

## REPORT

### ON BUSINESS PERFORMANCE IN 2025 AND KEY TASKS & SOLUTIONS FOR 2026

#### I/ MARKET OVERVIEW AND PJICO'S SCALE AND POSITION

##### 1. Market Overview

- In 2025, the global economy faced slow growth and instability due to geopolitical and trade tensions. Reciprocal tariff policies and increasing trade barriers disrupted global supply chains and reduced international trade.

- For the Vietnamese economy, the Government directed ministries, sectors, and local authorities to closely monitor domestic and international macroeconomic developments, implement measures to improve the business environment, enhance competitiveness, and effectively leverage preferential mechanisms under Free Trade Agreements (FTAs). As a result, Vietnam's economy achieved strong growth, estimated at approximately 8%. The macroeconomy remained stable, inflation was under control, GDP reached USD 514 billion, and GDP per capita in 2025 was USD 5,026.

- In 2025, natural disasters in Vietnam were complex, severe, and widespread, affecting regions from the Northern provinces to the South Central region. Storms and the circulation of super typhoons caused heavy rainfall, flooding, and landslides, resulting in significant damage to property and human lives. These events had a substantial impact on production and living conditions and led to increased claims for property, cargo, and motor insurance among non-life insurers, including PJICO. Nevertheless, the Vietnamese non-life insurance market maintained positive growth momentum in 2025, with several new non-life insurers and reinsurers established and entering the market.

- According to data from the Vietnam Insurance Association as of the end of December 2025, **total insurance premium revenue of the non-life insurance market reached VND 88,114 billion**, representing an increase of **10.3%** compared to 2024, of which:

- ✓ Marine insurance (including hull insurance, domestic shipowners' liability insurance, and international P&I insurance) recorded revenue of VND 3,799 billion, accounting for **4.4%** of total market share, up **10.8%** year-on-year;
- ✓ Cargo insurance recorded revenue of VND 3,380 billion, accounting for **3.8%**, up **5.4%** year-on-year;
- ✓ Motor insurance recorded revenue of VND 21,007 billion, accounting for **23.8%**, up **12.4%** year-on-year;

- ✓ Health insurance (including personal accident insurance and healthcare insurance) recorded revenue of VND 31,715 billion, accounting for **36%**, up **10.3%** year-on-year;
- ✓ Fire and property all risks insurance recorded revenue of VND 19,688 billion, accounting for **22.3%**, up **11.2%** year-on-year;
- ✓ Engineering insurance recorded revenue of VND 4,104 billion, accounting for **4.7%**, up **11%** year-on-year;
- ✓ Liability insurance recorded revenue of VND 2,339 billion, accounting for **2.7%**, up **22.1%** year-on-year;
- ✓ Aviation insurance recorded revenue of VND 964.3 billion, accounting for **1.1%**, down **7.5%** year-on-year.

**PJICO achieved insurance premium revenue of VND 4,619 billion, corresponding to a market share of approximately 5.3%, down 0.3 percentage points.**

- ✓ PJICO ranked 3<sup>rd</sup> in terms of revenue scale excluding health insurance, following PVI and Bao Viet: PVI: 21.4%, Bao Viet: 10.7%, and PJICO: 6.7%.

## **II/ BUSINESS PERFORMANCE RESULTS FOR FULL YEAR 2025**

In 2025, PJICO faced numerous challenges, including objective difficulties caused by natural disasters such as storms and floods, which had significant adverse impacts on the Vietnamese economy in general, the non-life insurance market, and PJICO in particular. In addition, intense market competition and the incident in May negatively affected PJICO's business operations. However, thanks to the strong efforts of all employees and management at all levels, as well as the support of major shareholders—particularly Vietnam National Petroleum Group (Petrolimex)—PJICO successfully achieved and exceeded all its 2025 business targets. Key results are as follows:

### **1. Overall Business Performance**

***- Total revenue of PJICO in 2025 reached VND 5,510 billion, achieving 106.4% of the plan assigned by the Board of Directors, including:***

- ✓ Gross Written Premium (GWP): **VND 4,619 billion**, achieving 105% of plan and increasing by 5% compared to 2024;
- ✓ Inward reinsurance premium revenue: **VND 230.6 billion**, achieving 107.7% of plan and increasing by 7.8% year-on-year;
- ✓ Financial investment income: estimated at **VND 253.6 billion**, achieving 115.3% of plan, decreasing by 10.5% compared to 2024.

