永豐銀行
Bank SinoPac

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CAPITAL ADEQUACY RATIO INFORMATION DISCLOSURE REPORT

(Issued together with the Circular No. 41/2016/TT-NHNN dated December 30, 2016 of the State Bank's Governor prescribing the capital adequacy ratio for operations of banks and/or foreign bank branches)

At as June 30, 2026

General Information

Bank SinoPac - Ho Chi Minh City Branch ("the Branch"), previously known as National Far East Bank - Ho Chi Minh City Branch, is a branch established in Vietnam by Bank SinoPac, a bank incorporated in Taiwan (Head Office). The Branch operates under Banking License No. 02/NHNN-GP issued by the State Bank of Vietnam (SBV) on 8 January 2020 replacing Banking License No. 03/NHNN-GP on 20 May 2004 and amendments following Decision No. 434/QĐ-HCM issued by SBV - Ho Chi Minh City Branch on 3 July 2020 and Official Letter 619/HCM-TTr2 issued by SBV - Ho Chi Minh City Branch on 11 March 2021 and Decision No.836/QĐ-KV2 Addition of Business Activities to Sinopac Bank's License issued by the SBV Region 2 Branch on June 30, 2026; and Business Registration Certificate No. 0303327614 by the Department of Planning and Investment of Ho Chi Minh City initially dated 2 June 2004, along with subsequent amendments.

The Branch's principal activities are to provide banking services including mobilization; providing loans to organizations, individuals based on the Branch's nature and capability of the capital resources; providing foreign exchange trading; trade finance services; discounting and transferring other valuable papers and other banking services as allowed in the license. In addition, the Branch is also allowed to provide securities depository services in accordance with Certificate No. 21/UBCK-GCN issued by the Securities Commission of Vietnam dated 27 July 2007.

Risk management and capital adequacy are always among the top priorities in the Bank's operations. According to Circular 41, all commercial banks and foreign bank branches must maintain a minimum capital adequacy ratio of 8% of total risk-weighted assets.

1. Scope of measurement of capital adequacy ratio:

This is the information disclosure content related to the capital adequacy ratio of Sinopac Bank - Ho Chi Minh City Branch (referred to as "BSP HCM") for the date of June 30, 2026. The disclosed information is collected and calculated by the Branch according to the provisions of Circular 41/2016/TT-NHNN dated December 31, 2016 and the Branch's Internal Regulations on Capital Adequacy Guideline.

As of June 30, 2026, Sinopac Bank headquartered in Taiwan has only 1 branch in Vietnam located in Ho Chi Minh City with charter capital: 65,951,077 USD. Therefore, there are no subsidiaries or affiliates, so there is no exclusion when calculating the capital adequacy ratio.

2. Equity capital structure:

a) Qualitative disclosures:

At the time of preparing the report, BSP HCM is a foreign bank branch with 100% capital provided by the parent bank, so no equity instruments arise.

b) Quantitative disclosures:

No	Items	Million/VND
1	Tier 1 capital	3.138.751,99
2	Tier 2 capital	62.361,71

3	Other deductions from calculation of equity capital	0
	Equity	3.201.113,70

3. Capital adequacy ratio:

a) Qualitative disclosures:

Information on the capital adequacy ratio calculation process

BSP HCM has issued internal regulations on calculating capital adequacy ratio, including the organizational structure and functional decentralization process for each department in collecting calculation data, managing, reporting, controlling and disclosing capital adequacy ratio information as prescribed in Circular 41/2016/TT-NHNN.

Capital planning to ensure maintenance of capital adequacy ratio

- ✓ The Branch will set target capital, expected capital, risk limits, early warning thresholds and buffer capital based on the risk management plan set forth by the Risk Management Committee at the beginning of each period (3 years) and adjusted according to market fluctuations, political and economic circumstances and other applicable factors (if necessary).
- ✓ Capital and income indicators, the Board of Directors will base on these indicators to monitor the status of the Branch, including the ratio between profit and Equity (Return on Equity-ROE), the ratio between risk-adjusted profit and Equity (Return on risk-adjusted capital-RAROC); Risk capital management reflects the management of risky assets based on the consideration of risks on equity, for example, deciding the level of risk to bear on Equity. Therefore, risk capital can be maintained at an appropriate level.
- ✓ The capital management plan will be conducted annually and adjusted when there are changes in the business environment, factors that may affect risks, and capital sources leading to failure to meet capital safety requirements. Regarding compliance, in 2024, BSP HCM also conducted an internal assessment of capital adequacy (ICAAP) to monitor capital adequacy to manage capital according to target capital and adjust the capital plan (when necessary).

b) Quantitative disclosures:

BSP HCM's Capital Adequacy Ratio as of June 30, 2026

Unit of measure: Million VND, %

No	Items	Value
1	Credit risk weighted assets	25.919.664,40
2	Counterparty risk weighted assets	0
3	Required capital for operational risks	19.564,75
4	Required capital for market risks	87.286,12

5	Required capital for interest rate risks	0
6	Minimum capital requirement	2.180.424,02
7	Tier 1 captial ratio	11,52%
8	Capital Adequacy Ratio	11,74%

4. Credit risk:

a) Qualitative disclosures:

- Credit risk management policy:

✓ Internal policies and procedures related to credit activities and credit risk management are consistently updated in a timely manner and appropriately revised to ensure compliance with Vietnam's current regulations and the head office's directives. Monitoring the use of loan funds and compliance with other terms in the credit contract: Assessing factors affecting the borrower's repayment capacity; managing collateral in accordance with regulations; tracking repayment schedules, reminding borrowers of their repayment obligations upon maturity, and promptly reporting to competent authorities when borrowers are at risk of non-fulfillment or delay in fulfilling repayment obligations.

