

Report on 2024 Business performance

I. Economic and Banking Sector Overview in 2024

1. General economic situation

In 2024, the global economy showed recovery signs; however, international trade continued to face numerous challenges. Domestically, weakened market demand posed difficulties for businesses, while natural disasters, storms, and floods further disrupted production and economic activities in various regions. In this context, under the proactive, flexible, and effective governance of the Government, Vietnam's economy in 2024 recorded positive results: inflation was controlled below 4%, GDP grew by 7.09%, placing Vietnam among the fastest-growing economies in the world.

2. Banking sector performance

In 2024, the State Bank of Vietnam (SBV) maintained stable rates, enabling financial institutions to access capital at lower costs to support economic growth. Additionally, to navigate rapid global and domestic fluctuations, the SBV coordinated various monetary tools, managed exchange rates flexibly and appropriately, effectively handled external shocks, stabilized the foreign exchange market, contributed to macroeconomic stability, and controlled inflation.

By the end of 2024, capital mobilization by credit institutions increased by 9,06%, and credit growth for the economy reached 15,08%.

II. SAIGONBANK'S 2024 targets

The General Meeting of Shareholders (GMS) on April 25, 2024 approved the 2024 main targets as follows:

- Total assets: VND 32.300 billion, increased by 3% compared to 2023.
- Mobilized funds: VND 27.300 billion, increased by 3% compared to 2023.
- Total lending outstanding balance: VND 23.000 billion, increased by 12,87% compared to 2023.
- Non-performing loan ratio (Debt group 3-5): in line with the SBV's regulations.
- International settlement: USD 240 million.
- Profit before tax: VND 368 billion.

III. SAIGONBANK's 2024 performance

1. Total assets

As at 31/12/2024, total assets reached VND 33.260,40 billion, increased by 5,59% against the beginning of the year, reached 103% against the 2024 planned target. Charter capital is VND 3,387.99 billion.

2. Mobilized Funds

As at 31/12/2024, mobilized funds reached VND 28.641,12 billion, increased by 7,64% over the beginning of the year, reaching 105% against the 2024 planned target. Mobilized funds from businesses and residents reached VND 24.413,12 billion, accounted for 85,24% of total mobilized funds and increased by 3,64% over the beginning of the year.

3. Total lending outstanding balance

As at 31/12/2024, total lending outstanding balance was VND 22.494,54 billion, increased by 10,39% over the beginning of the year, reached 98% against the 2024 planned target. Debt group 3-5 as at 31/12/2024 accounted for 2,20%.

4. Non-performing loan handling

In 2024, SAIGONBANK handled bad debts through flexible measures in compliance with regulations, contributing to reducing non-performing loans and generating income.

5. International settlement

International settlement in 2024 was USD 284,26 million, increased by 35,51% compared to 2023, reached 118% against the 2024 planned target.

6. Joint venture

As at 31/12/2024, SAIGONBANK had contributed capital to Sai Gon Ha Long Hotel Tourism Joint Stock Company, National Payment Corporation of Viet Nam, SBB Securities Joint Stock Company.

7. Bank card service

In 2024, SAIGONBANK issued 11.658 cards, bringing the total cards issued by 31/12/2024 to 484.867 cards. The balance of card deposits was VND 462,82 billion.

- International credit card payments in 2024 amounted to USD 2,26 million, an increase of 29,64% compared to the previous year.

8. Saigon Factoring And Collateral Company Limited: 2024 Pre-tax was VND 3,63 billion.

9. Operation network: as at 31/12/2024, SAIGONBANK's network included 89 transaction points (1 headoffice, 33 branches, 55 transaction offices) nationwide, stable from the beginning of the year.

10. Operation result: 2024 profit before tax was VND 99,34 billion, reached 27% against the 2024 planned target.

11. Financial ratios (as at 31/12/2024): Fully compliant with the SBV's regulations:

	Financial Indicators	SAIGONBANK	SBV regulations
1	Capital Adequacy Ratio	14,84%	≥ 8%
2	Liquidity Coverage Ratio (VND)	54,92%	≥ 50%
3	Liquidity Coverage Ratio (USD)	62,04%	≥ 10%
4	Ratio of Short-term capital used for Medium & Long-term Loans	18,26%	≤ 30%
5	Limit on Equity Contribution for Share Purchase	17,57%	≤ 40%
6	Loan-to-Deposit Ratio	72,84%	≤ 85%
7	Non-performing loan ratio.(Debt group 3-5)	2,20%	

12. SAIGONBANK activities

12.1. Mobilizing funds

In 2024, mobilized funds grew well, with the structure of capital continuing to be maintained sustainably, with market capital representing 85,24% of total funding sources; ensuring balance according to the needs of capital sources and usage, in compliance with regulations on the loan-to-deposit ratio.

