

## **PROPOSAL**

Regarding the amendments and supplements to the proposed Remedial Plan  
in case of early intervention

### **To: ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR FISCAL YEAR 2025**

- Pursuant to the Law on Credit Institutions No. 32/2024/QH15 dated January 18, 2024 (hereinafter referred to as the Law on Credit Institutions);
- Pursuant to the Charter of Saigon Thuong Tin Commercial Joint Stock Bank,

The Board of Directors of Saigon Thuong Tin Commercial Joint Stock Bank (the Bank/SACOMBANK) respectfully submits to the Annual General Meeting of Shareholders for approval of the amendments and supplements to the proposed Remedial Plan in case of early intervention (hereinafter referred to as the proposed Remediation Plan or the Plan), with details as follows:

#### **1. Rationale for the Proposal:**

- In 2025, SACOMBANK developed and submitted the proposed Remedial Plan to the Annual General Meeting of Shareholders for approval under Resolution No. 01/2025/NQ-ĐHĐCĐ dated April 25, 2025. The Plan essentially covered the required contents and complied with the provisions of the Law on Credit Institutions.
- Nevertheless, to ensure the alignment of the Plan with updated legal regulations, market benchmarks and the implementation guidelines of the State Bank of Vietnam, SACOMBANK finds it necessary to amend and supplement certain contents to strengthen monitoring and early warning systems, enhance proactiveness and feasibility in arising situations, and ensure compliance with the stringent risk management requirements of the banking industry.

#### **2. Amendments and Supplements to the Proposed Remedial Plan:**

The proposed amendments and supplements do not alter the scope, nature, or strategic orientation of the Plan previously approved by the Annual General Meeting of Shareholders for Fiscal Year 2024. They are primarily intended to clarify and further elaborate on several key aspects as follows:

- (1) Updating operational information for 2025.
- (2) Identifying risks that may trigger early intervention scenarios; establishing early warning indicators for monitoring and supervision purposes; and supplementing the list of assets and funding channels subject to management to ensure proactive response in the event of risks.

- (3) Elaborating in detail on solution groups corresponding to each specific early intervention scenario, including concrete action plans, expected outcomes, assignment of responsible units for implementation, designated control points, and implementation timelines.
- (4) Supplementing proposed support solutions for the State Bank of Vietnam, as well as coordination solutions with other credit institutions.
- (5) Stipulating the organization of implementation from the Board of Directors to the Bank's operational divisions, including clearly defined roles and responsibilities at each level.

### 3. Proposals and Recommendations:

The Annual General Meeting of Shareholders is respectfully requested to consider and approve the following:

- Approval of the revised and supplemented Remedial Plan as set out in the attached appendix .
- Authorization and delegation to the Board of Directors to:
  - Direct the development and implementation of the Remedial Plan in the case of early intervention in accordance with Article 143 of the Law on Credit Institutions.
  - Proactively adjust and revise relevant contents of the Remedial Plan depending on actual circumstances or as required by competent state authorities.

Respectfully,

ON BEHALF OF  
THE BOARD OF DIRECTORS  
CHAIRMAN



**DUONG CONG MINH**

#### Recipients

- AGM for the FY2025 "for approval"

Archived at the Governance Office.



# **PROPOSED REMEDIAL PLAN IN CASE OF EARLY INTERVENTION**

## CHAPTER I

### ORGANIZATIONAL STRUCTURE AND BUSINESS OPERATIONS OF SACOMBANK

#### I. ORGANIZATIONAL STRUCTURE

Overview, assessment of SACOMBANK's organizational structure and business model based on the following indicators:

##### 1. About organizational structure and operations

###### 1.1. About SACOMBANK's establishment and operations

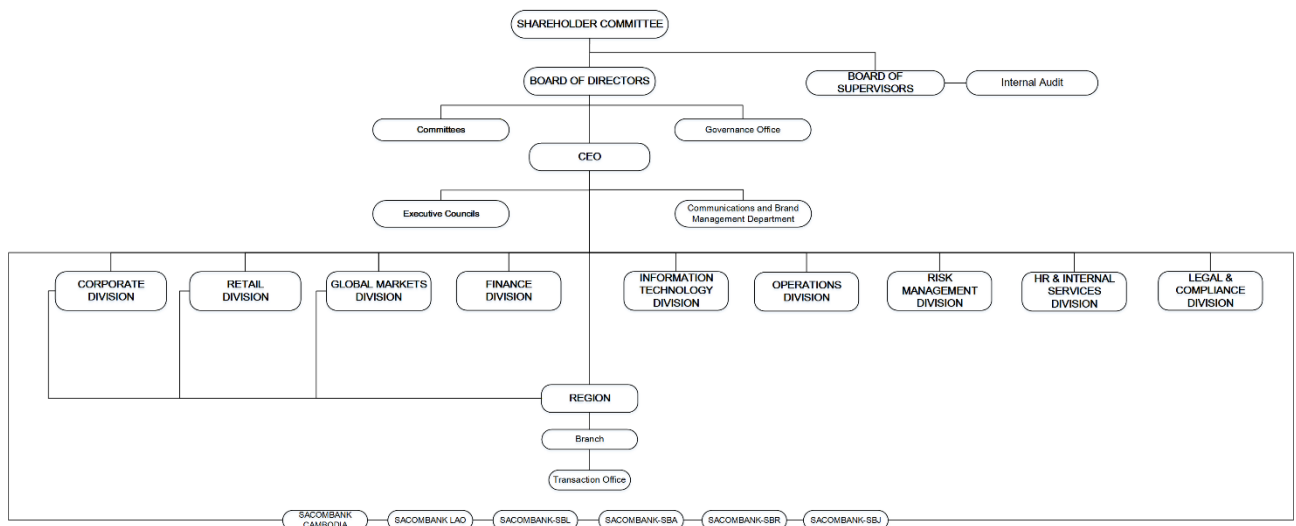
Vietnamese registered name	<b>Ngân hàng Thương Mại Cổ Phần Sài Gòn Thương Tín</b>
English registered name	Sai Gon Thuong Tin Commercial Joint Stock Bank
Trading name	SACOMBANK
Establishment and Operation License	No. 111/GP-NHNN issued by the State Bank of Vietnam (SBV) on November 9, 2018, and the amending and supplementing Decisions.
Business Registration Certificate	Business Registration Certificate No. 0301103908 initially registered on January 13, 1992, amended for the 41 <sup>st</sup> time on December 26, 2022, issued by the Department of Planning and Investment of Ho Chi Minh City.
Telephone	(+84) 28 39 320 420
Fax	(+84) 28 39 320 424
Website	<a href="https://www.sacombank.com.vn">https://www.sacombank.com.vn</a>
Charter capital	18.852.157.160.000 đồng/ VND
Logo	<b>SACOMBANK</b> 
Headquarter	266-268 Nam Ky Khoi Nghia, Xuan Hoa Ward, Ho Chi Minh City
Business Activities	The Bank is allowed to carry out full range of banking services including mobilizing and receiving short, medium and long-term deposits from organisations and individuals; providing short, medium and long-term loans to organisations and individuals based on the Bank's nature and capacity of the capital resources; foreign exchange trading; international trade financing services; discount of commercial papers, bonds and other valuable papers; providing settlement services, operating in monetary market; banking and financial consultancy; trading in government and corporate bonds; gold trading; cash management services, asset preservation; cabin and safer renting; entrustment and trusteeship services; insurance agent; brokerage and other banking services as allowed by the State Bank of Vietnam (SBV).