***- Profit before tax reached VND 306.1 billion, achieving 100% of plan and increasing by 5.1% compared to 2024.***

- Across PJICO, 36 units achieved or exceeded their assigned revenue targets for 2025, including: Head Office, An Giang, Bac Giang, Bac Ninh, Ben Thanh, Binh Dinh, Ca Mau, Can Tho, Dak Lak, Dong Thap, Gia Dinh, Gia Lai, Ha Nam, Hanoi, Hai Phong, Hoa Binh, Hue, Khanh Hoa, Kien Giang, Lao Cai, Quang Ngai, Quang Ninh, Quang Tri, Sai Gon, Son

La, Thai Nguyen, Thang Long, Tien Giang, Tra Vinh, Tuyen Quang, Vinh Phuc, Yen Bai, Ha Thanh, Bach Dang, Thu Duc, and Thu Do.

## 2. Gross Written Premium (GWP) Performance

### 2.1. Performance by Line of Business

No.	Line of Business	Actual Revenue (VND bn)	Proportion (%)	Plan Achievement (%)	Growth YoY
1	Motor Insurance	1,572	34.0%	95.9%	-4.1%
2	Marine Insurance	759	16.4%	108.6%	9.0%
3	Health Insurance	817	17.7%	122.7%	22.6%
4	Fire, Property & Combined Insurance	1,213	26.3%	105.9%	8.0%
5	Aviation Insurance	43	0.9%	62.8%	-53.5%
6	Project & Engineering Insurance	215	4.6%	117.9%	20.4%
<b>Total</b>		<b>4,619</b>	<b>100%</b>	<b>105.0%</b>	<b>5.1%</b>

#### *\* Motor Insurance*

- Gross written premium reached **VND 1,572 billion**, achieving **95.9%** of the annual plan. This remains the core business line with full coverage across all member units. However, it recorded a **negative growth of 4.1%**, specifically:

- ✓ *Automobile insurance: VND 1,473.6 billion, down 6.4% year-on-year and achieving 93.6% of plan. Retained claims amounted to VND 896 billion, accounting for 60.8% of retained premium and increasing by 1.2% compared to 2024;*
- ✓ *Motorcycle insurance: VND 98.3 billion, up 50.7% year-on-year and achieving 151.3% of plan. Retained claims were VND 3.5 billion, accounting for 3.6% of retained premium, up 0.9% compared to 2024.*

- Units with the highest motor insurance revenue across the system include: Ben Thanh, Binh Duong, Dong Nai, Gia Dinh, Hanoi, and Sai Gon.

Motor insurance remains the largest business line and the only segment experiencing revenue decline, which negatively affected PJICO's overall growth rate. Without the impact of the May incident and had motor insurance achieved its assigned plan, PJICO's total revenue growth in 2025 would have reached double digits and market share would not have declined. Nevertheless, despite the revenue decrease, the motor insurance segment achieved several positive outcomes:

- + Sales through the Toyota channel maintained strong growth of 15.5%;

- + Successfully participated in insurance programs of two major partners: Hyundai and Honda;
- + The increase in the claims ratio was lower than the decline in revenue, indicating initial effectiveness of claims control measures;
- + Transitioned core policy issuance operations to a mobile application, enhancing efficiency and timeliness for business staff;
- + Applied AI in vehicle pricing and loss detection through image recognition;
- + Issued a revised motor physical damage insurance tariff more aligned with market conditions.

**\* Marine Insurance**

- This business line delivered strong performance and high efficiency, with coverage across **89.2%** of member units. Revenue reached VND 759 billion, achieving **108.6%** of the annual plan and growing by **9.0%** year-on-year, higher than the market growth rate (8.9% for the first 11 months of 2025).

