

## **REPORT ON THE 2024 OPERATIONS OF THE BOARD OF SUPERVISORS**

### **To: 2025 Annual General Meeting of Shareholders**

- Pursuant to the Charter of Saigon Bank for Industry and Trade (SAIGONBANK);
- Pursuant to the Organization and Operation Statute of the Board of Supervisors (BOS) of SAIGONBANK;
- Pursuant to the 2024 Operation Report of the Board of Directors (BOD) of SAIGONBANK;
- Pursuant to the 2024 Consolidated Financial Statements of SAIGONBANK audited by the Independent Auditor.

The BOS respectfully reports to the 2025 Annual General Meeting of Shareholders (AGM) on the activity overview, supervision results of the BOS in 2024 and the Operation Plan for 2025, as follows:

### **I. ACTIVITIES OF THE BOS**

#### **1. General results**

On November 01, 2024, the General Meeting of Shareholders (GMS) of SAIGONBANK elected the BOS for the term 2024-2029. Therefore, in 2024, the BOS activities included 2 phases:

- In the period from January 01, 2024, to October 31, 2024, the BOS elected 03 members, including: Mrs. Dang Thi Kieu Phuoc (Head of the BOS), Mrs. Vu Quynh Mai and Mrs. Nguyen Dao Phuong Linh.
- In the period from November 01, 2024, to December 31, 2024, the BOS elected 05 members, including: Mr. Tran The Truyen (Head of the BOS); Mrs. Vu Quynh Mai; Mr. Nguyen Ai; Mr. Nguyen Ngoc Dang Khoa and Mrs. Nguyen Dao Phuong Linh.

In 2024, the BOS organized 07 meetings, specifically as follows:

No.	Members of the BOS	Number of meetings attended	Meeting Attendance Rate	Voting Rate	Reasons for absence
1	Dang Thi Kieu Phuoc	04/04	100%	100%	End of office term as of November 01, 2024
2	Vu Quynh Mai	07/07	100%	100%	-
3	Nguyen Dao Phuong Linh	07/07	100%	100%	-
4	Tran The Truyen	03/03	100%	100%	Start of office term as of November 01, 2024
5	Nguyen Ai	03/03	100%	100%	Appointed on November 01, 2024
6	Nguyen Ngoc Dang Khoa	03/03	100%	100%	Appointed on November 01, 2024

SAIGONBANK has had an Internal Audit Department under the BOS to conduct the internal audit work at SAIGONBANK.

## **2. Task performance of the BOS**

The BOS has performed its functions and missions in accordance with the law, SAIGONBANK's Charter, and the organization and operation statute of the BOS. The specific results are as follows:

- Supervising the compliance with regulations, SAIGONBANK's Charter; implementation of the GMS Resolutions to be done by the BOD, the General Director in governance at SAIGONBANK;

- Performing tasks related to the Internal Audit Department within the authority: Appointing and reappointing titles of the Internal Audit Department; Implementing the 2024 Internal Audit Plan; Approving the 2025 Internal Audit Plan; Directing, supervising the activities of the Internal Audit Department in performing its functions and tasks according to regulations;

- Drafting the Policy on organization and operation of SAIGONBANK's BOS to submit for the GMS approval;

- Appraising the 2023 Financial Statements and semi-annual 2024 Financial Statements;



- Monitoring, updating changes in the list of shareholders owning 1% or above of the charter capital and the list of related persons of members of the BOD, of the BOS, of the General Director of SAIGONBANK, of shareholders owning 1% or above of charter capital;

- Reviewing the approval and implementation of investment projects, purchase and sale of fixed assets, contracts, and other transactions of SAIGONBANK under the authority of the GMS and the BOD;

- Reviewing contracts and transactions with other related parties in accordance with regulations;

- Supervising the obedience of restrictions to ensure safety in operation of SAIGONBANK;

- Reporting as per requirement of the State Bank of Vietnam (SBV).

## **II. SUPERVISION RESULTS BY THE BOS TOWARDS OPERATIONAL AND FINANCIAL SITUATION OF SAIGONBANK IN 2024**

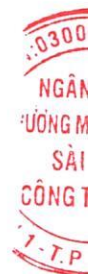
### **1. 2024 Financial Statements evaluation**

Basic financial indicators as at December 31, 2024, and 2024 business results were as follows:

<b>Items</b>	<b>Amount (VND million)</b>
1. Total assets	33.260.400
2. Capital and funds	4.089.832
3. Business Results	
- Profit before tax	99.344
- Profit after tax	79.168

SAIGONBANK's 2024 Consolidated financial statements were audited by MOORE AISC Auditing and Informatics Services Co., Ltd., published on SAIGONBANK's website in accordance with prevailing regulations.

