

REPORT
ON BUSINESS RESULTS 2024



Meeting
Documents

Hanoi, March 26, 2025

REPORT ON BUSINESS PERFORMANCE IN 2024

(Submitted to the Annual General Meeting of Shareholders for approval)

A. OVER VIEW REPORT

I. Market overview in 2024

In 2024, the global economy continued its slow recovery from the COVID-19 pandemic, but still faced some negative impacts from geopolitical conflicts such as the war in Ukraine and instability in the Middle East. Inflation cooled, prompting central banks in major economies to reduce interest rates in the second half of 2024. Global commodity prices eased, and monetary and fiscal policies were gradually relaxed. The International Monetary Fund (IMF) forecasted global economic growth in 2024 at 3.2%, slightly down from 3.3% in 2023.

The Vietnamese economy operated in the context of a gradually recovering global economy, with global trade remaining uncertain and facing numerous risks and uncertainties. It was unavoidable that the economic performance of major economies, which are also Vietnam's key export markets, would impact the country's economy. Additionally, domestic demand weakened, leading to an economic growth of 7.09% for Vietnam in 2024. The key factors influencing Vietnam's economic growth in 2024 include:

- The drivers of Vietnam's economic growth in 2024 relied on export turnover, private sector investment, and foreign direct investment (FDI). However, the disbursement of public investment remained relatively slow, with VND 548.6 trillion VND disbursed, accounting for 72.9% of the plan, lower than the 82.47% rate of 2023;
- Manufacturing sector: The manufacturing PMI index dropped below 50 points in December, indicating that overall business conditions slightly worsened at the end of the year due to increased inflationary pressures in December. Both input costs and output prices rose at a faster pace compared to January;
- The service sector, particularly in areas such as retail, accommodation, food services, entertainment, and passenger transport, experienced considerable growth due to the recovery and resurgence of tourism throughout the year. The logistics sector also saw improvements, supported by investments in the expansion and development of infrastructure, including road, rail, airport, and seaport facilities;

- FDI realized in Vietnam in 2024 was estimated to reach USD 25.35 billion, an increase of 9.4% compared to the same period last year. The disbursement of FDI was at its highest level ever, and this capital flow would be a crucial contributor to the economy's self-growth, alongside public investment, as private investment remains very low at present;
- Business activity: In 2024, the country saw more than 233.4 thousand newly established and returning businesses, an increase of 7.1% compared to 2023, and 1.2 times the number of businesses exiting the market. On average, nearly 19.5 thousand businesses were newly established or resumed operations each month, while 16.5 thousand businesses exited the market;

In 2024, many banks have made improvements in controlling bad debts. Compared to the period of 2022-2023, the rate of bad debt formation has decreased significantly. Specifically, in 2022, bad debts increased by nearly 36% compared to the previous year, and in 2023, the increase continued to reach 45%. However, by 2024, the growth rate of bad debts began to slow down, reducing to only 15.85%.

II. Overview of business performance in 2024

In 2024, An Binh Commercial Joint Stock Bank (ABBANK) achieved positive results in expanding its overall scale and all safety ratios were well controlled in accordance with the regulations of the State Bank of Vietnam (SBV). However, amidst the general difficulties of the Vietnamese economy in 2024, profits before tax did not meet the set targets.

With a strategic direction towards retail banking, action plans to serve the needs of retail banking (RB) customers and small and medium-sized enterprises (SMEs) have been prioritized by ABBANK since the beginning of 2024. ABBANK has recorded growth in the number of customers in both strategic customer segments, RB customers and SMEs, the scale of transactions through digital channels has also seen appropriate growth in line with the digital transformation trend in the market.