## 1.2. Organizational structure

In accordance with the regulations of the Law on Credit Institutions 2024, SACOMBANK was established as a joint-stock company with an organizational structure that comprises of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the General Director.

- SACOMBANK Board of Directors currently consists of 07 members (of which 01 member has submitted a resignation letter), including 02 independent members. The Board of Directors has restructured and established specialized Committees in accordance with legal regulations, the guidelines of Circular 13, and particularly referencing corporate governance best practices for Committees and Councils to ensure sustainability goals and strategies. Currently, there are 04 Committees as follows: Personnel Committee, Risk Management Committee, Committee for Anti-Corruption, Crime Prevention and Anti-Money Laundering, and SACOMBANK Strategy and Innovation Committee.
- The Board of Supervisors currently consists of 04 members. The Board of Supervisors established an Internal Audit to assist in its duties.
- SACOMBANK's representative-at-law is General Director, appointed by the Board of Directors. The standards, requirements and procedures for appointing the General Director fully comply with the SBV's regulations. The Board of Management consists of 12 members (including 1 General Director and 11 Deputy General Directors), who are assigned to execute management and advisory roles across various aspects of the Bank's operations.

## 1.3. Organizational structure



(Effective from January 22, 2026, following Decision No. 02/2026/QĐ-VBLQ.HĐQT dated January 21, 2026, of the Board of Directors).

## 1.4. Business network

As of December 31, 2025, SACOMBANK operates a network of 540 transaction points, including 535 transaction points (109 branches and 426 transaction offices) in 29/34

provinces and cities in Vietnam; 01 subsidiary bank in Cambodia with 03 transaction points, and 01 subsidiary bank in Laos with 02 transaction points.

Additionally, SACOMBANK owns 04 subsidiaries and 02 subsidiary bank, including:

Entity	Establishment License	Principle Activities	Ownership rate
SACOMBANK Debt Management and Asset Exploitation One Member Limited Liability Company (SACOMBANK-SBA)	4104000053	Asset Management	100%
SACOMBANK Financial Leasing One Member Limited Liability Company (SACOMBANK-SBL)	65a/GP-NHNN	Capital mobilization and financial leasing	100%
SACOMBANK Remittance One Member Limited Liability Company (SACOMBANK-SBR)	0304242674	Foreign currency remittance, receipt and payment services; foreign exchange	100%
SACOMBANK Jewelry One Member Limited Liability Company (SACOMBANK-SBJ)	0305584790	Retail of gold, silver, gemstones and jewelry; assessment and valuation; gold trading; manufacturing of fine arts jewelry	100%
SACOMBANK Laos One Member Limited Liability Bank (SACOMBANK LAO)	07/NHNN-Lào	Commercial banking	100%
SACOMBANK Cambodia Public Limited Company (SACOMBANK CAMBODIA)	N.27	Commercial banking	100%

## 2. Governance

- The organizational management structure and governance model of SACOMBANK ensure full compliance with legal regulations. Within this framework, the Board of Directors, the Board of Supervisors, and the Board of Management operate with a high sense of responsibility, establishing clear and effective operational directions and strategies.
- The sub-management levels are organized to operate and collaborate closely, ensuring SACOMBANK's operation is Safe – Efficient, and in full compliance with the regulations of State Authorities.
- Regarding internal control system, the Bank has established the mechanism of Three lines of defense, which is in strict compliance with Circular No. 13/2018/TT-NHNN, with inspection and supervision activities deployed across all three levels. The Risk

Management system is also operated in compliance with the SBV's regulations and is tailored to the Bank's actual operational requirements.

## II. BUSINESS OPERATION OVERVIEW

### 1. Business Strategy and Model

- SACOMBANK's strategic orientation is centered on "Safe - Efficient - Sustainable" growth, driven by the following key pillars:
  - + Sustainable expansion of scale coupled with enhancing asset quality, optimizing the balance sheet, and increasing operational performance and efficiency.
  - + Developing and optimizing customer value across all distribution channels through the development of modern, breakthrough financial products, services, and solutions, complemented by industry-leading customer service.
  - + Operational optimization based on a modern and professional operating model. Strengthening risk management with a focus on Standardization - Discipline.
  - + Effective development and application of modern technology. Enhancing the quality of human resources and fostering a corporate culture that serves as the core foundation for sustainable growth.
- The business model focuses on multi-channel retail banking with diversified risks and professional profit margins. This ensures high profitability while consistently meeting all safety indicators and regulatory limits at all times.

