

REPORT OF THE BOARDS OF SUPERVISORS ON 2025 PERFORMANCE AND 2026 ORIENTATION

To: ANNUAL GENERAL MEETING OF SHAREHOLDERS FOR THE FISCAL YEAR 2025

Pursuant to the duties and responsibilities of Board of Supervisors as prescribed by the Law on Credit Institutions, the Charter of Saigon Thuong Tin Commercial Joint Stock Bank, and the Regulations on the organization and operation of the Board of Supervisors,

The Board of Supervisors of Saigon Thuong Tin Commercial Joint Stock Bank (SACOMBANK) would like to report to the Annual General Meeting of Shareholders (AGM) on the following topics:

I. THE BOARD OF SUPERVISORS' PERFORMANCE IN 2025

The Board of Supervisors (BOS) for the 2022-2026 term consists of four (04) members, including one (01) Chief Supervisor and three (03) members. All BOS members work on a full-time basis.

The Chief Supervisor assigned specific tasks for each member and approved the annual periodic inspection and monitoring plans of the BOS. During the 2025 reporting period, the BOS members fully and timely executed all inspection and monitoring activities, achieving the key monitoring objectives set forth in the established Plan. The BOS members consistently maintain their independence and objectivity, fully adhering to professional ethical standards as stipulated by the State Bank of Vietnam as well as SACOMBANK's internal regulations.

The BOS fully performed functions, duties and responsibilities in accordance with the Law on Credit Institutions, the Charter and the Regulations on the Organization and Operation of SACOMBANK's Board of Supervisors, specifically:

1/. The Board of Supervisors carried out the below mentioned roles in 2025:

- Supervising SACOMBANK's management and operations to ensure compliance with laws, internal regulations, the Charter, and resolutions and decisions of the AGM and the Board of Directors (BOD).
- Monitoring the execution of the Restructuring Plan approved by the State Bank of Vietnam (SBV).
- Overseeing the approval and execution of investment projects, the purchase or sale of fixed assets, contracts, and other transactions under the authority of the AGM, the BOD.
- Supervising the financial status, assessing financial statements for first half 2025 and full year 2025 of SACOMBANK.
- Proposing the AGM, BOD to select an independent audit firm to audit the financial statements and provide assurance services for the internal control system's activities regarding the preparation of

SACOMBANK's financial statements for FY2026, ensuring compliance with the SBV regulations and the laws.

- Supervising compliance with the regulations in Chapter VII of the Law on Credit Institutions regarding restrictions to ensure operation safety of credit institutions. Monitoring the approval of credit extensions to customer segments as regulated by the SBV.
- Approving the advisory role of Shareholder Relation Department under the Governance Office, the BOS monitored and updated the list of shareholders owning 1% or more of the charter capital, capital contributors, and related parties of BOD members, BOS members, the General Director of SACOMBANK, shareholders owning 1% or more of the charter capital.
- On an annual basis, the BOS reviewed and directed the Internal Audit (IA) function to revise the BOS's internal regulations and the Bank's accounting and reporting policies to ensure alignment with SBV regulations and current laws.

2/. Summary of BOS meetings in 2025:

- The BOS conducted five (05) in-person meetings and seven (07) times of written opinion collection, alongside regular briefings and discussions on matters related to BOS operation. All BOS members maintained full attendance, actively engaging in discussions, contributing insights and achieving high consensus in voting to approve all contents. Approved contents included: personnel matters within the IA function; the annual IA Plan; the amendment, supplementation, and issuance of IA Regulations; proposals to the AGM and the BOD regarding the selection of an independent audit firm and related audit services for SACOMBANK in 2026; approval of BOS reports and submissions to the AGM, as well as other matters within the BOS's functions, duties, and responsibilities.
- The BOS maintained regular working sessions with Head and Deputy Head of IA and attended IA-related meetings. BOS representatives participated in dialogue sessions to discuss draft audit reports between the IA Team and the audited departments, aiming at direct and objective guidance that help departments identify material risks and implement timely remedial measures.