Items		Actual		Plan 2024	2024 vs 2023 %	Actual vs Plan 2024 %
		2024	2023			
Scale	Total assets	176,619	161,977	170,000	109%	104%
	Credit loan	110,099	102,448	116,272	107%	95%
	Customer deposits and valuable papers	109,960	115,654	113,349	95%	97%
Efficiency	Profit before tax	779	513	1,000	152%	78%
	%NFI & Guarantee fee	14.53%	21.30%	13.66%	-6.77%	+0.87%
Quality	NPL ratio	2.48%	2.17%	<3%	+0.31%	
	NPL coverage ratio	49.99%	52.48%		-2.49%	
	CAR	9.99%	11.07%	>8%	-1.08%	
	LDR	68.02%	68.39%	<85%	-0.37%	
Customer	Number of RB customer and SMEs	2,267,786	2,117,097		107%	
	Number of transactions on digital channels	52,527,379	30,883,546		170%	

The Chief Executive Officer respectfully submits and presents to the Shareholders' Meeting for approval the Report on the Business Performance of ABBANK for the year 2024.

**ON BEHALF OF AN BINH JSC BANK
CHIEF EXECUTIVE OFFICER**

(Signed)

Pham Duy Hieu

B. DETAIL REPORT

I. Business performance

1. Retail banking

Compared to 2023, the number of retail banking customers continued to grow, reaching 2,227,115 customers, equivalent to 107%. Along with that, non-term deposits reached 4,406 billion VND, achieving 107% compared to 2023), driven by the digitalization of payment products such as QR code payments, automatic bill payments, opening beautiful account numbers, and lucky money through the app...

At the same time, ABBANK implemented platform system upgrade projects to enhance customer experience and improve transaction security, including:

- Upgrading the eKYC technology, ensuring the integration of national population data: verifying the chip-based citizen ID, preventing risks when opening online accounts, and enhancing transaction security...
- Continuously upgrading and improving the performance of core functions of the card system and mobile banking system to ensure continuity of card services, payments, and multi-channel transfers. It also deployed convenient features such as opening online beautiful account numbers and connecting with partners...

Term deposits achieved strong results in key goals, such as encouraging customers to open online savings accounts through more attractive policies compared to in-branch deposits (the online savings rate reached 39%). Term deposit balances with maturities of 6 to 9 months grew significantly in 2024. The deposit products were designed and adjusted to enhance diversity, flexibility, and specialization with a customer-centric approach.

In 2024, credit products continued to be reviewed and improved to meet the credit needs of basic customer segments, while focusing on in-depth research of the market and specific customer segments. The bank concentrated on developing credit solutions tailored to each segment and customer profile, delivering the best customer experience by continuously improving and optimizing processes to fit practical needs, reducing processing time, while ensuring controls and minimizing credit risks for the bank.

2. Small- and- medium enterprises

In 2024, the scale indicators of the SME all grew strongly, specifically: net increase in outstanding loans of 6,332 billion VND, net increase in deposits of 327 billion VND. Total operating income (TOI) reached 657 billion VND, of which TOI from lending activities accounted for 52%, in line with the 2024 orientation of focusing on credit scale growth.

The driving force for TOI growth came from the growth in the number of new customers and customers granting new credit limits, respectively 2.178 and 306 customers, in which, focusing on granting new credit limits to customers from the SME segment and above.

ABBank promoted customer understanding and had suitable financial solutions for customers according to specific business lines and value chain financing (*Construction Contractors with State Budget Capital; Pharmaceutical Enterprises, Medical Supplies & Equipment; Vietnam Airlines Ticket Agents*).

ABBank strived to provide customers with ABBank Business Digital Banking utilities. Since its official launch in late May 2024, customers have been migrated to the ABBank Business platform with a positive usage rate of 70% for new customers and 55% for existing customers. The new international money transfer feature launched in December 2024 helped to move 14% of international money transfer transactions from offline to online.