### 2. Financial position

The core analysis of the financial position will focus on evaluating the following key areas:

- **Regarding Total Assets:** Determine the scale of total assets and evaluate the growth rate; Asset structure: the proportion of interest-earning assets, liquid assets, etc.
- **Regarding Capital:** (i) Evaluate the growth scale and structure of owner's equity, charter capital, the actual value of charter capital, total equity; evaluating the ability to maintain this capital level under market fluctuations (ii) Reviewing the shareholder structure and ownership ratio, etc.
- **Regarding Capital Mobilization:** Evaluating the situation of mobilization from deposits and other funding sources such as issuance of valuable papers, interbank market, etc. Analyzing the effectiveness of funding in ensuring liquidity safety and supporting business development, etc.
- **Regarding credit activities:** Accessing the current status and capacity to expand credit granting activities, the level of credit risk exposure, and the control of credit disbursements into high-risk sectors.
- **Regarding investment activities:** Analyzing the equity investments. Evaluating the investment effectiveness through the profits generated and the level of risk associated with each investment, etc.

- **Regarding other assets:** Evaluating receivables; interest and fee receivables; other assets, etc. Analyzing the impact of receivables that are unable to be timely recovered, etc.
- **Regarding asset quality:** Perform a comprehensive evaluation of asset quality, including Non-Performing Loan resolution, recovery prospects, and loan loss provisioning, etc.

### 3. Business performance

Business Performance Analysis: Income – Expense and upcoming trends; Non-interest income; Cost-to-Income ratio; Factors that could impact bottom line profitability, such as accrued income that is required to be reversed but has not yet been reversed, risk provisions that are required to be recognized but not yet recognized, as the prescribed implementation timeline under inspection, examination, and audit conclusions remains in effect, and other items (if any),...

### 4. Liquidity Status and Compliance with Operational Safety Limits and Ratios

Evaluating potential liquidity risks and compliance with operational safety limits and ratios as stipulated by the Law on Credit Institutions and relevant Circulars in effect at the time of assessment.

### 5. Current Business Performance Assessment

At the time this Remedial Plan is approved, SACOMBANK assesses financial and operational status as follows (based on the 2025 Audited Consolidated Financial Statements):

- Total assets as of December 31, 2025, was VND 917,120 billion, with an average annual growth rate of 13% over the past 05 years. Of which, interest-earning assets improved significantly with an average annual growth rate of 16%, increasing their proportion of total assets from 87% to 94%.
- Owner's equity as of December 31, 2025, was VND 59,867 billion, growing at an average of 16% per anum, of which charter capital stood at VND 18,852 billion.
- Total capital mobilization grew by 14% per anum over the past 05 years, reaching VND 836.379 billion by the end of 2025. Fundings were balanced to meet annual needs, ensuring liquidity safety while enhancing operational efficiency.
- Outstanding loans grew at an average of 13% per anum, consistantly complying with the quotas granted by the SBV. Credit activities were focused on the Government's and SBV's priority sectors, limiting exposure to high-risk areas.
- Accelerated the recovery and handling of bad debts and legacy assets under the Restructuring Plan, with a total resolution volume exceeding VND 35,000 billion over the past 5 years. Focused on controlling credit quality, NPL ratio as of December 31, 2025, was 5.09%, driven by rising market risks and the Bank's prudent risk management and asset assessment policies. All NPLs have been provisioned in strict accordance with regulatory requirements.

- Total income grew by an average of 14% per annum, while operating expenses were strictly controlled at a 4% growth rate. Profit before tax for the period of 2021-2024 surged by 40% per annum, from VND 3,339 billion in 2020 to VND 12,720 billion in 2024. In 2025, pre-tax profit was VND 7,628 billion, decreased by 40% from last year, resulting from SACOMBANK's strategic decision to significantly increase credit risk provisioning, reflecting a proactive and prudent risk management stance to strengthen defensive buffers against rising market volatility and ensure autonomy in resolving legacy assets.
- Completed the development and implementation of Basel II/Basel III risk management framework. Total equity grew by 13% per annum, reaching VND 67,233 billion by the end of 2025. The Capital Adequacy Ratio consistently exceeded SBV's minimum requirements, stood at 9.2% as of December 31, 2025.
- Successfully restored and upgraded credit ratings, steadily enhancing brand prestige with shareholders, partners and customers.
- All operational safety limits and liquidity ratios are strictly maintained in compliance with the Law on Credit Institutions, Circular 22, and Circular 41 of the SBV. By year-end 2025, liquidity reserve ratio was 19.95% (SBV requirement  $\geq 10\%$ ) and 30-day solvency ratio (VND) was 107.79% (SBV requirement  $\geq 50\%$ ).

Overall, a comprehensive assessment of the operational and financial status at the time of this Plan is approved indicates that SACOMBANK continues to operate safely and efficiently. All operational safety ratios are well-controlled within regulatory limits, and the risk of early intervention by the SBV remains at an extremely low level.

## **CHAPTER II:**

### **CASES OF EARLY INTERVENTION BY THE STATE BANK OF VIETNAM**

#### **I. CASES OF EARLY INTERVENTION BY THE STATE BANK OF VIETNAM**

According to Clause 1, Article 156 of the Law on Credit Institutions No. 32/2024/QH15, the State Bank of Vietnam shall consider and decide to implement early intervention if SACOMBANK falls into one or more of the following cases:

- Accumulated losses of the Credit Institutions, foreign bank branches exceed 15% of charter capital and reserve funds written in the latest financial statement which has been audited or according to audit and inspection conclusions of the competent authority, and commit violation against law regulations on capital adequacy ratio.
- Being ranked below average under regulations of the Governor of the State Bank.
- Failing to achieve the minimum solvency ratio for 30 consecutive days.
- Failing to achieve the minimum capital adequacy ratio for 06 consecutive months.
- Bank run and being required to send report to the State Bank.