- *Cargo insurance recorded revenue of **VND 411 billion**, achieving **103.8%** of plan and growing by **3.9%** year-on-year (compared to market growth of 5.2% for the first 11 months of 2025). Retained claims were estimated at **VND 55.2 billion**, accounting for **17.6%** of retained premium, up **12.2%** compared to 2024. Although revenue from petroleum-related cargo declined, growth in non-petroleum cargo helped drive overall cargo insurance growth. During the year, PJICO secured new cargo insurance contracts with major clients such as PetroVietnam Fertilizer and Chemicals Corporation, VinFast, Dabaco, and Vinacomin.*

- *Hull insurance recorded revenue of **VND 348 billion**, achieving **114.9%** of plan and growing by **15.6%** year-on-year (compared to market growth of **12.4%** for the first 11 months of 2025). Retained claims were estimated at **VND 75.5 billion**, accounting for **42%** of retained premium, up **26.8%** compared to 2024. PJICO continued to be selected as the lead insurer for several large fleets. During the year, PJICO underwrote an additional 25 new international vessels, bringing the total number of vessels insured under P&I at PJICO to 146 vessels.*

- Units with the highest revenue in this segment include: Head Office, Hai Phong, Sai Gon, Thang Long, Bach Dang, Gia Dinh, Binh Dinh, and Khanh Hoa.

- Units that have not yet developed this line include: Dak Lak, Gia Lai, Ha Tinh, Lang Son, Phu Yen, and Thai Nguyen.

**\* Health Insurance**

- Gross Written Premium (GWP) reached **VND 817 billion**, achieving **122.7%** of plan and growing by **22.6%** year-on-year, exceeding market growth (13.3% for the first 11 months of 2025). This segment has 100% coverage across member units and accounts for 17.7% of total GWP.

- ✓ *Other personal accident and health insurance reached **VND 727 billion**, growing **25.3%** and achieving **125.4%** of plan. Retained claims were **VND 281 billion**, accounting for **71.6%** of retained premium, up **1.8%** year-on-year;*

- ✓ *Student and teacher insurance reached VND 90 billion, growing 4.6% and achieving 104.5% of plan. Retained claims were estimated at VND 31.9 billion, accounting for 35.5% of retained premium, up 1.4% year-on-year.*

- Units with the highest revenue in personal accident and health insurance include: Ben Thanh, Hanoi, Sai Gon, Thang Long, Thu Duc, and Thu Do.

Health insurance maintained strong growth momentum while keeping the loss ratio under control at 63.9%, ensuring overall business efficiency. Partnerships with hospitals and clinics were further expanded, contributing to improved service quality and cashless claim settlement.

#### ***\* Fire, Property and Combined Insurance***

- This segment accounted for 26.3% of total GWP and had 100% coverage across member units. Despite being significantly impacted by natural disasters in 2025, business performance remained relatively positive.

- Revenue reached **VND 1,213 billion**, achieving **105.9%** of plan and growing **8.0%** year-on-year, broadly in line with market growth.

- ✓ *Fire and property all risks insurance reached VND 1,010.7 billion, growing 4.3% and achieving 101.3% of plan. Retained claims were estimated at VND 187.2 billion, accounting for 46.3% of retained premium;*

- ✓ *Combined insurance reached VND 202 billion, growing 31.6% and achieving 137.5% of plan. Retained claims were estimated at VND 16.8 billion, accounting for 17.3% of retained premium, up 18.6% year-on-year.*

- Units with the highest revenue include: Head Office, Ben Thanh, Binh Duong, Dong Nai, Sai Gon, Thang Long, and Ha Thanh.

- PJICO continued to be selected as an insurer for major contracts with large state-owned groups and corporations in the energy and industrial sectors such as EVN and PVN.

- During the year, PJICO also secured multiple contracts from major corporations such as Vingroup, Sun Group, and Saigon Co.op.

#### ***\* Aviation Insurance***

Aviation insurance accounted for approximately 1% of total GWP. In 2025, revenue reached **VND 43.3 billion**, achieving **62.8%** of plan and declining by **53.5%** year-on-year (compared to market decline of **8.6%** for the first 11 months of 2025). PJICO did not renew the fleet insurance contract with Vietnam Airlines but successfully renewed contracts with Vietjet and Bamboo Airways.

#### ***\* Project & Engineering Insurance***

- This segment accounted for 4.6% of total GWP and had 100% coverage across member units. Revenue reached **VND 214.5 billion**, achieving **117.9%** of plan and growing by **20.5%**, significantly higher than market growth (11%). This marks one of the two highest growth rates in the past 10 years. Retained claims were estimated at **VND 16.8 billion**, accounting for **19.9%** of retained premium, decreasing by 35.2% compared to 2024.