3/. Senior Management Oversight of Internal Audit

- The BOS conducted senior management oversight of Internal Audit in accordance with Circular No. 13/2018/TT-NHNN and Circular No. 40/2018/TT-NHNN of the SBV. The oversight was conducted consistently from the approval of the IA Plan to the evaluation of implementation results, ensuring that IA activities remain aligned with systemic objectives and the Bank's operation.
- **2025 Internal Audit Performance:** Internal Audit (IA) executed 16 audit engagements across 09 branches and 44 subordinate transaction offices, 06 thematic audits at Functional Departments (Head Office) and 01 Subsidiary Bank. In addition to on-site audits, the IA also conducted remote supervision and audit based on a Remote Audit Criteria Set, which comprised 80 criteria as of December 31, 2025. This Criteria Set was developed, reviewed and updated regularly to align with the Bank's operation and risk orientation.

- During 2025, the IA identified and recommended that audited departments promptly remediate outstanding issues in their operations. Most findings arose from the incomplete implementation of procedures, for instance: credit appraisal and approval; post-loan monitoring and debt recovery; management of important blank forms; accounting entries. IA reports were promptly submitted to the BOD, the BOS, the Board of Management, and relevant departments, providing a foundation for rectifying and enhancing the quality of internal control and risk management capacity across the entire system.
 - Following the annual review of the BOS's internal regulations and based on the proposal of the Head of IA, the BOS approved the amendment, supplementation and issuance of the Internal Audit Regulations under Decision No. 21/2025/QĐ-VBLQ.BKS dated October 27, 2025. This new Regulation issuance ensured compliance and consistency with the prevailing regulation of the SBV, while providing synchronization and flexibility for SACOMBANK's actual operational requirements.
- 4/. Coordination between the BOS and the BOD, the Board of Management and other Managers:** conducted seamlessly, in compliance with SBV regulations and SACOMBANK's internal policies.
- SACOMBANK has established internal regulations on the coordination among the BOD-BOS-Board of Management and other Managers regarding reporting, processing and communication related to internal inspection, internal audit and other Bank operations.
 - Chief Supervisor attended all periodic meetings and other important sessions of the BOD.
 - In 2025, the BOS exercised supervisory role by participating in semi-annual and annual review conferences of the Bank, Regional Offices, Subsidiaries, Subsidiaries Banks and Functional Departments at Head Office. Subsequently, the BOS promptly provided opinions and directives focusing on risk management and compliance. This activity ensured that departments not only pursued business targets but also prioritized internal control, thereby enhancing operational efficiency.

II. RESULTS OF THE SUPERVISORY ON SACOMBANK ACTIVITIES IN 2025

Based on the 2025 inspection and supervising results, the BOS evaluated the Bank's activities as follows:

- 1/. Monitoring governance and executive operations regarding compliance with the Law, internal regulations, the Charter, and resolutions/decisions of the AGM and the BOD:**
- In general, the BOD effectively exercised its governance role, implemented the directives and policies of the SBV and the Resolutions of the AGM. This was achieved through the issuance of Resolutions, Decisions, and Directives on business goals, targets, and key tasks for the entire SACOMBANK. The BOD provided timely support to the Board of Management in managing and coordinating with BOS in inspecting and supervising activities of the Bank and its subsidiaries, subsidiary banks. Furthermore, the BOD directed the Board of Management to execute the Restructuring Plan in strict accordance with the orientation approved by the SBV.

- The Board of Management (BOM) demonstrated great efforts in all business activities, closely following the AGM Resolutions and promptly implementing the BOD's Directives and Resolutions. The Board of Management launched several key programs and projects to enhance banking service, accelerate the digital transformation strategy, consolidate the operational network toward centralized management, increasing the proportion of the direct sale force, implementing a clear system of authorization and responsibilities among BOM members. These efforts ensured seamless, safe and efficient bank operations.
- SACOMBANK continuously strengthened internal control by establishing three independent lines of defense that meet SBV requirements. This system was designed to control, prevent, detect and promptly address risks, thereby achieving set objectives. Accordingly, all operational stages were governed by control mechanisms through specific regulations, rules and procedures. SACOMBANK's internal document system was comprehensive and regularly updated, improved to ensure stringency and legal compliance. The BOS evaluated SACOMBANK's control system as relatively effective and robust, thereby ensuring risk management throughout operation.
- SACOMBANK fully complied with SBV regulations regarding operational safety limits. The Bank performed periodic public disclosures of Capital Adequacy Ratio (CAR) as of June 30, 2025, and December 31, 2025, on SACOMBANK's official website, ensuring transparency and convenient access for all stakeholders.