## II. IDENTIFICATION OF CAUSES AND RISKS LEADING TO EARLY INTERVENTION

To promptly identify potential causes and risks that may lead to early intervention by the State Bank, SACOMBANK will focus on monitoring and assessing the following areas, corresponding to the regulatory cases:

- 1. Accumulated losses exceeding 15% of the total value of Charter Capital and reserve funds, and violation of the minimum Capital Adequacy Ratio:** Volatility in income and operating expenses; trends in interest rates, profit margins, NIM, CIR; credit quality and loan loss provisioning to promptly implement solutions to enhance income, reduce expenses, and strengthen the resolution of overdue debts and non-performing loans to limit and reduce provisioning requirements.
- 2. Being ranked below average in accordance with the regulations of the Governor of the State Bank:** Conducting monthly monitoring of periodic rating results; evaluating and identifying the root causes affecting the scores of Capital Adequacy (C), Asset Quality (A), Management Quality (M), Earnings (E), Liquidity (L), and Sensitivity to Market Risk (S), which lead to average rating – D (less than 2.5 and greater than or equal 1) or weak rating – E (less than 1.5).
- 3. Violation of the solvency ratio for a period of 30 consecutive days:** Daily monitoring, assessing volatility trends, and establishing early warning thresholds to promptly implement appropriate solutions. In the event that the ratio tends to decrease toward the warning thresholds, examining the underlying causes, such as maintaining an overly thin high-quality liquid asset portfolio or a liquidity shortfall, especially during a decline in mobilization. Assessing the accessibility of liquidity buffer sources and operate appropriate solutions.
- 4. Violation of the minimum capital adequacy ratio for a period of 06 consecutive months:** Developing a capital plan consistent with the development strategy for the next 3-5 years, assessing the ability to meet the CAR ratio under stress scenarios to establish appropriate contingency capital plans. Regularly monitoring and evaluating fluctuations in the total equity, risk-weighted assets, and the CAR ratio within early warning limits to promptly active capital increase solutions and adjust business strategies to control the scale of risk-weighted assets.
- 5. Bank run and submission of a report to the State Bank:** Strictly managing information disclosure and the progression of information regarding the Bank's operations across all platforms, communication channels, and establishing a communication crisis management framework. Closely controlling operational risks, including IT risks, transaction disruptions or incidents/events affecting the Bank's branding. Monitoring and managing fluctuations in major deposit customer portfolio and their capital utilization/withdrawal plans for timely responses. Regularly monitoring the status of high-quality liquid assets portfolios to ensure appropriate balancing, assessment and forecasting of the liquidity situation. Developing action scenarios for liquidity generation and payment activities under stress scenarios to ensure proactive responses.

### III. LIST OF EARLY WARNING INDICATORS FOR RISK IDENTIFICATION

To ensure the timely identification of risks and the danger of falling into early intervention status as prescribed by the SBV, SACOMBANK has established a list of early warning indicators for regular monitoring and supervision during operations. These indicators are set across 03 management levels: (i) Level 1 – Internal Warning; (ii) Level 2 – Action for Improvement; (iii) Level 3 – Crisis Management.

Group	Warning indicator	Notes	Level 1	Level 2	Level 3	Reporting frequency	Department in charge
Capital	Capital Adequacy Ratio	Abide by SBV regulations	Approaching internal warning threshold	Exceeding warning threshold	Exceeding SBV regulations	Monthly	Risk Management Division Finance Division
	Accumulated losses	Accumulated losses/(charter capital + Reserve fund)	Accumulated losses in a Quarter	Accumulated losses in 06 months	Accumulated losses in a year	Monthly	Finance Division
Liquidity	Solvency ratio	Abide by SBV regulations	Approaching internal warning threshold	Exceeding internal warning threshold	Exceeding SBV regulations	Daily	Risk Management Division Finance Division
	Liquidity reserve ratio						
	Days of liquidity coverage	Days of liquidity coverage under stress scenarios	Falling below the warning level	Falling below the action level	Falling below 30 days	Monthly	Risk Management Division
	Decline in mobilization	Market I mobilization	Decline in scale exceeding warning level	Decline in scale exceeding action level	Bank run and submission of report to SBV	Daily	Finance Division Risk Management Division Retail Division Corporate Division
Asset quality	Overdue debts/bad debts	Follow SBV's/internal regulations	Exceeding plan level	Exceeding warning level	Impacting profitability/rating results	Daily	Risk Management Division
Efficiency	Income	Net interest income Non-interest income NIM	Abnormal decline	Prolonged decline with significant variance from plan	Resulting in losses	Monthly	Finance Division

Group	Warning indicator	Notes	Level 1	Level 2	Level 3	Reporting frequency	Department in charge
	Expenses	Operational expenses Provisioning expenses	Abnormal increase	Exceeding plan level		Monthly	Finance Division HR and Internal Service Division Risk Management Division
Market	Cost of funds	Interest rate spread relative to the market	Continuous increase	Significant increase, loss of competitiveness	Loss of mobilization capacity, bank run	Weekly/ Monthly	Retail Division Corporate Division Finance Division
Operations	Transaction disruption	Disruption across transaction channels	Increased frequency/ Prolonged downtime	Widespread and prolonged disruption	Severe incident, threatening a bank run	Daily	IT Division Operation Division Risk Management Division
Reputation	Inspection/ Audit conclusions	Material findings recorded	Delayed remediation progress	Failure to meet recommendations/ requirements	Impact ratings	Monthly	Risk Management Division Legal & Compliance Division Internal Audit

