

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



Meeting  
Documents

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Hanoi, April 2, 2025

## SUBMISSION TO THE GENERAL MEETING OF SHAREHOLDERS

### The Remedial Plan in Case of Early Intervention

The Board of Directors respectfully submits to the General Meeting of Shareholders *the proposed remedial plan in case of early intervention at ABBANK*, specifically as follows:

#### 1. Basis, reasons for proposal.

Pursuant to the provisions of Article 143 of the Law on Credit Institutions and Commercial Banks (NHTM) must develop *a proposed remedial plan in case of early intervention*. It requires:

- Commercial banks must develop a proposed remedial plan in case of early intervention when falling into one or several cases specified in Clause 1, Article 156 of the Law on Credit Institutions (CIs) as follows:
  - + The accumulated loss is greater than 15% of the value of charter capital and reserve funds recorded in the most recent audited financial statements or according to the inspection and audit conclusions of competent state agencies and violates the minimum capital safety ratio prescribed in Point b, Clause 1, Article 138 of the Law on Credit Institutions;
  - + Below average rating as prescribed by the Governor of the State Bank;
  - + Violation of the solvency ratio prescribed in Point a, Clause 1, Article 138 of the Law on Credit Institutions for 30 consecutive days;
  - + Violation of the minimum capital safety ratio prescribed in Point b, Clause 1, Article 138 of the Law on Credit Institutions for 06 consecutive months;
  - + Mass withdrawal and report sent to State Bank.
- The proposed remedial plan must be developed and approved before July 1, 2025 and must be updated and adjusted periodically at least every 2 years.
- The proposed remedial plan and the updated and adjusted plan must be approved by the General Meeting of Shareholders and sent to the State Bank within 10 days from the date of approval.

**2. Contents of the proposed remedial plan in case of early intervention as prescribed in Clause 1, Article 156 of the Law on Credit Institutions (hereinafter referred to as the Plan) .**

According to Clause 2, Article 143 of the Law on Credit Institutions, the proposed remedial plan includes the following main contents:

- Information and assessment of organizational structure and business operations of commercial banks and foreign bank branches;
- Financial status and operations of commercial banks and foreign bank branches;
- Measures to be implemented to overcome each case specified in Clause 1, Article 156 of the Law on Credit Institutions,
- Roadmap and deadline for implementing each remedial measure.

The specific information content in the items and sections of this Plan is directed by the General Director to be developed and submitted to the Board of Directors for approval (Attached Plan).

**3. Suggested content**

Respectfully submit to the General Meeting of Shareholders for approval the proposed remedial plan in case of early intervention with the contents presented in the attached plan and assign/authorize the Board of Directors to approve the detailed contents, supplements and adjustments of the plan to comply with the requirements of the State Bank and update necessary information.

Respectfully submitted.

**ON BEHALF OF THE BOARD OF DIRECTORS**

**CHAIRMAN**

*(Signed)*

**Dao Manh Khang**

# THE REMEDIAL PLAN IN CASE OF EARLY INTERVENTION

## CHAPTER I GENERAL PROVISIONS

### **Article 1. Purpose of developing the plan**

The proposed remedial plan in case of early intervention (hereinafter referred to as the proposed remedial plan) is developed to comply with Article 143 of the Law on Credit Institutions No. 32/2024/QH15, to ensure the ability to respond promptly to different situations in case the Bank receives early intervention.

### **Article 2. Subjects of application**

This proposed solution is applied at An Binh Commercial Joint Stock Bank.

### **Article 3. Abbreviations and definitions of terms**

#### **1. Abbreviations**

- SBV: State Bank of Vietnam
- ABBANK/Bank: An Binh Commercial Joint Stock Bank
- TCTD: Credit institution
- Shareholders' Meeting: General Meeting of Shareholders
- Board of Directors: Board of Directors of ABBANK

#### **2. Word explanation**

- a) *Early intervention* is the State Bank's application of requirements and restrictive measures to credit institutions and foreign bank branches and requesting such credit institutions and foreign bank branches to implement proposed remedial measures under the supervision of the State Bank to remedy the situation as prescribed in Clause 1, Article 156 of the Law on Credit Institutions.
- b) *Mass withdrawal* is when a credit institution is withdrawn by many depositors at the same time, leading to the credit institution being at risk of insolvency or insolvency according to the regulations of the Governor of the State Bank.
- c) *Charter capital* is the total par value of shares of a credit institution that is a joint stock company sold to shareholders.
- d) *Equity capital* includes the actual value of the credit institution's charter capital, plus some reserve funds, plus some other liabilities, minus deductions. The determination of equity capital is carried out according to the regulations of the Governor of the State Bank.