2/. Monitoring the implementation of the Restructuring Plan (the Plan)

The implementation results of key financial indicators under the Plan are as follows:

- Accrued Interest Receivables as of December 31, 2022: the Bank fully allocated the accrued interest receivables from non-performing loans under the Plan into operating expenses;
- Credit risk provision: as of December 31, 2022, the Bank fully made credit risk provisions for loans within the scope of the Plan. In 2025, the Bank completed the recovery of loans under the "Loans to Customers" category and reversed the corresponding credit risk provisions previously recognized (Refer to Note 8(*) of the 2025 Consolidated Financial Statements for details);
- Provisions for VAMC Bonds under the Plan: as of December 31, 2023, the Bank fully made provisions for these Bonds (Refer to Note 10(b)(iii) of the 2025 Consolidated Financial Statements for details);
- Legacy assets and collaterals backed for bad debts: as of December 31, 2025, the Bank partially recovered legacy assets and collateral backed for bad debts under the Plan through the transfer of rights or collateral associated with these assets to third parties. The Bank fully made provisions for the remaining balances of these assets as of December 31, 2025, and December 31, 2024, (Refer to Notes 14(a)(ii), 14(a)(iii), 14(a)(iv), and 14(d) of the 2025 Consolidated Financial Statements for details).

3/. Supervision of the implementation of the AGM's Resolutions in 2025

a) Regarding Resolution No. 01/2025/NQ-DHDCĐ dated 25/04/2025 of the 2024 AGM.

SACOMBANK successfully exceeded 4 out of 6 key financial targets assigned by the AGM, specifically: (i) total assets reached VND 917,1120 billion, achieving 112% of the plan; (ii) total mobilized funds reached VND 836,379 billion, achieving 114% of the plan; (iii) total outstanding credit balance reached VND 626, 392 billion, achieving 102% of the plan and remaining within the 2025 credit growth quota; (iv) Prudent ratios strictly complied with the State Bank of Vietnam regulations. However, the NPL ratio stood at 5.09%, which did not meet the 2025 control target (the AGM assigned plan was below 2%); (vi) Profit before tax was VND 7,628 billion, equivalent to 52% of the plan.

The 2024 AGM approved 11 contents, with implementation results as follows:

- The AGM approved the reports of the BOD, BOS, BOM regarding the 2024 performance and the 2025 operational orientations; approved the audited separate and consolidated financial statements for the fiscal year 2024; and approved the expected remedial plan in the event that SACOMBANK is subject to early intervention by the SBV.
- SACOMBANK completed 04 contents in strict accordance with the AGM Resolution, including: (i) successfully made appropriations to the Financial Reserve Fund, the Charter Capital Supplementary Reserve Fund and the Bonus and Welfare Fund as approved by the AGM Resolution; (ii) Promulgated Decision No. 01/2025/QĐ-ĐHĐCĐ dated April 25, 2025, regarding the amendments and supplements to the Regulation on the Organization and Operation of the BOD; (iii) Remuneration paid to the BOD and BOS in 2025 remained within the limit approved by the AGM; operating expenses of the BOD and BOS were implemented in compliance with SACOMBANK's internal regulations; (iv) Acting under the authorization of the AGM and based on the BOS's proposal, the BOD agreed to select Ernst & Young Vietnam Limited as the independent audit firm to audit the financial statements and perform limited assurance services for the operation of the internal control system in the preparation and presentation of the 2026 financial statements for SACOMBANK and its subsidiaries/subsidiary banks (under Resolution No. 152/2025/NQ-HDQT dated December 12, 2025).
- The BOD has not yet implemented 02 contents previously approved/passed in principle by the AGM, comprising: (i) the approval of the policy for capital contribution/share acquisition in a securities company to become a subsidiary of SACOMBANK; (ii) the approval of the policy to increase SACOMBANK's charter capital.

b) Regarding Resolution No. 02/2025/NQ-DHDCĐ dated 11/09/2025 of the AGM (via written opinion collection)

- **Matter for written opinion collection:** the approval of Proposal No.51/TT-HDQT dated 25/08/2025 of the BOD to the AGM regarding the amendments and supplements to SACOMBANK's Charter concerning the legal representative in Clause 2, Article 2 of SACOMBANK'S Charter.