Under thorough consideration, the BOS has consented with the opinion of the Independent Auditing Company that the 2024 Consolidated Financial statements presented a true and fair view, in all material respects, of the consolidated financial position of SAIGONBANK as at December 31, 2024, and of the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended in accordance





with the SBV regulations in relevance with Financial Reporting Regime for Credit Institutions, Vietnamese Accounting Standards and prevailing regulations.

## **2. Supervision on GMS 2024 Resolution implementation:**

In 2024, SAIGONBANK carried out activities according to the AGM 2024 Resolution and achieved the following results:

- Total assets: VND 33.260,40 billion, reaching 102,97% of the 2024 planned target.
- Deposits and mobilized funds: VND 28.641,12 billion, reaching 104,91% of the 2024 planned target.
- Lending outstanding balance: VND 22.494,54 billion, reaching 97,80% of the 2024 planned target.
- Non-performance loan (Debt groups 3-5) ratio was 2,20%, within the prescribed threshold.
- International settlement: USD 284,26 million, reaching 118,44% of the 2024 planned target.
- Profit before tax: VND 99,34 billion, reaching 26,99% of the 2024 planned target.

SAIGONBANK achieved a number of targets according to the **GMS 2024 Resolution** (total assets reached 102,97%, deposits and mobilized funds reached 104,91% and international settlement reached 118,44%); Debt groups 3-5 as at December 31, 2024 was within the prescribed threshold. Profit before tax reached 26,99% of the 2024 planned target.

## **3. Supervision of Executive Management Activities**

During the year, the BOD and General Director amended, supplemented and issued new internal regulations to meet the requirements in the real situation of SAIGONBANK in accordance with prevailing law. The critical documents included Regulations on bank guarantee operations; Decisions on amending, supplementing a number of articles of Regulations in lending activity; Regulations on Capital Adequacy Ratio; Regulations on Asset classification in operations; Regulations on Provisioning rate for risks, method of reserve appropriation, and provision utilization for handling risks in operations; Regulations on Liquidity management; Regulations on letter of credit (LC) operations and other business activities related to LC; Regulations on Internal credit rating system; Regulations on opening and using current accounts; Regulations on early warning system; Regulations on setting, measuring, monitoring, controlling limits of credit concentration risk etc.



The BOD operated according to the GMS Resolutions and SAIGONBANK's Charter. The BOD implemented instructions from the SBV including Directive No. 01/CT-NHNN dated January 15, 2024; key tasks of banking sector for the year 2024; Directive No. 02/CT-NHNN dated January 15, 2024; promoting digital transformation and ensuring information security in banking; ... At once, the BOD directed the implementation of Resolutions and some contents authorized by the GMS, as follows:

- Appointing MOORE AISC Auditing and IT Services Co., Ltd. to be the independent auditing company that shall review, audit financial statements and activity report of the internal audit system of SAIGONBANK for the fiscal year of 2025.

- Approving the Development strategy of SAIGONBANK until 2025, with a vision to 2030, according to Decision No. 34/QD-NHNN dated January 07, 2019, and Decision No. 1309/QD-NHNN dated July 24, 2020 of the SBV.

- Drafting amendments, supplements to "The Organization and Operation Statute of the Board of Directors of SAIGONBANK" and "Amendments, supplements to SAIGONBANK's Charter" in accordance with new provisions of the Credit Institutions Law, effective from July 01, 2024.

- Approving the 2023 Profit distribution plan after statutory reserve appropriation.

General Director managed the operations of SAIGONBANK based on legal compliance and the BOD's resolutions, according to the hierarchy and authorization; implemented the directives from the BOD through executive management activities in the Board of Management towards all units within the system; issued regulations, procedures, guidelines to implement general policies from the BOD in line with the laws, and organized the remediation of pending issues based on Inspection Conclusions and Internal audit Reports. The General Director also developed business plans and managed business operations according to legal regulations.