#### **Article 4. Cases in which the State Bank shall carry out early intervention**

Pursuant to Clause 1, Article 156 of the Law on Credit Institutions, the State Bank shall consider and decide to implement early intervention when the Bank falls into one or more of the following cases:

1. The accumulated loss is greater than 15% of the value of charter capital and reserve funds recorded in the most recent audited financial statements or according to the inspection and audit conclusions of competent state agencies and violates the maintenance of the minimum capital safety ratio of 8% or a higher ratio as prescribed by the Governor of the State Bank of Vietnam from time to time.
2. Below average rating as prescribed by the Governor of the State Bank of Vietnam.
3. Violation of maintaining the solvency ratio as prescribed by the Governor of the State Bank for 30 consecutive days;
4. Violation of maintaining the minimum capital safety ratio of 8% or higher as prescribed by the Governor of the State Bank of Vietnam from time to time for 06 consecutive months;
5. Mass withdrawal and report sent to State Bank.

#### **Article 5. General requirements and main measures expected in case of early intervention**

- 1. *The proposed remedial plan includes the following main contents:***
  - a) Information and assessment of the Bank's organizational structure and business operations;
  - b) Financial and operational status of the Bank;
  - c) Measures to be implemented to overcome each case specified in Clause 1, Article 156 of the Law on Credit Institutions;
  - d) Roadmap and deadline for implementing each remedial measure.
- 2. *General requirements for implementing remedial measures in cases of early intervention:***
  - a) Identify the cause for early intervention and update and adjust the proposed remediation plan (if necessary).
  - b) Implement remedial measures specifically identified for each early intervention case.
  - c) Report and fully comply with the requirements of the State Bank and legal regulations; closely coordinate with relevant competent agencies and organizations.

### **3. Main remedies in case of early intervention:**

- a) Increase charter capital and implementation time; roadmap for reducing the share ownership ratio and capital contribution of shareholders as prescribed in Point b, Clause 1, Article 159 of the Law on Credit Institutions
- b) Improve liquidity; increase holdings of highly liquid assets; sell, transfer assets and other solutions to meet safety requirements in banking operations;
- c) Improve business performance;
- d) Improve management and operational capacity;
- e) Handling of existing financial weaknesses, bad debts, secured assets and measures to remedy violations of the law;
- f) Communication and information technology measures to overcome liquidity difficulties.

## **CHAPTER II**

### **INFORMATION, ASSESSMENT OF ORGANIZATIONAL STRUCTURE AND BUSINESS FINANCIAL STATE AND PERFORMANCE OF THE BANK**

#### **Article 6. Information and assessment of organizational structure and business activities**

##### **1. Information on Establishment and Operation License**

- a) First establishment and operation license No. 0031/NH-GP dated April 15, 1993Z, re-issued license No. 120/GP-NHNN dated December 12, 2018, has been updated, amended and supplemented according to Decision No. 2575/QD-NHNN dated December 13, 2019, Decision No. 1466/QD-NHNN dated September 14, 2021, Decision No. 672/QD-NHNN dated April 12, 2022 and Decision No. 1360/QD-NHNN dated July 13, 2023 of the Governor of the State Bank of Vietnam.
- b) Business registration number: 0301412222, first registered by the Business Registration Office under the Department of Planning and Investment of Ho Chi Minh City on May 17, 1993, 29th change registered by the Business Registration Office under the Department of Planning and Investment of Hanoi on June 28, 2023.