- Units with the highest revenue include: Dong Nai, Hai Duong, Hai Phong, Thang Long, and Ha Thanh.

- PJICO participated in insurance coverage for numerous large-scale infrastructure investment projects during the year.

## **2.2. Performance by Distribution Channel**

<b>No.</b>	<b>Distribution Channel</b>	<b>Revenue (VND bn)</b>	<b>Proportion (%)</b>	<b>Growth</b>
1	Traditional Agency	1,158.2	25.1%	2.4%
2	Brokerage	784.0	17.0%	31.2%
3	Bancassurance	610.6	13.2%	13.3%
4	Direct Channel	2,066.2	44.7%	-3.0%
<b>Total</b>		<b>4,619</b>	<b>100.00%</b>	<b>5.1%</b>

### ***\* Agency Channel (Individual Agents and Petroleum Agents)***

- Individual agents: Gross Written Premium (GWP) reached **VND 723.2 billion**, reflecting a **decrease of 3.4%** compared to 2024. The total number of individual agents under contract with PJICO is 854 agents.

- Petroleum agents: GWP reached **VND 220.6 billion**, achieving **109.7%** of plan and growing by **15%** year-on-year.

### ***\* Bancassurance Channel***

- GWP generated through the bancassurance and corporate agency channel in 2025 reached **VND 610.6 billion**, achieving **104%** of plan and growing by **13.3%** compared to 2024. This result reflects significant efforts by PJICO and the Bancassurance Division, particularly in maintaining and strengthening partnerships with banks following the incident.

### ***\* Brokerage Channel***

GWP generated through brokers in 2025 reached **VND 784 billion**, representing a strong growth of **31.2%** compared to 2024. Of which, GWP from non-health insurance lines through brokers reached **VND 390.6 billion**, achieving **115.9%** of plan and growing by **27.5%** year-on-year.

## **3. Reinsurance Business Performance**

- Ceded reinsurance premium in 2025 reached **VND 1,708.5 billion**; ceded commission income amounted to **VND 331.2 billion**; and reinsurance recoveries reached **VND 604.5 billion**.

- Inward reinsurance premium revenue reached **VND 230.6 billion**, achieving **107.7%** of plan; inward reinsurance claims paid amounted to **VND 116.8 billion**, representing **50.6%** of inward reinsurance premium revenue.

- With the objective of arranging reinsurance effectively while ensuring financial safety in accordance with the plan approved by the BOD, PJICO successfully renewed treaty reinsurance programs for key business lines in 2025, including Marine, Fire, Engineering, and Combined insurance. The terms and conditions, as well as the capacity of reinsurers, fully complied with the regulations of the Ministry of Finance.

- PJICO continued to implement reinsurance arrangements for the Healthcare insurance portfolio, enabling PJICO to expand this business line while maintaining solvency margins and credit ratings.

#### **4. Financial Investment Performance**

- Interest rates declined from mid-2024 through the end of 2025. In addition to selecting banks offering competitive and secure deposit rates, PJICO continued to cooperate with banks providing preferential lending rates to optimize investment cash flows. PJICO also actively sought credit institutions offering attractive rates suitable for each period to maximize investment efficiency.

- Total revenue from financial activities and property leasing in 2025 reached **VND 272.5 billion**, of which: Financial investment income reached **VND 253.6 billion**, achieving **115.3%** of plan and decreasing by **10.5%** compared to 2024; This contributed **VND 187.5 billion** in profit, including approximately **VND 107.2 billion** generated from the investment of insurance technical reserves. Breakdown:

- ✓ *Deposit investment income: **VND 194.4 billion**, achieving **114%** of plan (exceeding plan by **VND 23.8 billion**);*
- ✓ *Non-deposit investment income: **VND 59.2 billion**, achieving **118.4%** of plan, including: Bond income: **VND 27.9 billion**; Dividend income: **VND 31.2 billion***
- ✓ *Property leasing income: **VND 18.9 billion***
- ✓ *Outstanding borrowings as of December 31, 2025 were **VND 906 billion** (compared to an initial estimate of **VND 500 billion**). The application of appropriate borrowing programs with preferential interest rates not only supported PJICO in managing cash flows for claim payments but also enhanced investment efficiency:*
  - *Additional deposit income from increased cash flow was estimated at approximately **VND 35 billion**, exceeding the plan by **VND 10 billion**;*
  - *Additional profit was estimated at over **VND 12 billion**, exceeding the plan by **VND 5.3 billion**.*