#### **4. Supervision by senior management towards internal audit**

The BOS carried out its senior supervision concerning internal audits, as prescribed in Circular No. 13/2018/TT-NHNN dated May 18, 2018, of the SBV on the internal control systems of commercial banks and foreign bank branches, and the organization and operation statute of the BOS is as follows:

The BOS directed and supervised the Internal Audit Department for implementing the approved internal audit plan for 2024. During the course of 2024, the Internal Audit Department conducted 12 audits at branches and units within the network. Additionally, the department carried out remote monitoring, risk warning reports, and followed up on corrective actions in response to recommendations, issues as inspection findings and



internal audit reports, reporting to the SBV in accordance with Official Letter No. 2380/NHNN-TTGSNH regarding the conference preparation for internal control, audit, and inspection work to be sent to the SBV.

The Internal Audit Department coordinated with the first-line and second-line defense units including the Credit Risk Management and Non-Credit Risk Management departments, in remote checking and monitoring activities to detect and provide early warnings of risks in unit operation.

The BOS instructed the development and approval of the 2025 Internal Audit Plan, and reported to the SBV as required.

Through the direction and supervision of the internal audit activities in 2024, the BOS evaluated the organization and implementation of the internal audit function at SAIGONBANK, ensuring compliance with the provisions of Circular No. 13/2018/TT-NHNN dated May 18, 2018 as above-mentioned, as well as the internal regulations on internal audit of SAIGONBANK.

### **5. Updates on Shareholder List, shareholding percentage**

In 2024, SAIGONBANK finished its charter capital enrichment by issuing shares to pay dividends to existing shareholders (VND 307,99 billion). As at December 31, 2024, the charter capital reached VND 3.387,99 billion, which was not sufficient per required minimum charter capital of VND 5.000 billion (Article 1, Clause 2 of Decision No. 689/QĐ-TTg dated June 8, 2022, of the Government).

Regarding shareholders who own 1% or above of the charter capital; and related persons of these shareholders (who hold 1%) as well as related persons of the BOD members, of the BOS members, of the General Director: lists of those subject persons were updated as required.

Major shareholders including The Office of the City Party Committee of Ho Chi Minh City, Phu Nhuan Construction and Housing Business Co., Ltd., Ky Hoa Trading and Tourism Co., Ltd., and Saigon Petro Co., Ltd; These shareholders have owned the share percentage exceeding the regulated limit. This issue has been addressed by SAIGONBANK in cooperation with concerned shareholders in many years.

SAIGONBANK must continue to strive for meeting the minimum charter capital of VND 5.000 billion and work with major shareholders to resolve the pending issues of shareholding percentage to ensure compliance.



**6. SAIGONBANK's investment projects, the purchase and sale of fixed assets, contracts, and other transactions under the authority of the GMS, the BOD: not occurred**

**7. Execution of contracts and transactions with related parties according to regulations: not occurred.**

**8. Compliance with restrictions to ensure SAIGONBANK's safe operation:**

For cases that granting credit is not allowed: not occurred

For cases that granting credit to subjects who are restricted to credit grant: implemented per regulations.

Real estate trading did not occur at SAIGONBANK.

For limits applied to credit granting, capital contribution, share purchase: complied with allowed limits.

For indicators of applicable adequacy ratios: remained in accordance with regulations of the SBV.

**9. Coordination between the BOS, the BOD, and the General Director**

In 2024, the BOS adhered to legal regulations and SAIGONBANK's Charter. Based on the results of senior management supervision over internal audits, the BOS made recommendations to the BOD and General Director to enhance control, minimize risks, and ensure legal and internal compliance.

The BOD and General Director promptly directed branches and units to correct identified issues, helping to mitigate risks during operation.

Overall, the coordination amongst the BOS, the BOD and General Director was in compliance with the law and internal regulations of SAIGONBANK.

### **III. 2025 Action Plan of the BOS**

Supervising the compliance with legal and internal regulations of SAIGONBANK in management and operations according to the SBV and SAIGONBANK requirements;

Supervising the implementation of the GMS Resolutions and SAIGONBANK's 2025 business plan;

Carrying out the senior direction and supervision over internal audits, ensuring the implementation of the 2025 Internal Audit Plan; enhancing internal audits for SAIGONBANK's operations, monitoring the compliance with the SBV and internal regulations, and ensuring that audit findings and recommendations.

Carrying out other duties of the BOS as required.

The above-mentioned narration is the 2024 BOS Activity Report presented to the GMS. And it seeks the shareholders' opinion contribution.

Recipients:

- SAIGONBANK shareholders;
- State Bank of Vietnam;
- Board of Directors;
- General Director;
- Board of Supervisors (filing).

**FOR AND ON BEHALF OF  
THE BOARD OF SUPERVISORS**

**Head of the Board**



**Tran The Truyen**