##### **2. Network operations**

- a) Head office: 1st, 2nd, 3rd Floor, Geleximco Building, 36 Hoang Cau, O Cho Dua Ward, Dong Da District, Hanoi City.
- b) Branches, Transaction Offices: As of December 31, 2024, the Bank has 35 Branches and 130 Transaction Offices in provinces and cities across the country.

### **3. *Management structure***

ABBANK's management structure follows the model of a joint stock company, including: General Meeting of Shareholders, Board of Directors, Board of Supervisors and General Director. ABBANK's management structure complies with the provisions of the Law on Credit Institutions and other relevant laws.

The roles, tasks, responsibilities, powers and personnel structure of the Bank's management and administration are specifically stipulated in the ABBANK Charter.

### **4. *Business activities***

The Bank conducts monetary business and banking services with the contents of receiving deposits, granting credit, providing payment services, treasury and other banking activities and business activities nationwide and abroad in accordance with the License issued by the State Bank and the provisions of law. The main activities of the Bank include:

- Monetary intermediary activities include: capital mobilization such as receiving demand deposits, term deposits, savings deposits, issuing deposit certificates, promissory notes, treasury bills, bonds to mobilize domestic and foreign capital; borrowing short-term capital from the State Bank of Vietnam in the form of refinancing; borrowing capital from credit institutions and financial companies; entrusting, accepting entrustment, acting as an agent in fields related to banking activities, insurance business, asset management according to regulations of the State Bank of Vietnam;
- Short-term, medium-term and long-term lending, financial leasing, bank guarantees;
- Other financial services: providing domestic and international payment services and other banking services permitted by the State Bank of Vietnam; international trade finance services;
- Other credit activities: issuing credit cards; discounting, rediscounting negotiable instruments and other valuable papers;
- Financial service support activities: banking and financial consulting; buying and selling government bonds and corporate bonds; gold trading; participating in treasury bill bidding; buying and selling negotiable instruments, treasury bills, SBV bills and other valuable papers on the money market;
- Capital contribution, share purchase, investment in government bond futures contracts; and
- Securities depository, e-wallet, debt purchase activities.

## Article 7. Assessment of financial status and operations

### 1. Some financial indicators as a basis for evaluation:

Unit: million VND, %

STT	Target	12/31/2024	12/31/2023
1	Total assets	176,619,412	161,977,364
2	Equity	13,936,837	13,349,434
3	Charter capital	10,350,368	10,350,368
4	Total capital mobilized from the economy	109,959,587	115,654,059
5	Total outstanding credit to the economy	110,098,929	102,448,052
6	Profit before tax	778,549	513,288
7	Profit after tax	627,225	398,229
8	ROE	4.60%	3.03%
9	ROA	0.37%	0.27%
10	Bad debt ratio	2.48%	2.17%

Source: Audited financial statements

(Data and detailed information according to the Bank's financial statements).

### 2. Asset quality

#### a) Credit status

- Following the Prime Minister's direction on prioritizing growth support associated with macroeconomic stability, inflation control in Resolution 01/NQ-CP and the directives of the State Bank of Vietnam, ABBANK has implemented synchronous credit solutions, removed difficulties, and increased access to credit for people and businesses. ABBANK targets businesses and people who need to expand production, develop safe and healthy business, have feasible and sustainable business plans but lack capital. At the same time, consider reasonable preferential interest rates for people and businesses with legitimate and legal needs but facing difficulties in accessing capital.
- ABBANK promotes communication, dissemination of knowledge, information widely, fully, clearly, transparently and promptly about loan programs, products, and ways to access capital so that people can grasp and access policies with a variety



of media such as: website, leaflets, call centers, information posted at transaction points, etc. Periodically every month, ABBANK updates and announces interest rates on the Bank's website, including information on programs and preferential credit packages applicable to each specific customer group.