#### IV. LIST OF LIQUID ASSETS/ELIGIBLE COLLATERAL AND EMERGENCY FUNDING SOURCES

To ensure proactiveness in responding to liquidity risks and/or incidents leading to bank run, SACOMBANK focuses on monitoring and managing the portfolio of liquid assets and assets eligible as collateral for emergency borrowing/funding as follows:

##### 1. List of liquid assets and assets eligible as collateral

Asset Group	Components	Purposes	Conditions	Department in charge
Cash, placements at SBV	Cash Placements at SBV	Instant payment	Priority for use	Global Markets Division

Asset Group	Components	Purposes	Conditions	Department in charge
Government Bills, Bonds	SBV Bills Government Bonds Treasury Bills	Transaction via Repo/ OMO, Asset sale	Not yet utilized for Repo/OMO transactions	
Other eligible Valuable Papers	Bonds & Valuable Papers issued by Credit Institutions Listed Corporate Bonds	Repo transaction Asset sale	Ensure availability and transaction eligibility	
Loans eligible for refinancing/ debt sale	Eligible loans	Refinancing loans Debt sale	Standardization of legal documentation	Risk Management Division
Foreign currency	Foreign currency eligible for swap into VND	Swap into VND	FX position Impact on income	Global Markets Division
Other saleable assets	Assets available for sale/divestment for cash	Sale/Divestment for cash	Dependent on liquidity and market valuation	HR & Internal Service Department

## 2. Emergency funding sources

Funding source	Transaction types	Liquidity turnaround time	Conditions	Department in charge
SBV	OMO Refinancing loans	0-2 Working days	Eligible collaterals	Global Markets Division
Borrowing from interbank market	Overnight/ term borrowing	0-3 Working days	Market liquidity Eligible collaterals	
Repo/Out-right sale	Repo/Out-right sale Government bonds & Valuable papers	1-5 Working days	Eligible collaterals Discounted rate	
Mobilization	Customer deposits Issuance of Valuable papers	1-30 Working days	Competitive interest rates Marketing & Communication	Corporate Division Retail Division
Cross currency swap	Swap	1-7 Working days	FX position Liquidity and swap costs	Global Markets Division

**CHAPTER III:  
IMPLEMENTATION MEASURES FOR REMEDIATION  
IN THE EVENT OF EARLY INTERVENTION**

**I. GENERAL PRINCIPLES**

- The primary objective of the remediation solutions is to ensure the continuity of SACOMBANK's operations, safeguard the legitimate rights and interests of depositors, and promptly return the Bank to safe and stable operations in compliance with SBV regulations.
- Identify appropriate and feasible groups of measures for each specific early intervention scenario to ensure readiness and proactive implementation.
- Establish a sequence of actions based on priority, assigning specific persons/departments in charge with expected outcomes and clear deadlines.
- Strictly comply with reporting and supervision regimes, and coordinate the implementation of directives issued by the SBV.

**II. IMPLEMENTATION MEASURES FOR EACH EARLY INTERVENTION CASE**

The measures implemented to remediate cases where the SBV performs early intervention are classified into specific groups as below. Depending on the specific early intervention scenario, SACOMBANK will synchronously deploy these groups of solutions for remediation:

**1. Accumulated losses exceed 15% of the Charter Capital and reserve funds and violation of the minimum capital adequacy ratio**

Solution	Key Action	Expected Outcome	In-charged Departments	Controller	Timeline
Capital recovery and increase	Develop and submit capital recovery plan with a detailed roadmap	Capital plan approved for implementation	Finance Division Risk Management Division	BOD General Director	< 15 days
	Implement procedures to increase charter capital and/or Tier 2 capital	Increase of total equity	Global Markets Division	Capital Management Council	< 1 year
Improving asset quality	Restructure risk-weighted asset portfolio	Gradual reduction in high risk-weighted assets scale; improved CAR	Risk Management Division Corporate Division	Risk Management Committee General Director	< 6 months

			Retail Division	Capital Management Council Risk Council	
	Accelerate recovery and resolution of NPLs	NPL ratio reduced according to targets; reduced pressure on risk provisioning	Risk Management Division	Risk Management Committee General Director Risk Council	< 1 năm year
Business Efficiency Enhancement	Increase income  Reduce & Optimize expenses	Improve business results, remediation of accumulated losses	Business Department HR & Internal Service Division Corporate Division Retail Division Global Markets Division	General Director	< 6 months
Resolution of Financial Issues	Submit request to SBV for permission to make provision and allocate accrued interest based on financial capacity	SBV approval of certain mechanisms to resolve financial backlogs according to the roadmap	Finance Division Risk Management Division	BOD General Director	< 6 months
Governance and Management Enhancement	Strengthen governance – control – management and execution of the recovery strategy	Operations recovered according to the roadmap, termination of early intervention	Risk Management Division Legal & Compliance Division	BOD BOS BOM	Consistently

## 2. Rating below average as prescribed by the Governor of the State Bank

Solution	Key Action	Expected Outcome	In-charged Departments	Controller	Timeline
Cause review	Overall assessment of the rating to identify causes	Analysis and assessment of factors affecting ratings	Finance Division Risk Management Division	BOD General Director	< 15 days
Action Program Development	Implementation of remediation solutions based on priority and specific roadmap	Gradual improvement of ratings in subsequent assessment periods	Finance Division Risk Management Division	BOD General Director	< 1 year

Depending on the causes leading to the below-average rating based on the above analysis and assessment, the following groups of remediation solutions will be implemented synchronously:

- Group of solutions to enhance business operational efficiency.
- Group of solutions to improve safety indicators.
- Group of solutions to improve liquidity.
- Group of solutions to resolve financial backlogs and weaknesses.
- Group of solutions to enhance governance and management capacity.

Each solutions group will establish specific expected results, assigned to the Departments in Charge and the Control Units with specific deadlines, ensuring the rating improves at a minimum after 01 year.

