58.7% in 2024. The combined ratio in 2024 was 93.9%, up 1.8 percentage points from 92.1% in 2023.

7. Financial Investment Activities

Structure of the Investment Portfolio

As of December 31, 2024, ABIC's total investment portfolio stood at VND 3,157 billion. The entire portfolio consists of deposits at credit institutions (specifically Agribank), with the following breakdown:

Unit: Billion VND

No.	Indicator	31/12/2024		31/12/2023	
		Amount	Proportion	Amount	Proportion
1	Short-term investments	3,157	100%	3,004	100 %
2	Long-term investments	-	-	-	0 %
	Total	3,157	100%	3,004	100 %

Financial Investment Performance

In 2024, the gross profit from financial activities was VND 149,824 billion, a decrease of 13.16% compared to 2023. The investment yield was approximately 4.86%.

8. General Assessment

Based on the audited financial statements and business reports, the Supervisory Board (SB) provides the following assessment:

- ABIC's financial position is fairly sound, with a safe investment portfolio and an acceptable level of profitability.

- Debt management is relatively stable.

- The company maintains good liquidity and return ratios.

Through the analysis of various performance indicators, it is evident that the Company's business operations ensure profitability for shareholders' equity and maintain liquidity throughout its business activities. The Company strictly complies with its obligations to the state budget, operates profitably, ensures dividend payments to shareholders, and maintains stable income for its employees.

9. Inspections and Audits by Regulatory Authorities

In 2024, ABIC underwent two inspections by regulatory bodies:

- A government audit conducted by the State Audit Office of Vietnam under Decision No. 488/QĐ-KTNN dated March 8, 2024.

- A thematic inspection conducted by the Insurance Supervisory Authority under the Ministry of Finance, under Decision No. 2828/QĐ-QLBH dated December 13, 2023.

In general, the audit and inspection teams concluded that ABIC complied relatively well with legal regulations and the company's charter. However, there were some minor issues that needed correction and improvement.

ABIC has taken the audit and inspection recommendations seriously and has promptly addressed and rectified most of the issues identified in 2024 following the conclusion of the inspections.

10. Recommendations from the Supervisory Board

- Conduct a thorough assessment of the capacity and operational efficiency of departments at the Head Office; reorganize and restructure in alignment with a Corporation model. Implement effective solutions to enhance performance, ensuring a lean, strong, and efficient organizational structure that meets operational demands in both the short and long term. Consider an appropriate time to complete the procedures for upgrading to a Corporation model in 2025, in accordance with the strategic development plan.

- Review and draw lessons from past network expansion efforts; develop a strategic roadmap for future system development. Emphasize the preparation of necessary resources to support the system development strategy, especially considering the ongoing process of provincial-level administrative unit mergers and adjustments being undertaken by the Party and the State. Special attention should be given to developing a high-quality workforce with adequate competence, professional ethics, management skills, and capacity to meet operational demands under the Corporation model and network development strategy.

- Organize training programs to improve governance and operational management, especially focusing on financial management effectiveness for management-level staff in general, and branch-level managers in particular. The goal is to enhance operational efficiency and staff quality to meet the strategic objectives of ABIC in the new development phase—during the era of national advancement.

11. Assessment of Coordination Among the Supervisory Board, Board of Directors, and Executive Board

- The Supervisory Board has been timely and fully provided with information regarding Resolutions and Decisions from the Board of Directors and Executive Management, and has been facilitated to perform its duties in accordance with the Law on Enterprises and ABIC's Charter.

- There is a consistent exchange of information between the Board of Directors, the Executive Board, and the Supervisory Board on matters related to ABIC's operational direction and corporate governance.

- The Supervisory Board finds that meetings of the Board of Directors, requests for opinions from Board members, and Board Resolutions are all in compliance with relevant legal provisions and ABIC's Charter.

Dear Shareholders

- The Supervisory Board would like to sincerely thank the shareholders, the leadership, and all employees of ABIC for their support and cooperation, which enabled the Supervisory Board members to fulfill their responsibilities. *A*

- We wish the General Meeting of Shareholders of ABIC great success and hope that shareholders will wisely elect members of the Supervisory Board who are committed to the sustainable development of ABIC. ↴

Respectfully./.

Recipients:

- Shareholders
- Board of Directors;
Supervisory Board
- Archives: Office,
Supervisory Board.

**ON BEHALF OF THE SUPERVISORY BOARD
HEAD OF THE SUPERVISORY BOARD**



Trương Đình Canh