12.2. Credit and Debt Collection Activities

12.2.1. Lending

Through ongoing economic difficulties in 2024, SAIGONBANK proactively implemented various measures to promote credit growth while ensuring alignment with the Government and SBV's direction. As a result at 31/12/2024, total lending outstanding balance increased by 10,39% compared to the beginning of the year. This is an encouraging outcome, as the economy's capital absorption capacity was weak, but SAIGONBANK's credit balance still grew well.

- Lending activities were closely monitored for quality, strictly adhering to safety requirements, and credit limits for customers.

- Supporting customers in restoring production activities, serving living needs and contributing to promote economic development, SAIGONBANK offered 13 credit packages with preferential interest rates and policies to reduce loan interest, totaling more than VND 8.300 billion. The bank also signed cooperation agreements to finance construction projects and affordable housing.

- Debt rescheduling and maintaining the same debt group were implemented to support customers facing difficulties according to regulations of the SBV.

- Priority was given to lending in production sectors, priority fields, and growth drivers in line with the government's policies, ensuring safe capital lending and compliance with related regulations, thereby supporting economic recovery and growth; also, tightly controlled and limited lending in high-risk sectors.

- Debt classification and provision were made according to regulations.

12.2.2. Debts-handling

- Recently, SAIGONBANK has proactively applied various methods to collect bad debts that have arisen. Bad debts were classified, evaluated for handling ability, and specific measures were developed with clear timelines for resolution.

- The bank restructured the Debt Handling Committee and established Debt Recovery Teams at branches with high levels of non-performing loans, VAMC debts, on-balance-sheet debts, and debts with potential risk of exceeding 3%. Ongoing work was carried out according to the debt handling plan to ensure compliance with SBV's guidelines.

- SAIGONBANK ensured financial resources for proactive debt management, maintaining control over non-performing loans and capital safety ratios according to the SBV.

12.3. Inspection, Internal Auditing and Risk Management Activities

12.3.1. Inspection, internal auditing

In 2024, SAIGONBANK performed well in inspection, internal auditing and operational risk management; Checking and supervising the compliance situation in operations of affiliated units and with the SBV's instructions from time to time.

12.3.2. Risk Management Activities

Risk management was a focal point for SAIGONBANK; Enhancing management of risks across all operational activities, business processes, and the entire banking system aimed to detect, prevent, and respond to emerging risks, ensuring operational safety and compliance.

12.4. Legal framework and Internal procedures

In 2024, the new Credit Institutions Law was enacted, and the SBV issued several circulars. SAIGONBANK conducted a thorough review, updated, and amended internal regulations to align with the new regulations, ensuring safe and compliant operations. During the year, SAIGONBANK issued 95 internal regulations.

12.5. Information technology activities

- Ensuring the information technology system operates continuously and safely, continuing to research to solve problems in the network system and application software to bring convenience and good experience to SAIGONBANK customers and serve internal management needs.

- Investing in server and completing Oracle database management upgrade from version 10g to 19c, at once migrating data to new server.

- Equipping hardware and software, upgrading network and security systems to serve the Bank's operations.

12.6. Card operations

- Ensuring the card and online payment system operate seamlessly and securely.

- SAIGONBANK implemented the collection and verification of Citizen Identity Cards with chips in its Smart Banking app according to the SBV's guidelines.

- SAIGONBANK continued to upgrade and develop new features for the its Smart Banking app and SAIGONBANK Pay app.

- SAIGONBANK reviewed and reorganized its ATM network to ensure better performance and meet the needs of local citizens.

12.7. Human resources and training

12.7.1. Human resources management

- SAIGONBANK continued to strengthen its human resources policies, implementing salary and incentives based on individual unit performance, motivating teams to achieve business targets.

- New appointments, reappointments, and dismissals were conducted transparently and based on task completion.