3. Wholesale banking

Total operating income (TOI) increased by 29% compared to 2023. This is the result of key actions in capturing market fluctuations, providing tailor-made solutions, increasing the efficiency of investment and securities trading activities, increasing net fee income from: currency management and payment, deferred letters of credit (UPAS LC), guarantees and financial arrangement commitments,

The year 2024 marks a strong digital transformation with a focus on high-tech solutions, non-cash payments, support for remote transactions, increased convenience for Customers such as: electronic payment system (e-payment) directly connected to EVN, building a centralized authentication and digital signing system, collection via Virtual Account, bilateral electronic payment with the State Treasury, collection of seaport infrastructure fees, launch of a multi-channel transaction system new, modern - Omni channel on both web and App platforms safety, security and new features are constantly updated.

4. Digital transformation

In 2024, ABBANK continued to orient its business towards the customer-centric and achieved many important milestones in digital banking strategic projects, by successfully deploying OmniChannel for Corporate (ABBank Business) and OmniChannel for Retail (ABBank) both in 9 months entirely with internal resources, with the number of resources for the project being 1/3 compared to other banks in Vietnam:

- In June 2024, it officially provided Corporate Customers with a completely new digital transaction platform ABBANK Business on an advanced technology platform, superior experience, multi-layered security information (including FIDO standard security methods and 2-layer authentication security), helping customers transact 24/7 on all platforms (Mobile and Web), providing practical services to customers' needs such as fast and simple online international money transfers, integrating a digital assistant system on the application platform to always remind and notify customers all due payments,...

- In December 2024, the digital banking application for Retail Customers (ABBANK) was also officially launched, gradually converting the customer base to the new digital banking platform to gradually replace the ABDitizen application.
- Completed the implementation of biometric support solutions at the counter for 165 branches;
- In addition, ABBANK continuously updated the platform to meet the circulars and regulations of state management agencies, in order to maintain continuity in customer transactions as well as meet the requirements on transaction safety and information security in online transactions of the management agency.
- At the same time, in order to enhance the experience for customers using digital platforms in transactions, ABBANK is also implementing a project to directly connect the OmniChannel system with the Research - Application Center for Population Data and Citizen Identification (RAR center) under the Ministry of Public Security.

With the results achieved from investing in digital platforms, in 2024, ABBANK recorded significant growth on digital channels in many different important indicators, specifically:

- For the Retail segment:
 - The number of customers on digital channels increased by 11.6%
 - The total number of transactions on digital channels increased by 70%
 - The balance of online savings deposits at the end of the period increased by 95%
- For the Corporate segment:
 - The number of customers on digital channels increased by 40.9%
 - The total number of transactions on digital channels increased by 141%
 - The proportion of transactions on digital channels reached 52%, an increase of 58%
 - The number of online international money transfer transactions reached 6,000 transactions for the first time, even though it was only launched in the last 2 months of 2024.

5. Treasury

In the Government bond market, ABBank is an active participant in trading and contributing to the development of the market. In 2024, ABBank successfully issued bonds with a face value of 3,000 billion VND, with a term of 2-3 years and an interest rate of 5-6% per year, in order to meet the capital demand and diversify the funding sources.

Besides, ABBANK continued to proactively review and evaluate the effectiveness of its investment and capital contribution portfolio, in alignment with the bank's strategy.

6. Liquidity capacity and other safety ratios

In the first quarter of 2024, market liquidity was abundant, and interest rates in the interbank market remained low, ranging from 0% to 3%. However, under pressure

from exchange rates and increasing loan outstanding balances, interest rates surged sharply to 4%-6% from the beginning of Q2/2024 and remained around an average of 4%-4.5% until the end of the year. Regarding policy rates, the State Bank of Vietnam (SBV) continued to maintain its policy interest rates unchanged (since June 2023), in the context of global interest rates remaining high, while flexibly adjusting the OMO rate (gradually increasing from 4% to 4.5% mid-year and then reducing to 4.0% from August 2024 through the end of the year) to ensure liquidity for credit institutions, thereby enabling support for the economy. ABBANK consistently aligned with the SBV's monetary policy management and ensured a stable funding source across both markets, maintaining a liquidity coverage ratio for each currency type at ABBANK that always exceeds the SBV's regulatory requirements.