## 3. Violation of the solvency ratio for 30 consecutive days

Solution	Key Action	Expected Outcome	In-charged Department	Controller	Timeline
Recovery Plan Development	Develop a plan and recovery solutions to return the solvency ratio to regulatory levels with a specific roadmap	Plan and roadmap approved for implementation with monitoring and periodic reporting mechanisms	Risk Management Division Finance Division Global Markets Division	BOD Risk Management Committee General Director Risk Council ALCO	< 1 day

<b>Solution</b>	<b>Key Action</b>	<b>Expected Outcome</b>	<b>In-charged Department</b>	<b>Controller</b>	<b>Timeline</b>
Increase liquid assets	Deploy emergency funding channels; sell/transfer assets	Improved solvency ratio and days of liquidity coverage	Global Markets Division Finance Division Risk Management Division	General Director	< 15 days
Outward Cashflow Control	Control credit and disbursements; control expenses	Reduced pressure on outward cash flows	Risk Management Division Finance Division	General Director	< 30 days
Deposit stabilization and growth	Increase CASA and medium-to-long-term deposits at reasonable interest rates	Stabilized outward cash flow, improved solvency ratio	Retail Division Corporate Division	General Director	< 6 months
Communications	Effective communication and crisis management, stabilizing depositor sentiment	Gradual reduction in withdrawal trends, moving toward stability and deposit growth	Communications & Brand Management Department	General Director	Consistently

#### 4. Violation of the minimum capital adequacy ratio for 06 consecutive months

<b>Solutions</b>	<b>Key Action</b>	<b>Expected Outcome</b>	<b>In-charged Department</b>	<b>Controller</b>	<b>Timeline</b>
Develop capital adequacy ratio recovery plan	Establish a plan and roadmap for CAR recovery with specific targets	Detailed plan and roadmap approved	Risk Management Division Finance Division	BOD Risk Management Committee General Director	< 2 days
Recover and increase total equity	Develop and submit a recovery plan for total equity with a detailed roadmap	Capital plan approved for implementation	Finance Division Risk Management Division Global Markets Division	BOD General Director Capital Management Council	< 15 days

Solutions	Key Action	Expected Outcome	In-charged Department	Controller	Timeline
	Implement procedures to increase charter capital and/or Tier 2 capital	Increase total equity	Finance Division Global Markets Division		< 1 year
Enhance asset quality	Restructure risk-weighted asset (RWA) portfolio	Gradual reduction in RWA scale; improved CAR	Risk Management Division Corporate Division Retail Division	Risk Management Committee General Director Capital Management Council	< 6 months
	Debt Collection and The resolution of non-performing loans (NPLs).	Achieve lower NPL ratio and alleviate provisioning pressure.	Risk Management Division	Risk Management Committee General Director	< 1 năm year

**5. Upon occurrence of a bank run, promptly reported to the State Bank of Vietnam**

Solution	Key Action	Outcomes	In-charged Departments	Controller	Timeline
Crisis Response Activation	Implement the crisis response action plan; assign responsibilities to focal units; define reporting frequency and protocols	Rapid execution with defined KPIs	All Departments	Board of Directors (BOD); Risk Management Committee; CEO	<1 day
Liquidity Assesment & Forecasting	Assess liquidity position, level of high-quality liquid assets; Monitor cash withdrawal movements; Estimate liquidity coverage by day.	Timely reporting on liquidity capacity; update funding and cash flow control plans based on current conditions	Risk Management Division; Finance Division; Global Markets	General Director Risk Council ALCO	< 1 day
Coordination Mechanism with SBV and Other	Reporting to the State Bank of Vietnam (SBV).	Coordination and liquidity support from the	Global Markets Division.	General Director	< 2days

<b>Solution</b>	<b>Key Action</b>	<b>Outcomes</b>	<b>In-charged Departments</b>	<b>Controller</b>	<b>Timeline</b>
Credit Institutions	Propose liquidity support measures from the SBV and other credit institutions through emergency funding operations	State Bank of Vietnam (SBV) and other credit institutions.	Finance Division;		
Liquidity Sources	Deploy emergency funding sources to mobilise timely.	Ensure payment obligations are met and extend the liquidity coverage horizon (number of days of coverage).	Global Markets Division.Finance Division; Risk Management Division	General Director	< 7 days
Cash outflow control	Curtail, defer, or suspend disbursements; prioritise debt collection; defer non-essential expenditures; and actively engage and negotiate with large depositors.	Minimize cash outflows and ensure the maintenance of sufficient liquidity for payment obligations.	Risk Management Division; Retail Banking Division; Corporate Banking Division; Human Resources & Internal Services Division	General Director	< 7 days
Payment Management	Timely fund transfers and cash balancing; increase cash on-hand; maintain vault security and safety; and manage payment execution effectively.	Smooth, secure, and uninterrupted payment operations.	Operation Division Branch Network Transactiona Offices	General Director	Ongoing
IT Systems & Digital	Ensure operations of ATM/CDM	Prevent service disruptions and ensure	Information Technology Division;	General Director	Ongoing

<b>Solution</b>	<b>Key Action</b>	<b>Outcomes</b>	<b>In-charged Departments</b>	<b>Controller</b>	<b>Timeline</b>
Transaction Stability	systems and digital banking channels, including monitoring and timely incident handling.	uninterrupted transaction processing.	Operations Division		
Communications & Customer Stabilization	Coordinate with relevant authorities on communication efforts; proactively manage and address negative information; and implement measures to stabilise customer sentiment.	Contain and mitigate negative information and reduce withdrawal volumes.	Communications & Brand Management Division; Branch Network; Transaction Offices	General Director	Ongoing
Recovery	Stabilise and rebuild mobilisation; Repay emergency funding facilities; and restore liquidity buffers.	Repayment of emergency funding to maintain credibility; Recovery of liquidity ratios and restoration of adequate liquidity reserves.	Global Markets Division Retail Banking Division Corporate Banking Division	General Director	1 – 6 months

### III. SOLUTION DETAILS

Details comprises the following key pillar

#### 1. Capital Restoration and Enhancement

- (i) Develop a comprehensive capital restoration plan with a roadmap, encompassing specific measures to strengthen Tier 1 and Tier 2 capital.
- (ii) Increase charter capital through: Rights issuance to existing shareholders or strategic investors.