- For existing customers, ABBANK continues to implement interest rate/fee reduction mechanisms according to decentralization, reviewing preferential interest rate policies for each customer group to promptly support customers to overcome difficult times and restore production and business activities. Up to now, ABBANK has implemented 5 interest rate reduction adjustments, with reductions ranging from 0.3% to 0.7%/adjustment. At the same time, the Bank has adjusted its business plan and profit targets to focus on reducing lending rates for existing loans and new loans.
- The Bank also reviewed operating costs, focused investments, increased technology application, digitalized banking operations, digitized credit granting processes, provided better customer experience, streamlined procedures to increase customers' access to capital and shorten customer service time, contributing to reducing the Bank's operating costs and capital costs.
- For lending activities of other credit institutions: all loans to other credit institutions are group 1 debts, fully and timely recovered in principal and interest.
- For investment in bonds issued by other credit institutions: Bonds issued by other credit institutions invested by AB BANK are all group 1 debts, fully and timely recovered in principal and interest.

b) Asset quality

- ABBANK maintains control over the bad debt ratio and measures to handle bad debt have been basically effective. As of December 31, 2024, the total outstanding bad debt is VND 3,841,212 million, corresponding to a bad debt ratio of 2.48% (the bad debt ratio is lower than the level of 2.52% as of September 30, 2024).
- Debt restructuring, interest exemption, reduction and maintaining the debt group according to Circulars of the State Bank: Based on the report on the implementation of debt restructuring, maintaining the debt group according to Circular 02/2023/TT-NHNN and for customers damaged by storm No. 03, storm Yagi at December 31, 2024, the total outstanding principal is 454,740 million VND and interest is 50,134 million VND.
- Bad debt sold to Vietnam Asset Management Company (VAMC), recovery ability, recovery measures: As of December 31, 2024, the outstanding principal debt sold to VAMC is still being monitored: VND 4,492 billion. As of March 31, 2025, the outstanding principal debt sold to VAMC has decreased to VND 4,302 billion. From September 2024 to the end of the first quarter of 2025, ABBANK

will not sell new debts to VAMC. It is expected that in 2025, the Bank will not sell new debts to VAMC and will actively buy back to reduce the debt portfolio sold to VAMC.

- Debt investment in corporate bonds: not incurred.
- Interest accrued but not yet accrued: does not arise.

### **3. *Business results***

Pre-tax profit in 2024 will reach VND 779 billion, up 52% compared to 2023 thanks to the Bank's focus on collecting off-balance sheet debt and taking advantage of positive signals from the market to grow investment activities (Details according to the Bank's financial statements)

### **4. *Liquidity situation and compliance with safety limits and ratios***

In 2024, ABBANK maintains liquidity ratios in compliance with internal limits, meeting the Bank's risk appetite and the State Bank's regulations.

ABBANK complies with the limits and safety ratios as prescribed in the Law on Credit Institutions, Circular 22/2019/TT-NHNN, Circular 41/2016/TT-NHNN and amended and supplemented documents.

### **5. *Internal control system***

ABBANK complies with the provisions of Circular 13/2018/TT-NHNN and amended documents on the internal control system.

## **CHAPTER III**

### **EXPECTED SOLUTIONS AND IMPLEMENTATION ROADMAP AND TIMELINE**

#### **Article 8. Expected remedial measures and implementation roadmap and deadline**

- 1. The proposed remedial plan in case ABBANK's accumulated losses are greater than 15% of the value of charter capital and reserve funds recorded in the most recent audited financial statements or according to the inspection and audit conclusions of competent state agencies and violates the maintenance of the minimum capital safety ratio of 8% or a higher ratio as prescribed by the Governor of the State Bank of Vietnam from time to time.***

The expected measures, roadmap and implementation deadline for each measure are as follows:

<b>No.</b>	<b><i>Proposed measures</i></b>	<b><i>Time of execution</i></b>
1.1	Measures to improve business performance	6 – 12 months
1.2	Cost cutting measures	6 – 12 months
1.3	Measures to mobilize all possible financial resources to offset losses	6 – 12 months
1.4	Measures to improve capital safety ratio	
a	Measures to improve Equity	
	+ Increase charter capital and have a roadmap to reduce share ownership ratio	6 – 12 months
	+ Increase Tier 2 Capital	3 – 6 months
b	Measures to improve the quality of Risk Assets	6 – 12 months
1.5	Other measures	6 – 12 months