- **AGM Resolution:** the AGM did not approve the contents of Proposal No.51/2025 dated 25/08/2025 of the BOD regarding the amendments and supplements to SACOMBANK's Charter. Accordingly, SACOMBANK's Charter approved by the AGM at the meeting held on 26/04/2024 remains fully valid for implementation.

4/. Supervision of the approval and implementation of investment projects, the purchase and sale of fixed assets, contracts, and other transactions of SACOMBANK subject to the decision-making authority of the AGM and the BOD (*in accordance with Clause 5, Article 52 of the Law on Credit Institutions*).

The results of supervision in 2025 are as follows:

- No investment projects, or purchases and sales of fixed assets, contracts, other transactions occurred within the AGM's authority.
- There were 38 Resolutions approving contracts and other transactions within the BOD's authority.
- There were 09 BOD Resolutions issued in accordance with assigned authority to approve decisions on investment, purchase, and sale of fixed assets, including 02 Resolutions on fixed asset investment, purchase, and sale from 2024 which were implemented in 2025.

❖ Key matters for attention in governance and management activities

- SACOMBANK recorded growth in credit scale in 2025, higher the set plan. However, the overdue and non-performing loans increased year-on-year reflecting that credit quality and debt recovery efficiency require attention. Consequently, it is essential to focus on credit quality, debt classification, safe and effective credit growth, making full risk provisions in accordance with applicable regulations; and intensify post-lending monitoring to promptly implement appropriate debt resolution measures, thereby safeguarding the Bank's capital.
- Amidst unpredictable domestic and international economic fluctuations, the Bank's governance and management closely monitor market developments and risk warnings to deploy control measures aimed at improving asset quality, capital efficiency, and operational safety. This includes: complying with regulations on indicators and ratios to ensure operational safety; controlling and ensuring the liquidity position; monitoring in anti-money laundering activities; accelerating comprehensive digital transformation and ensuring information security and safety in banking operations; strengthening compliance control activities, improving the quality of the internal control system, and fully implementing the recommendations of the SBV Inspectors, the Board of Supervisors, and the Internal Audit.

III. RESULTS OF THE APPRAISAL OF SACOMBANK'S FINANCIAL STATEMENTS

- The BOS appraised the separate and consolidated financial statements of SACOMBANK for the first 06 months of 2025 and for the full year 2025. These appraisals were conducted on the basis that the financial statements had been reviewed and audited by KPMG Limited, further reviewed by SACOMBANK's Internal Audit at the request of the BOS and supported by the BOS's own supervisory data.

- The BOS agreed with the opinions and comments presented in the Audit Report by KPMG Limited and confirmed that: the consolidated financial statements reflect truthfully and fairly, in all material respects, the consolidated financial position of Sai Gon Thuong Tin Commercial Joint Stock Bank and its subsidiaries as at 31/12/2025, as well as the consolidated results of operations and consolidated cash flows for the financial year then ended. These statements followed Vietnamese Accounting Standards (VAS), the Vietnamese Accounting System for Credit Institution promulgated by the State Bank of Vietnam and other prevailing legal regulations regarding the preparation and presentation of financial statements.

IV. OPERATIONAL ORIENTATIONS OF THE BOARD OF SUPERVISORS IN 2026

Based on SACOMBANK's development strategy and the established audit and control framework for 2026, the Board of Supervisors will continue to:

- Strengthen control activities and enhance the supervision of compliance with legal regulations and the Charter in the governance and management of SACOMBANK, as well as the execution of Resolutions passed by the AGM, BOD.
- Supervise the implementation of the Bank's restructuring plan as approved by the SBV.
- Monitor the financial statements for the first 06 months of 2026 and for the full year 2026 of SACOMBANK.
- Enhance the senior management supervision of the BOS over Internal Audit. Direct Internal Audit to enhance the efficiency of audit activities, particularly through the technology application in data analysis for auditing and remote monitoring to provide risk warnings and rectify shortcomings across business units.
- Focus on reviewing and evaluating to identify potential risks in the Bank's operations, thereby assisting the BOD and the BOM in deploying risk management solutions.
- Perform other duties and functions of the BOS as prescribed by the Law on Credit Institutions, the Charter and SACOMBANK's internal regulations.

The above is the report of the BOS. Respectfully submitted to the AGM for approval.

Respectfully.

ON BEHALF OF THE
BOARD OF SUPERVISORS



TRAN MINH TRIET

Recipients:

- AGM for the FY2025 "for approval"

Archived at the Governance Office