#### **5. Management and Governance**

##### **5.1 Organizational and Human Resources**

\* Restructuring at Head Office in a streamlined and efficiency-oriented manner:

- Merged the Internal Control Division and the Market Research & Risk Management Division into the Internal Control & Risk Management Division, ensuring compliance with Circular No. 70/2022/TT-BTC dated November 16, 2022;

- Reorganized the Multi-channel Solutions Development Division and the IT Division, specifically:

- ✓ Transferred core insurance systems and other applications from the IT Division to the Multi-channel Solutions Development Division; redefined its functions and renamed it the IT Application Development and Operations Division;
- ✓ Revised the functions of the IT Division, renaming it the IT Infrastructure and Security Division, responsible for infrastructure management and ensuring system security and IT safety;
- Transferred the Construction Department from Head Office to the Financial Investment Division and renamed it the Investment Division, responsible for: Non-deposit financial investments; and Capital expenditure and infrastructure investment for PJICO;
- Appointed new Directors for PJICO Dong Nai, PJICO Phu Yen, and PJICO Tuyen Quang, and discontinued concurrent assignments at these three units;
- Conducted new appointments, reappointments, and dismissals for: 64 personnel at Deputy Division Director / Deputy Unit Director level and above; and 124 personnel at department manager/deputy manager level.
- \* Restructuring of subsidiary units toward standardization and streamlining, based on three operating models:
  - Model 1: Small-scale units with low revenue and limited operational scope:
    - ✓ 01 General Accounting Department
    - ✓ 01 Sales Department
  - Model 2: Medium-scale units with moderate revenue, staffing, and operational scope:
    - ✓ 01 General Accounting Department
    - ✓ Sales Departments (No. 1, No. 2, etc.)
  - Model 3: Large-scale units with significant revenue and workforce:
    - ✓ 01 General Accounting Department
    - ✓ 04 functional departments: Property & Combined, Marine, Motor, Health
    - ✓ Sales Departments (No. 1, No. 2, etc.)

As a result, the organizational structure has been standardized and streamlined, reducing a total of 39 functional departments. Some units have merged the Accounting Department and the Administration & General Affairs Department into a single General Accounting Department. Staffing for General Accounting Departments is determined based on revenue scale, while administrative staffing is determined based on the number of employees at each unit.

\* Continued to strengthen professional training and working skills for existing employees, while providing onboarding programs on corporate culture for new employees, including training programs such as Anziip;

\* Completed and implemented a KPI framework to evaluate performance across PJICO, covering personnel from Deputy CEOs to sales staff.

## **5.2. Financial and Accounting Management**

- Strengthened guidance and support for business units in cost control and invoice/document management, ensuring financial safety for both PJICO and its units by continuing the nationwide implementation of the Akabot input invoice review system and fully adopting cashless payment methods. This aims to mitigate risks related to input invoices across the system and ensure compliance with changes in government policies and regulations.

- Continued to conduct comprehensive inspections and provide guidance for remediation at units whose Directors are due for reappointment.

- Continued upgrading the FTS 3.0 accounting system, including the Reinsurance module, to support both business units and PJICO in controlling costs and profitability, thereby improving business efficiency.

- Provided guidance and implemented across the system the Government's Decree No. 70/NĐ-CP on invoices and documentation, including the issuance of e-invoices for each insurance policy issued.

- Issued official instructions to all units during the 2024 year-end closing and Q1/2025 closing periods to guide the handling of outstanding receivables on a case-by-case basis and for each specific insurance policy.

- Issued regulations on the archiving and circulation of accounting documents, including classification and retention periods for both physical and electronic accounting records. This initiative enhances productivity while reducing operational costs and workload for accounting staff at the unit level.

- Strengthened inspection, supervision, and detection of violations, and advised management on handling breaches of internal financial and accounting regulations. Cost management was effectively controlled, ensuring that excess expenditures remained within acceptable limits. The total excess spending in 2025 did not exceed that of 2024 (VND 500 million), with detailed explanations provided.