- (iii) Suspend dividend distributions and allocations to bonus and welfare funds (if any); prioritise appropriations to statutory reserve funds and financial reserve funds in accordance with applicable regulations.
- (iv) Increase Tier 2 capital through the issuance of subordinated debt instruments in compliance with SBV regulations.
- (v) Review and rationalise investments, with a phased plan to reduce equity interests in subsidiaries and affiliates operating in sectors subject to regulatory deductions from regulatory capital
- (vi) In the event that capital increases result in shareholding exceeding statutory limits under the Law on Credit Institutions, coordinate with relevant shareholders to implement a compliant ownership restructuring roadmap.

## **2. Asset Quality Enhancement**

- (i) Restructure the risk-weighted asset portfolio, particularly the credit portfolio, by: Increasing exposure to lower-risk-weight assets; Progressively eliminating high-risk-weight exposures.
- (ii) Accelerate the recovery and resolution of non-performing loans (NPLs) and legacy assets to reduce non-earning assets and improve asset quality metrics, including:
  - Auctions of collateral and distressed assets;
  - Resolving NPLs in accordance with prevailing legal frameworks;
  - Utilizing the VAMC debt trading platform for eligible transactions;
  - Expediting legal proceedings and enforcement actions for hard-to-recover exposures;
  - Strengthening provisioning capacity and utilizing loan loss reserves for write-offs;
  - Enhancing cooperation with asset management and debt trading companies to dispose of off-balance-sheet exposures at market value.
- (iii) Closely monitor treasury operations and counterparty exposures to ensure the portfolio remains within prudent risk thresholds.

## **3. Resolution of Financial Legacy**

Subject to approval by the SBV, implement a structured approach to address legacy financial issues in line with the Bank's financial capacity:

- (i) Recognise and provision for credit risk, including provisions related to receivables transferred to VAMC.
- (ii) Amortise and reverse accrued interest income that is required to be unwound, in accordance with financial capacity and regulatory guidance.

## **4. Liquidity Enhancement**

- (i) Increase the proportion of high-quality liquid assets, prioritising the conversion into cash or cash-equivalent instruments that can be mobilized in the event of a liquidity stress.

- (ii) Review and prepare legal documentation to facilitate secured transactions with relevant counterparties (the State Bank of Vietnam, other credit institutions, and business partners), strengthening liquidity sources.
- (iii) Report to the State Bank of Vietnam in the event of significant deposit withdrawals or a potential bank run. Proactively propose and implement liquidity support measures in coordination with the State Bank of Vietnam and other credit institutions through emergency funding arrangements, ensuring timely and effective augmentation of available liquidity.
- (iv) Activate emergency funding channels, including interbank borrowings; execution of repo/pledged transactions using Government bonds and other eligible valuable papers; and requesting liquidity support from the State Bank of Vietnam through open market operations (OMO), refinancing facilities, special lending facilities, and other available instruments
- (v) Dispose of or transfer non-performing or high-risk assets to enhance liquidity buffers and mitigate financial risks.
- (vi) Control cash outflows through measures such as limiting credit growth, reducing or deferring disbursements, prioritizing debt collection, and cutting or postponing non-essential expenditures.
- (vii) Stabilise and increase funding sources by closely managing deposit portfolio nearing maturity, particularly large-value deposit portfolios; and promoting the growth of CASA and medium- to long-term funding at reasonable cost to ensure stable cash outflows.

#### 5. Solutions to enhance business performance:

- (i) **Develop stable funding sources:** Optimal capital management need to be line with liquidity, ensure safety ratios are maintained at safe levels, and increase business efficiency. Diversifying funding mobilisation channels, promoting digital banking to encourage cashless payments. Additionally, expand cooperation with domestic and international financial institutions to develop suitable funding sources from the secondary market.
- (ii) **Safe and efficient credit growth:** credit lending prioritises sectors such as Manufacture & production, import-export, and green energy. Actively implement preferential loan programs, coordinate with industry associations, diversify the credit portfolio, and control the bad debt ratio. Furthermore, enhance the application of technology in services, improve lending processes, and strictly comply with regulations of the State Bank. The credit and liquidity system is tightly managed to ensure financial safety.
- (iii) **Structure funding sources – use funds safely, prudently, and efficiently:** Balance between funding sources to ensure payment capability and minimise liquidity risks. Allocate funds focusing on sectors with low risk levels and stable profit potential, ensuring efficient use of funds.

- (iv) **Improve net interest income:** Optimising lending and deposit interest rates and adjusting interest rate policies to market conditions. Additionally, developing green credit measures and integrating ESG (Environmental, Social, and Governance) factors into financial products to grow net interest income. Properly control the bad debt ratio to ensure stable income.
- (v) **Develop non-credit activities:** Expanding non-credit services to diversify revenue sources. Also, developing modern service products that meet customer needs and market trends to increase revenue and reduce exposure on credit activities. Simultaneously, improve service quality to retain customers and expand the customer base.
- (vi) **Optimize costs:** Implementing measures to reduce operating costs through automation and workforce optimisation. Promoting digital transformation to minimise transaction costs and maintain competitiveness, aiming to optimise costs, improving the CIR, and enhance operational efficiency.
- (vii) **Restructure the network and distribution channels:** Reorganising the operational network to earn efficiency. Focusing on developing digital distribution channels and collaborating with external partners such as Fintech to expand services. Improving flexibility in product distribution methods to increase customer accessibility.