Along with this, cash flow scenarios were developed and projected on a daily basis, serving as the basis for liquidity management and capital balancing. Interest rate movements in the markets were closely monitored on a daily basis, and internal interest rates were applied according to the new mechanism and adjusted promptly.

7. Debt collection

Results of NPLs and problem loans collection by the end of December 31, 2024 are as follows:

Unit: billion VND

Cash collection		Converted assets	Other debt collections	Total
Principal collection	Interest collection			
2,725	270	235	763	3,994

In 2024, ABBANK successfully resolved and recovered **3,994 billion VND** in non-performing loans (NPLs) and problematic debt, marking a 34% increase compared to 2023, contributing **VND 647 billion** to total income. This very positive result also helped reduce the NPL ratio and enhance the overall business performance of ABBANK. Specifically, the on-balance-sheet NPL ratio as of December 31, 2024, was controlled at 2.48%, ensuring it remained below the 3% threshold as required by the State Bank of Vietnam.

8. Credit quality

Throughout 2024, ABBANK consistently maintained its non-performing loan (NPL) ratio below 3%, in compliance with the regulations of the State Bank of Vietnam. As of December 31, 2024, the NPL ratio under Circular 31/2024/TT-NHNN stood at 2.48%, an increase of 0.31% compared to December 31, 2023. Outstanding NPLs at ABBANK increased by 834 billion VND year-on-year, aligning with the industry-wide upward trend in NPLs. The increase in ABBANK's NPLs was largely influenced by broader economic factors, including fluctuations in both the global and domestic economies, the sluggish recovery of the real estate market, and the impact of

natural disasters such as Typhoon Yagi. NPLs were primarily concentrated in the Retail Banking and Small and Medium Enterprise (SME) segments, which are more vulnerable to market volatility.

Since 2024, ABBANK has been standardizing its credit approval process, streamlining its credit policy framework, and enhancing operational efficiency to improve customer service, simplify documentation, reduce processing time, and strengthen risk management. The NPL ratio for new loan disbursements in 2024 remained at a low level.

The Wholesale Banking segment demonstrated strong credit quality, with no new NPLs recorded in 2024, along with a significant growth rate.

In 2024, ABBANK fully allocated general and specific loan loss provisions in accordance with the regulations of the State Bank of Vietnam and the Government's Decree. The bank maintained the highest possible NPL coverage ratio, based on its financial capacity and prevailing conditions. Specifically:

- Provision for credit losses as of December 2024 is as follows:
 - Specific provision: 1,106.16 billion dong
 - General provision: 809.07 billion dong
 - NPL coverage ratio: 50%
- Provision used for write-off in 2023: 70.98 billion dong
- VAMC bond: 1,806.35 billion dong

II. Operational – organizational results

1. Risk management

ABBANK has completed the risk management framework as required by Circular 13/2018/TT-NHNN. Risk appetite, policies and regulations on key risks have been completed and reviewed and updated annually in accordance with changes in the business environment as well as the adjustment of organizational structure. The Bank clearly applies the principle of independence between lines of defense as well as applies the responsibility assignment model (RACI) to increase efficiency and quality in management work.

ABBANK continued to implement and monitor the Risk Appetite, regularly updating policies and regulations regarding key risks to ensure alignment with changes in the business environment as well as adjustments to organizational structures.

Proactive risk monitoring is emphasized to early detect and record any suspicious signs in customer transaction behavior, with enhanced risk control measures related to human factors, systems, and processes to improve risk management efficiency.

Business Continuity Planning (BCP) activities are regularly conducted through field exercises and the refinement of incident response procedures within the bank. In 2025, this activity will continue to be strengthened to better control potential risks that could impact liquidity incidents.