- Total bad debt recovery and resolution in 2025 was estimated at **VND 37.7 billion**, achieving **94% of the annual target** assigned by the Board of Directors (VND 40 billion), including:

  - *Bad debt recovery: VND 10.85 billion;*

  - *Bad debt write-off/settlement: VND 26.85 billion.*

### **5.3. Corporate Rating Assessment**

In 2025, PJICO successfully completed its credit rating review in August 2025. The results were as follows: Financial Strength Rating (FSR): “B++” (Good), with a stable outlook; Issuer Credit Rating (ICR): “bbb” (Good); National Scale Rating (NSR): “aaa.VN”, the highest rating in Vietnam.

### **5.4. Digital Transformation**

- PJICO has progressively implemented the Digital Transformation Strategy for the 2023–2028 period;

  - Successfully streamlined and automated key processes including policy issuance,

invoicing, accounting, and claims settlement for motor insurance across three platforms—policy issuance systems, FTS 3.0, and ESCS—effective from October 1, 2025;

- Continued the deployment of the Akabot input invoice review system, combined with revisions to financial management regulations and full adoption of cashless payments, to enhance invoice risk management across the system in line with digital transformation trends;

- Continued upgrading key systems, including: Reinsurance module of the FTS accounting system; Motor insurance claims system (ESCS); and Healthcare claims system (ESCS);

- Deployed a sales application integrated with centralized collection and disbursement systems, optimizing cash flow while enabling automated policy issuance, invoicing, premium collection, and accounting. This solution supports business development, enhances risk management, optimizes cash flow, and improves customer experience;

- The Business Intelligence (BI) reporting system has been continuously updated and enhanced to meet management requirements, supporting business operations in line with practical needs;

- Successfully launched the My PJICO mobile application, enabling customers to purchase insurance online. Available products include: Motor Third-Party Liability (MTPL) insurance for automobiles; Motorcycle Third-Party Liability insurance; Travel insurance; and Residential fire insurance.

- Expanded integration with digital platforms such as VTVcab, Viettel Money, MoMo, OPES, Vietcombank, etc., to promote insurance distribution through digital channels.

### **5.5. Corporate Social Responsibility (CSR)**

In 2025, PJICO actively carried out various community support activities, with total contributions amounting to approximately **VND 2.4 billion**, achieving 94% of the target assigned by the Group. Notably, during recent storm and flood events, employees across PJICO made voluntary contributions to support PJICO staff, employees of petroleum companies, and affected communities. Two donation campaigns were organized, each equivalent to one day's salary, raising over VND 1 billion. In addition, PJICO implemented various CSR initiatives, including:

- ✓ Providing financial support to families of martyrs and revolutionary contributors in Lang Son Province on the occasion of April 30 - May 1, 2025;
- ✓ Funding the renovation and upgrading of Ha Lan Pagoda in Hai Nam Commune, Hai Hau District, Nam Dinh Province;
- ✓ Donating gifts to the Association of Victims of Agent Orange/Dioxin in Tien Giang Province;

- ✓ Supporting Ta Su Choong Semi-Boarding Primary and Secondary School in Hoang Su Phi, Ha Giang Province;
- ✓ Providing gifts during Lunar New Year to the Nursing Center for People with Meritorious Services in Phu Tho Province;
- ✓ Donating gifts to disadvantaged individuals, social welfare beneficiaries, and low-income households during the Lunar New Year (Year of the Snake);
- ✓ Funding social welfare programs and providing gifts to low-income households in Da Nang and Hai Duong;
- ✓ Sponsoring communication activities for the launching ceremony and running event in response to the “National Energy Saving Campaign Peak Month and Earth Hour 2025”;
- ✓ Donating bicycles to disadvantaged students in Ninh Binh Province;
- ✓ Providing support to Gia Lai Province to address the aftermath of Typhoon No. 13;
- ✓ Funding the construction of charity houses in Tuyen Quang Province.

### **III. BUSINESS PLAN FOR 2026**

#### **OBJECTIVES AND KEY BUSINESS TARGETS**

The year 2026 is expected to present both challenges and opportunities. The Government’s target of achieving double-digit GDP growth, supported by breakthrough institutional reforms and increased investment in infrastructure and technology, is anticipated to create positive momentum for the economy. The non-life insurance market is projected to continue growing at a relatively high rate of 10-15%. In this context, PJICO has strong potential to achieve rapid growth, despite increasing competitive pressure from new market entrants and aggressive expansion strategies by existing competitors, as well as the lingering impacts of previous incidents on business operations.