#### **6. Solutions to strengthen corporate governance and executive management capacity:**

- (i) **The Board of Directors (BOD) and its Committees:** The BOD needs to strengthen supervision and make timely decisions on serious financial and risk issues. The Committees should proactively analyse the situation, propose remedial measures, and support the BOD in developing recovery strategies. Coordinating with regulatory agencies to ensure compliance with legal regulations and propose reasonable solutions to restore the Bank's situation.
- (ii) **The Board of Supervisors (BOS):** Monitoring compliance with regulations, oversee the implementation of the proposed remedial plan in case of early intervention approved by the General Meeting of Shareholders, and direct internal audit activities to review operations according to the remedial plan in case of early intervention.
- (iii) **The Board of Management (BOM) and Executive Councils:** Implementing measures to improve financial conditions and risk management, coordinate with relevant departments to execute the approved Remedial plan. The Councils should closely monitor the implementation of corrective measures, ensuring that all decisions and actions are carried out correctly and promptly to minimise negative impacts on Sacombank's operations.
- (iv) **Enhance risk management:** Developing a robust risk management system involving all three lines of defence; implementing focused measures for managing key risk groups such as liquidity risk, credit risk, and operational risk; execute business contingency plans and enforcing strict control measures; and establishing and maintain a business continuous operation plan. The Risk Management Committee and Risk Council should increase the

frequency of emergency meetings, ensuring comprehensive and timely updates on financial and risk information, and promptly advise CEO and the BOD to make timely decisions.

- (v) **Exercise recommendations from Inspection and supervisory conclusions:** Assign focal units to take responsibility for addressing each group of issues within defined deadlines; Report on implementation progress, difficulties and challenges, and proposed solutions; and strengthen the internal inspection, control, and compliance framework to prevent the recurrence of violations and deficiencies in the future.

## **7. Communication and information technology measures to address liquidity challenges**

- (i) **Develop a communication strategy:** to provide timely and transparent information on the Bank's financial position and remedial actions plan, remaining trust of customers and stakeholders. Adopt a multi-media streams approach, prioritising platforms with wide reach and strong dissemination capacity.
- (ii) **Strengthening Engagement and Maintaining Trust:** Affirm the Bank's liquidity capacity and ensure continuous operations. Establish a mechanism for information disclosure and designated spokesperson(s). Implement measures to address negative information and manage rumors. Maintain close relationships with customers through customer postservice and support programs, particularly during challenging periods. Actively listen and respond promptly to inquiries to help reinforce brand credibility and ensure stability within the customer base.
- (iii) **Information Technology Measures:** Continuously monitor systems to ensure stable IT operations and enhance cybersecurity. Prepare contingency plans to handle sudden surges in transaction volumes, including expanding system capacity, upgrading infrastructure, and implementing backup solutions to minimize service disruptions. Ensure IT personnel are adequately trained to handle emergency situations and effectively support customers in the event of system incidents.

## **8. Proposed support and measures from the state bank of vietnam and coordination with other credit institutions**

- (i) Support Measures from the State Bank of Vietnam (SBV):
- Provide liquidity support through open market operations, refinancing facilities, and special lending mechanisms.
  - Report and request regional branches of the SBV to coordinate and support information management and market sentiment stabilization in the event of a bank run.
  - Seek SBV approval for a roadmap to meet with certain prudential ratios and limits in line with the implementation plan of the approved Remedial Plan.
  - During the implementation of the Remedial Plan, in case accumulated losses exceed 50% of charter capital and reserve funds as recorded in the latest audited financial

statements or based on conclusions of competent inspection/audit authorities, SACOMBANK shall seek SBV approval for the following additional measures:

- + Where the required risk provisioning exceeds the net operating income (excluding already provisioned amounts during the year), the provisioning amount shall be limited to the net operating income.
- + Allocate the reversal of accrued interest receivables in line with financial capacity, on the principle that the total allocation of such reversals and risk provisioning equals the net operating income for the year. The allocation period shall not exceed five (05) years from the date of SBV approval and shall apply only to receivables arising up to the time the SBV requires implementation of the Remedial Plan. Where necessary, an extension from five (05) to ten (10) years shall be submitted by the SBV to the Government for approval.
- + Other necessary measures within the authority of the SBV.

(ii) **Measures with Other Credit Institutions:**

- Obtain liquidity support through unsecured/secured interbank borrowings, repo or outright sale of valuable papers, and asset transactions.
- Cooperate in cash and fund management across branches/transaction offices.
- Agreements on maintaining large deposits and adjusting payment terms in the context of liquidity crunch and potential bank runs.

#### **IV. IMPLEMENTATION**

1. **Board of Directors (BOD) / Risk Management Committee:** Make decisions and direct in the event of financial issues and material risks that may trigger early intervention by the State Bank of Vietnam or oversee and supervise the overall implementation of remedial measures.
2. **General Director and other Executive Committees under General Director (GM):** Identify root causes of risks and develop appropriate response scenarios for remediation. Decide on the implementation of remedial measures within authority. Report to/seek approval from the BODs /Risk Management Committee where required. Coordinate and assign responsible units for execution.
3. **Business Departments:** Assigned tasks in accordance with the direction of the BODs/Risk Management Committee and GM, as well as their respective functions and responsibilities. Increase the frequency of progress reporting, highlight challenges and bottlenecks during implementation, and propose solutions and recommendations for resolution.

## **CHAPTER IV: ENFORCEMENT PROVISIONS**

The **Remedial Plan in the Event of Early Intervention** of SACOMBANK shall take effect from the date of approval by the Annual General Meeting of Shareholders (AGM).

On a periodic basis of at least once every two (02) years, SACOMBANK shall review, update, and revise the Remedial Plan in the Event of Early Intervention. Any updated or revised plan must be approved by the AGM and submitted to the State Bank of Vietnam within ten (10) days from the date of such approval.

**ON BEHALF OF  
ANNUAL SHAREHOLDER MEETING  
CHAIRMAN**

**DUONG CONG MINH**