- As at 31/12/2024, SAIGONBANK employed 1,490 staff. We carried out recruitment, training, and planning for human resources to meet the needs of the head office and branches.

- SAIGONBANK successfully organized the Extraordinary Shareholders' Meeting to elect the Board of Directors and Board of Supervisors for the 2024-2029 term and appointed the General Director in line with the SBV.

12.7.2. Training activities: SAIGONBANK emphasized the training and professional development of its staff, ensuring compliance with current policies and regulations. In 2024, 16 training courses were arranged.

12.8. Communication activities

Communication efforts were intensified to promote the SAIGONBANK's brand, bringing its image and services closer to the public. Community-based programs and social sponsorships were central to the strategy.

During the year, SAIGONBANK conducted communication about its operations on the website and mass media such as: implementation of biometric transaction authentication on the SAIGONBANK Smart Banking application according to the SBV's regulation; media awareness of fraudulent tricks in e-wallet transactions; warning about fraudulent forms of banking transactions, etc.;

Communication of events: SAIGONBANK received the Sao Vang Dat Viet Award 2024 - recognized among the Top 100 Outstanding Vietnamese Brands and the Top 12 National Strong Brands; Promoting its corporate social responsibility programs across various localities and sponsorship initiatives.

12.9. Other Key Activities

- Completing some main activities:
 - + Issuing shares to pay dividends for 2022, bringing SAIGONBANK's charter capital to VND 3.387,99 billion.
 - + Finalizing the restructuring plan, aligned with bad debt resolution for the 2021-2025 period, according to the SBV's.
 - + Finalizing SAIGONBANK's long-term development strategy up to 2025, with a vision towards 2030, following Decision No. 34/QD-NHNN (07/01/2019) and Decision No. 1309/QD-NHNN (24/07/2020) issued by the SBV.
 - + Complying with regulatory information disclosure.
 - + Conducting regular maintenance and monitoring of the fire prevention and safety system.
- Upgrading branch and transaction office facilities, enhancing aesthetics, cleanliness, and convenience to improve customer service while ensuring security across all SAIGONBANK premises.

IV. Overall assessment of 2024 operation

1. Achievements

- Strict adherence to the SBV's directives; Well implementing regulatory limits and safety ratios in banking.
- Despite a tough economic environment for the banking sector, SAIGONBANK maintained stable and secure operations under the close guidance of the Board of Directors and Board of Management. Most key performance indicators fulfilled or exceeded the GMS targets.
- Credit quality was tightly controlled, ensuring sustainable growth in alignment with capital expansion and credit growth targets of the SBV.
- SAIGONBANK has invested in servers and upgraded the Oracle database management system from version 10g to 19c, as well as data migration to a new server to improve the quality of financial services, products on digital platforms, ensuring the highest safety and security for customers. In 2024, SAIGONBANK deployed biometric authentication on its Smart Banking application in line with the SBV's roadmap.
- Expanding public service payments, promoting cashless transactions in line with Government and SBV's directives.

2. Challenges and Areas for Improvement

- Adverse economic conditions significantly impacted businesses and individuals, reducing their income and repayment capacity. As a result, some customers faced loan repayment delays, leading to an increase in non-performing loans (Debt Group 3-5).
- While SAIGONBANK achieved its GMS profit targets, the deteriorating economic environment affected some customers. To strengthen its financial stability, SAIGONBANK adopted measures such as risk provisioning and maintaining liquidity. Although profits fell short of initial targets, SAIGONBANK's financial health remained strong, and its business value remained stable. Importantly, bad debt provisions were backed by secured assets, ensuring future loan recoveries and profit growth.

- Despite expanding payment intermediary partnerships and introducing new features on SAIGONBANK's digital platforms, its technological product and service portfolio remains modest compared to leading competitors.

- Employee compensation and benefits are still limited, making it challenging to attract, retain, and incentivize top talent.

The report provides an overview of SAIGONBANK's 2024 business performance. *man*

Recipients:

- SAIGONBANK's shareholders;
- The Banking Inspection and Supervision Agency;
- Board of Directors;
- Board of Supervisors;
- Board of Management;
- Administrative and Personnel Organization Dept., Planning Dept. (Piling).



GENERAL DIRECTOR *hsh*

TRAN THANH GIANG