Based on the above analysis, the business plan guidance of Vietnam National Petroleum Group, overall market conditions, and PJICO’s specific circumstances, PJICO has set the following key targets for 2026:

- **Total revenue: VND 5,872 billion**, including:
  - ✓ Insurance premium revenue: **VND 5,238 billion**, representing a growth of **8.0%** compared to 2025, with a target to achieve 10% growth, including: Gross Written Premium (GWP): **VND 4,989 billion**; and Inward reinsurance premium revenue: **VND 249 billion**;
  - ✓ Financial investment income: **VND 255 billion**;
  - ✓ Ceded reinsurance commission income: **VND 360 billion**;
  - ✓ Property leasing income: **VND 20 billion**;
- **Profit before tax: VND 324.5 billion**, representing an increase of **6%** compared to 2025 (targeting up to **8%** growth);
- Dividend payout ratio: **12%** of charter capital;
- Total headcount as of December 31, 2026: maximum 1,700 employees.

## KEY SOLUTIONS FOR 2026

To achieve the above ambitious business targets, PJICO will implement a comprehensive set of solutions covering organizational structure, policies, products, marketing, technology, and digital transformation, as follows:

1. As early as December 31, 2025, PJICO issued **Decision No. 888/QĐ-TGD on the allocation of comprehensive business targets to all units**. For 2026, policies and mechanisms have been designed with a strong focus on prioritizing resources for business development, including significantly increasing cost and salary allocations for high-performing business lines to ensure competitiveness and adequate compensation for labor input.

2. In January 2026, PJICO issued **sales contest** policies across all business lines. Sales incentive programs are maintained at the same level as in 2025, despite adjustments to cost and salary structures, demonstrating PJICO's commitment to allocating maximum resources to frontline business activities. These policies serve as a key driver directly targeting sales personnel.

3. In Q4/2025, PJICO finalized and issued a **KPI** framework to be applied across PJICO starting from 2026, covering positions from Deputy CEOs to all employees. The KPI system is expected to create sufficient performance pressure to drive employees at all levels to achieve both individual and organizational targets, while serving as a basis for performance evaluation and reward mechanisms.

4. PJICO has completed the development of **a new salary scale** and grading system, which is currently being submitted to the Board of Directors for approval and implementation across PJICO. The new compensation framework is expected to enhance employee motivation, particularly for management and frontline sales personnel.

### 5. Product Development Solutions

- PJICO has introduced bundle insurance products, combining motor third-party liability insurance (for automobiles and motorcycles) with passenger accident insurance and residential insurance;

- PJICO is preparing to launch motor physical damage insurance products with higher deductibles, targeting the segment of private vehicle owners who previously purchased only compulsory liability insurance;

- Research is underway to develop usage-based motor insurance products, where premiums are calculated based on actual vehicle usage.

### 6. Solutions to Expand Traditional Distribution Channels

- Continue to leverage the effectiveness of the petroleum retail network as a distribution channel, targeting revenue of VND 245-250 billion in 2026;

- Expand partnerships with additional banks for bancassurance and broaden the product portfolio offered through existing bancassurance agreements, with a particular focus on strengthening distribution via Vietcombank;

- Maintain and develop insurance sales channels through automobile showrooms (Toyota, Honda, Hyundai, VinFast), and implement targeted sales incentive programs for this channel where appropriate and effective.

### **7. Solutions to Accelerate Digital Distribution Channels**

- Further enhance the My PJICO mobile application, expanding the range of insurance products available and introducing attractive sales policies to encourage customers to proactively purchase insurance online;

- Accelerate the rollout of digital sales initiatives, prioritizing integration with e-wallet platforms such as MoMo and Viettel Money.

### **8. Solutions to Enhance Claims Assessment and Settlement Quality**

- Motor insurance claims: Implement a new standardized claims assessment and settlement process across PJICO; Collaborate with AI Cycle to apply AI in vehicle assessment and enable online claims processing for minor losses; Target reducing the average claim settlement time to less than 7 days; Strengthen controls to prevent insurance fraud and tightly manage repair costs, aiming to reduce the loss ratio by 3–5% compared to 2025; Continue training and capacity building for claims assessors in terms of professional expertise, ethics, and customer service culture.