ABBANK has developed and prioritized inbuilding quantitative risk models to help decision-making have higher accuracy and gradually reduce decision-making based on qualitative factors. In 2024, ABBANK implemented and applied the B-score model in credit approval for existing customers, while also conducting credit risk forecasting across all SME and Retail Banking segments. In 2025, ABBANK will continue to apply the A-score model for credit approval of new customers and develop IFRS-compliant models in preparation for the adoption of IFRS financial reporting standards. At the same time, ABBANK is actively implementing key components of Basel III to gradually advance its risk management framework to a higher level.

2. Banking technology and Operation

In 2024, ABBANK has continued to promote the applications of technology to serve the transformation goals, specifically:

- The system of application software at ABBANK has basically met the operational and management requirements, including developing products and services provided to customers, supporting business activities as well as risk management and finance, governance, reporting/compliance.
- In 2024, ABBANK has continued to operate and effectively exploit the group of credit supporting applications including the LOS system has integrated with retail banking customer credit scoring systems and CIC information, debt reminder application and debt management. Group of internal management solutions including E-Invoice for accounting, internal communication page on risk management at ABBANK, Identity Management – IDM, e-office, the transactions are registered using digital technology, Risk-Weighted Assets system - RWA, The Data Governance framework and the core applications ; The DevSecOps toolchain helps ABBANK automate the application integration and deployment process, contribute to bringing products and services to customers quickly and continuously; the microservices architecture and the modern ESB/API middle layer system enable the capability of Open Banking to provide financial services to customers.
- The bank has also optimized customer experience with modern and convenient journeys for retail customers on ABBANK Mobile application developed by ABBANK internal team (replaced ABDitizen); officially launched ABBANK Business to serve corporate customers; successfully upgraded the card system and implemented information security solutions such as upgrading the SIEM system and the security orchestration and automation response solution (SOAR), the database firewall system, the attack simulation and proactively preventing security breach solution, etc. At the same time continuing to develop digital banking applications, upgrading the core system (corebanking) to serve the needs of customers in line with the trends and orientations of the industry; strengthening the application of technology in operations and management, risk analysis and prevention, and investing and having appropriate solutions to ensure the security and safety of IT systems.

- ABBANK has focused on improving and streamlining processes, focusing on customer centricity, increasing productivity by applying technology, increasing automation in operations activities, specifically by each operational segment; enhancing the applications of technology to operation and management, risk analysis and prevention, investing appropriate solution to ensure the information security.

3. Network development

As of December 31, 2024, ABBANK's network consisted of a total of 165 transaction points, including 35 branches and 130 transaction offices across 34 provinces/cities nationwide. In 2024, ABBANK continued renovating its infrastructure, installing signs with high quality materials and modern designs at transaction points to enhance brand recognition and provide the best experience for customers. As for the activity of network development, ABBANK focused on reviewing and enhancing efficiency of its current network system before deploying plan for new opening according to the SBV's orientation.

4. Branding

In 2024, ABBANK continued strengthening its community activities, focusing on sustainable development in Environment, Education, and Healthcare. The bank launched quarterly CSR initiatives with creative forms and lasting positive impacts. The 2024 Tet An Binh campaign involved customers, the community, and employees in supporting planting 50,000 large trees, a figure equal to the total grown in the previous four years combined. The Hanh trinh van dam – Uom ngan Uoc mo campaign successfully raised funds for building key projects for children in Son La. At the same time, activities such as gift donations and support for disadvantaged communities and disaster victims were carried out promptly and responsibly.

Regarding branch channel management, in 2024, ABBANK identified and synchronized essential financial solutions and products to be implemented across business units (BU) in alignment with the new corporate identity (CI).

On the other hand, ABBANK has strengthened its owned channels, enhancing the quantity and quality of marketing and branding content across various digital platforms such as the Website, Facebook, Instagram, Zalo, and YouTube. The Facebook channel achieved a 2.3x increase in followers and a 3.4x rise in customer reach compared to 2023. Meanwhile, the website attracted nearly 1 million new visitors, marking a 5% growth compared to 2023.

