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Report on Business performance in 2024

I. Economic and Banking Sector Overview in 2024

1. General economic situation

In 2024, the global economy showed signs of recovery; 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 maintained stable policy rates, enabling financial institutions to access capital at lower costs to support economic growth. Additionally, to navigate rapid global and domestic fluctuations, the State Bank coordinated various monetary policy 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. The Bank's targets in 2024

The General Meeting of Shareholders on April 25, 2024 resolved to approve the main targets for 2024 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 performance in 2024

1. Total assets

At 31/12/2024, total asset reached VND 33.260,40 billion, increased by 5,59% against the beginning of the year, reached 103% against the planned target of 2024, of which charter capital is VND 3,387.99 billion.

2. Mobilized Funds

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 planned target of 2024. Of which, 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

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 planned target of 2024. Debt group 3-5 as at 31/12/2024 accounted for 2,20%.

4. Non-performing loan handling

In 2024, SAIGONBANK made efforts to handle bad debts through various flexible measures in compliance with legal regulations, contributing to reducing non-performing loans and generating income for the bank.

5. International settlement

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

6. Joint venture

As at 31/12/2024, SAIGONBANK had contributed capital to joint ventures in entities like Saigon Halong Hotel, Vietnam National Payment Corporation, SBB Securities 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 deposits through cards was VND 462,82 billion.

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

8. Business of Assets management Co.,Ltd: Pre-tax profit for 2024 was VND 3,63 billion.

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

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

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

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

12. SAIGONBANK activities

12.1. Mobilized funds activities

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; ensured 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 Activities

In the context of ongoing economic difficulties in 2024, SAIGONBANK proactively implemented various measures to promote credit growth while ensuring alignment with the general direction of the government and the State Bank of Vietnam. As a results 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 were controlled.

- To support customers in restoring production activities, serving living needs and contributing to promote economic development, SAIGONBANK introduced 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 provide financing for 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 State Bank of Vietnam.

- 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.

- Classification of debts and provisions were made according to regulations.

12.2.2. Debts handling activities

- 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 State Bank of Vietnam guidelines.

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

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. Checked and supervised the compliance situation in the operations of affiliated units and the compliance with the State Bank's instructions from time to time.

12.3.2. Risk Management Activities

Risk management was a focal point for the bank. Enhanced 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 State Bank issued several circulars regarding banking activities. SAIGONBANK conducted a thorough review, updated, and amended internal regulations to align with the new legal requirements, ensuring safe and compliant operations. During the year, SAIGONBANK issued 95 internal regulations related to banking operations.

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 of information technology applications to SAIGONBANK customers and serve internal management needs.

- Investing in purchasing a server and complete the upgrade of the Oracle database management system from version 10g to 19c at the same time as converting data to the new server system.

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

12.6. Card operations

- Ensure the card and online payment system operates seamlessly and securely.

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

- The bank continued to upgrade and develop new features for the SAIGONBANK Smart Banking app and SAIGONBANK PAY.

- The bank 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 incentive systems 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 of 31/12/2024, SAIGONBANK employed 1.490 staff members. The bank 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 Supervisory Board for the 2024-2029 term and completed the appointment of the General Director in line with State Bank regulations.

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 held for employees.

12.8. Communication activities

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

During the year, SAIGONBANK conducted communication about the Bank's operations on the website and a number of mass media such as: communicating the implementation of biometric transaction authentication on the SAIGONBANK Smart Banking, application according to the regulations of the State Bank; Media awareness of fraudulent tricks in e-wallet transactions; Warn people to be careful with 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 the bank's charter capital to VND 3.387,99 billion.
 - + Finalizing the construction of the restructuring plan, aligned with bad debt resolution for the 2021-2025 period, according to the opinion of the State Bank.
 - + Finalizing the development of a long-term strategy for SAIGONBANK up to 2025, with a vision towards 2030, following Decision No. 34/QĐ-NHNN (07/01/2019) and Decision No. 1309/QĐ-NHNN (24/07/2020) issued by the State Bank of Vietnam.
 - + Ensuring compliance with information disclosure regulations.
 - + 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 banking operations in 2024

1. Achievements

- Strictly adherence to the State Bank's directives in banking operations; Well implement regulations on limits and safety ratios in banking operations.
- 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 Executive Board. Most key performance indicators met or exceeded targets set by the General Meeting of Shareholders,...
- Credit quality was tightly controlled, ensuring sustainable growth in alignment with capital expansion and credit growth targets of the State Bank of Vietnam.
- SAIGONBANK has invested in purchasing servers and upgrading the Oracle database management system from version 10g to 19c at the same time as converting data to a new server system to improve the quality of financial service products on digital platforms, ensuring the highest safety and security for customers. In 2024, SAIGONBANK has deployed biometric authentication on the SAIGONBANK Smart Banking application in accordance with the roadmap of the State Bank of Vietnam.

- Expanded 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 classified as Group 3-5.

- While SAIGONBANK achieved its profit targets set by the General Meeting of Shareholders, the deteriorating economic environment affected some customers. To strengthen its financial stability, SAIGONBANK adopted measures such as provisioning for potential risks and maintaining liquidity safety. Although profits fell short of initial targets, the bank's financial health remained strong, and its enterprise value remained stable. Importantly, bad debt provisions were backed by secured assets, ensuring future loan recoveries and profitability 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 business performance in 2024.

GENERAL DIRECTOR

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 (Filing).

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