- Personal accident and health insurance claims: Study the feasibility and appropriate timing for establishing a centralized health claims center to reduce TPA costs and improve service quality.

- Property and marine claims: Enhance training and recruitment of personnel with strong technical expertise and foreign language skills; Strengthen coordination with loss adjusting companies to shorten claim settlement timelines, especially for large and complex claims.

- Develop AI-based solutions to conduct post-claims customer satisfaction surveys, identifying strengths and areas for improvement in the claims process, enhancing customer experience, and improving after-sales service quality across all business lines (motor, property, cargo, marine, engineering, personal lines, etc.).

### **9. Reinsurance**

- Strengthen coordination with business divisions and member units to arrange facultative reinsurance for large-scale projects, thereby increasing underwriting capacity and enhancing PJICO's competitiveness in major accounts;

- Successfully renewed all treaty reinsurance programs for 2026 with improved terms, conditions, pricing, and commissions compared to 2025, thereby providing strong support to direct insurance operations;

- Completed acceptance and implementation of the reinsurance module on FTS 3.0, supporting management and ensuring an integrated workflow across policy issuance, reinsurance, accounting, and claims processes.

### **10. Investment Activities**

To achieve the financial investment income targets, PJICO will implement the following measures:

- Continue selecting banks offering competitive interest rates and high safety for deposit investments; increase the proportion of bonds in the investment portfolio and take advantage of opportunities in the secondary market;
- Continue implementing appropriate borrowing programs to optimize investment cash flows; increase PJICO's borrowing limit from VND 1,000 billion to VND 1,200 billion; diversify capital trading activities in the secondary market;
- Closely monitor market developments, regularly review the investment portfolio, and select appropriate timing to realize profits, including divesting underperforming stocks or those that have reached expected returns.

## **11. Other Management and Governance Activities**

### ***11.1. Organization and Human Resources***

- Ensure stable operation of the restructured Head Office organization;
- Implement the new salary scale and grading system, ensuring alignment between compensation, job roles, revenue contribution, and operational efficiency; apply the KPI system across PJICO in 2026;
- Provide guidance across the system to organize General Accounting Departments at business units in a streamlined and efficient manner, aligned with PJICO's development orientation;
- Strengthen training programs to enhance staff capacity; revise internal regulations, processes, and policies to align with the organizational model and practical requirements;
- Select and implement a human resource management system (HRM software), with contract signing and go-live scheduled for early 2026.

### ***11.2. Financial and Accounting Management***

- Continue strengthening training, guidance, and support for business units in cost control and invoice/document management, ensuring financial safety for both PJICO and its units;
- Strictly enforce *cashless payment* methods for customer-related expenses in compliance with applicable legal regulations;
- Implement regulations on the circulation and archiving of accounting documents (including both electronic and physical records) across the entire system;
- Strengthen receivables management through measures such as automated debt reminders, automatic policy cancellation for overdue receivables exceeding 30 days, and effective bad debt recovery, with the objective of eliminating non-recoverable debts;
- Complete and accept the new accounting system project, including the reinsurance module, to enhance productivity and support both business units and PJICO in cost and profitability control;
- Successfully deploy and go-live key projects effective from January 1, 2026, including: Claims reserve provisioning at the individual claim file level; Automated cash collection and payment via Vietcombank; Separation of electronic invoicing systems;

- Coordinate with the IT Application Development and Operations Division, FTS, and ESCS systems to fully integrate processes for policy issuance, invoicing, automated accounting, and claims settlement for motor insurance, cargo insurance, and health insurance across three platforms (policy administration, FTS accounting, and ESCS claims);

- Organize training programs to update the system on changes in financial and accounting policies;

- Continue implementing measures to strengthen receivables control and bad debt recovery, particularly for co-insurance receivables.

The above presents the Report on Business Performance in 2025 and Key Tasks & Solutions for 2026 of Petrolimex Insurance Corporation.

We respectfully submit for your consideration.

**CHIEF EXECUTIVE OFFICER**

**Tran Anh Tuan**