**2. *Expected remedial measures in case of below average rating as prescribed by the Governor of the State Bank***

The expected measures, roadmap and implementation deadline for each measure are as follows:

<b>No.</b>	<b><i>Proposed measures</i></b>	<b><i>Time of execution</i></b>
2.1	Measures to improve the Capital index group (C)	6 – 12 months
2.2	Measures to improve the group of Asset Quality indicators (A)	9 – 12 months
2.3	Measures to improve the group of indicators of Executive Management (M)	6 – 12 months
2.4	Measures to improve the group of indicators Business performance (E)	6 – 12 months
2.5	Measures to improve the group of indicators of Solvency (L)	3 – 6 months
2.6	Measures to improve the index group Sensitivity to market risk (S)	3 – 6 months

**3. *Expected remedial plan in case of violation of maintaining solvency ratio as prescribed by the Governor of the State Bank for 30 consecutive days.***

The expected measures, roadmap and implementation deadline for each measure are as follows:

<b>No.</b>	<b><i>Proposed measures</i></b>	<b><i>Time of execution</i></b>
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3.1	Measures to improve liquidity; increase holdings of highly liquid assets; sell or transfer unprofitable or high-risk assets	3 – 6 months
3.2	Measures to request support from the State Bank	1 – 3 months
3.3	Measures to improve net cash outflow	Daily
3.4	Other measures	1 – 3 months

**4. Expected remedial plan in case of violation of maintaining minimum capital safety ratio of 8% or higher ratio as prescribed by the Governor of the State Bank of Vietnam from time to time for 6 consecutive months**

The expected measures, roadmap and implementation deadline for each measure are as follows:

<i>No.</i>	<i>Proposed measures</i>	<i>Time of execution</i>
4.1	Measure Management, development of equity capital	
	+ Increase charter capital and have a roadmap to reduce share ownership ratio	6 – 12 months
	+ Increase Tier 2 Capital	3 – 6 months
4.2	Measures to improve the quality of assets	6 – 12 months
4.3	Measures to handle existing financial weaknesses, bad debts, and secured assets	9 – 12 months
4.4	Other measures	6 – 12 months

**5. Expected solution in case of mass withdrawal and report to State Bank**

The expected measures, roadmap and implementation deadline for each measure are as follows:

<i>TT</i>	<i>Proposed measures</i>	<i>Time of execution</i>
5.1	Measures on communication and information technology to overcome liquidity difficulties: <ul style="list-style-type: none"> <li>- Communication work: external communication, internal communication, psychological reassurance, minimizing negative effects; strictly controlling adverse information that affects the bank's reputation.</li> <li>- Information technology: ensures the system operates stably and continuously, has a response plan in case of sudden increase in transactions; data is updated continuously, promptly and accurately to serve data</li> </ul>	7 - 30 days

	exploitation, update the liquidity status of the Bank, promptly provide forecasts/warnings from which appropriate and effective solutions can be found.	
5.2	Measures to ensure treasury safety	Daily
5.3	Liquidity support measures	Daily
5.4	Measures from business, customer care	Daily
5.5	Approaches and support from the State Bank and partners	Daily
5.6	Other measures	Daily

## CHAPTER IV

### TERMS OF IMPLEMENTATION

#### **Article 9. Entry into force**

1. The proposed remedial plan shall take effect from the date of approval by the General Meeting of Shareholders.
2. In case the proposed Remedial Plan has been approved by the General Meeting of Shareholders and the State Bank has requested for adjustment (amendment, supplement), the adjustment of the proposed Remedial Plan according to the State Bank's opinion will be implemented by the Board of Directors. Assign/authorize the Board of Directors to adjust, supplement, and detail the contents of this Plan in accordance with the provisions of law, the actual situation of ABBANK and/or the direction and guidance of the management agency and report to the State Bank of Vietnam.
3. In case the provisions of relevant laws have not been mentioned in this Plan or in case there is a change in the provisions of relevant laws leading to the content of this Plan being in conflict with the provisions of law, the relevant provisions of law shall naturally apply.

*This proposed remedial plan was approved by the ABBANK General Meeting of Shareholders on April 18, 2025./.*