Moreover, ABBANK's established digital advertising platform marks a significant advancement in the capability to engage customers by leveraging customer journey data analytics to understand their financial needs. This approach optimizes marketing costs and increases customer awareness and conversion by over 30%.

5. Human resource management

Human resources always been the leading decision factor for the sustainable success of the ABBANK. Therefore, in 2024, ABBANK has devoted significant efforts in order to recruiting, training, developing and retaining high skilled and experienced personnel.

- **Talent acquisition:** In addition to providing quality human resources for daily business operations, one of ABBANK's top priorities in 2024 is to expand cooperation with prestigious universities in order to develop a team of fresh and enthusiastic personnel.
- **Training and development:** 2024 marks a vibrant year of training activities with more than 600 courses and 46,000 learning turns. With the support of the online learning system first launched in the second quarter of 2024, training activities have changed significantly according to the Bank's strategy.
- **Program "Improving management and leadership capacity - ABB Excel Leadership - ABBELL":** The ABBELL Program is a strong affirmation of the commitment to building an elite and excellent leadership team and taking ABBANK further on the path to conquering new heights. The ABBELL First Program Course has been deployed with the first 50 participants from the management team at all levels, carefully selected and interviewed.
- **Human resource policy**
 - Based on ABBANK's orientation to become an efficiency-oriented organization, ABBANK's salary and bonus regimes are payed based on Bank/Division business efficiency and Employees capacity, performance, ensuring equal and fair opportunities for all employees.
 - ABBANK creates friendly, open working environment and aims for efficiency of all employees. Each employee is eligible to rotation in order to experience new job positions that are suitable for their personal capacity, providing opportunities for professional growth and development and ensuring a healthy work-life balance.

6. Transformation roadmap for 2024 and preparation steps for 2025

In 2024 – the second year of the 5-year Transformation Phase (2024-2028), ABBANK continued to focus on implementing strategic initiatives and projects to support business operations, internal management, and enhance technological infrastructure capabilities. Specifically:

No	Project Name	Status
Technology Projects Implemented in 2024		
1	Deployment of the Omni Channel Digital Platform for Retail and Corporate Customers	The ABB Business platform (Corporate Banking) has been officially launched for all customers in May 2024. The ABBANK app (Retail Banking) has been rolled out for internal customers and is expected to be launched for all customers in Q2/2025.
2	Card System Upgrade Project	Completed and officially launched in July 2024, helps to improve transaction performance and

		security while enabling product and service expansion to enhance the customer experience.
3	T24 Infrastructure Upgrade Project	Testing of upgraded and new features is complete; The system is scheduled to go live in Q2/2025.
4	Security Information and Event Management (SIEM) System & the Security Orchestration, Automation, and Response (SOAR) Solution Upgrade Project	Completed in August 2024 and now in operation, helps to enhance security, reduce risks, and ensure compliance.
5	Database Firewall System Development Project	Completed in August 2024 to ensure data security and protection at ABBANK.
6	Breach and Attack Simulation (BAS) and Proactive Security Prevention Project	Completed in December 2024 to ensure proactive threat detection and response to cybersecurity risks.

In addition, ABBANK continued to **strengthen risk management capabilities** by refining risk assessment models and developing a scorecard system to enhance control and management of business risks, ensuring sustainable growth.

The bank also proactively **reviewed and optimized the business model** while improving service quality across business units, thereby enhancing customer experience and operational efficiency. At the same time, ABBANK placed great emphasis on developing the workforce through specialized training programs aimed at improving service quality and driving business performance.

In 2024, ABBANK **focused on enhancing debt resolution capabilities**, optimizing recovery efficiency, and managing the credit portfolio to maintain credit quality and mitigate risks. Measures were also being implemented to reduce non-performing loan (NPL) ratios and optimize asset structure, ensuring financial stability and sustainable business operations.