✓ The structure and mechanism of the credit approval department fully comply with the regulations of the State Bank of Vietnam and the internal regulations of the Head Office, clearly stipulated in the internal policies and procedures related to credit activities and credit risk management.

✓ Regularly classify debts and set aside provisions to address credit risks. Debt classification and provisioning are carried out in accordance with the current regulations of the State Bank of Vietnam for each period. Internal regulations related to debt classification and provisioning are promptly and fully updated to comply with the current regulations of the State Bank of Vietnam and the internal policies of the Head Office.

✓ Through the results of internal credit ratings, BSP HCM can determine the risk level of each customer, thereby monitoring and controlling credit risk for individual credit extensions and the entire credit portfolio, while also implementing measures to address cases where credit quality deteriorates.

- The list of rating agencies used for the purpose of assessing the capital adequacy ratio:

✓ When calculating the capital adequacy ratio, BSP HCM uses the results of independent credit ratings from organizations: Moody's, Standard & Poor's, Fitch.

- The list of collateral and third-party guarantees, on-balance sheet netting and credit derivatives eligible for being recognized as credit risk mitigation:

No	List of collateral and third-party guarantees, on-balance sheet netting and credit derivatives eligible
1	Deposit balance/ Securities custody

2	Valuable papers, Guarantee issued by a credit institution
3	Assets and valuable papers of customers mortgaged or pledged

b) Quantitative disclosures:

- **Total assets weighted by credit risk by independent credit rating agency:**

No	Item	CRW	Rating agencies	Value (Million VND)
1	Foreign credit institution – Not an international financial institution			
	From A- to A+	50%	Fitch	352,95
	From A to A+	50%	Standard & Poor's	34.093,48
2	Local credit institution			
	From BB to BB-	40%	Standard & Poor's	20.624,37
	From Ba2 to Ba3	40%	Moody's	1.401.753,25
	From Ba2 đến Ba3	40%	Fitch	416.143,21
	From B1 to B3	50%	Standard & Poor's	414.559,79
	From B1 to B3	50%	Moody's	1.586.896,84
3	Foreign bank Branch			
	From A+ to twAA-	50%	Fitch	927.459,28
	From A+ to twAA-	50%	tw S&P	2.024.149,05
	From A to BBB+	50%	Standard & Poor's	164.504,99
	From A to AA-	20%	Standard & Poor's	125.528,75
	From B1 to B3	50%	Moody's	44.037,43
	From BB+ to BB-	100%	Standard & Poor's	1.135.907,12

	None			0

- **Assets weighted by credit risk, by entity:**

No	Asset Items	Value (Million VND)
1	As for assets which are claims on the Government, State Bank, State Treasury, People's Committee of centrally-affiliated cities or provinces and policy banks	0
2	Receivables from financial institutions	9.770.599,27
3	Receivables from enterprises	13.894.192,50
4	Receivables secured by real estate	1.579.737,10
5	Mortgage home loans	
6	Retail loans	493.661,98
7	Non-Performing Loans	23.796,72
8	Other assets	157.676,83
	Credit risk-weighted assets	**25.919.664,40**

- **Credit Risk Weighted Assets by Sector:**

No	Economics Type	Value (Million VND)
1	Real estate business	1.175.811,96
3	Mining and gathering of hard coal	0
4	Manufacture of food products	5.513.642,73
5	Manufacture and distribution of electricity, gas, hot water, steam and air conditioning	1.406.616,95
6	Water collection, treatment and supply	62.874,56
7	Construction	598.857,60
8	Retails, Sale	528.474,47
9	Accommodation & food service activities	0

10	Banking, insurance, financial service activities	1.413.559,72
	Credit risk weighted assets	10.699.837,99

- **Risk-weighted assets for credit risk exposure (including on-balance and off-balance sheet) before and after the effect of credit risk mitigations referred to Article 11 of Circular 41.**

Unit: Million VND

Value before mitigation	Credit risk mitigation			Value after mitigation
	Collateral	On - Off blance sheet	Third party guarantee	
2.827.815,46	2.304.160,68	337.722,10		185.932,68

5. Operational risk:

a) Qualitative disclosures:

- Operational risk management policy:

Operational risk is the risk arising from inadequate or flawed internal processes, human factors, system errors, or external factors that cause financial losses or negative non-financial impacts on BSP HCM. Therefore, to comply with the provisions of Circular 13/2018 and the internal regulations of the Head Office, the Branch shall establish methods to identify and comprehensively assess operational risks across all products, activities, business processes, information technology systems, and management systems, such as:

- ✓ Identify and measure operational risk
- ✓ Control operational risk
- ✓ Purchase insurance to mitigate operational risk losses
- ✓ Prepare internal reports on operational risk on a periodic or ad-hoc basis::
    - Update the status of implementation and compliance with operational risk limits;
    - Events and external impacts affecting the operational risk of the Branch;
    - Changes in the methodology for measuring operational risk;
    - Proposals and recommendations for operational risk management;
    - Results of implementing requirements and recommendations for operational risk management from internal audits, the State Bank, independent audit organizations, and other competent authorities.

- Business Continuity Plan (if applicable).

  - ✓ The Business Continuity Plan must be tested, reviewed, and evaluated periodically at least once a year (or as required by the Head Office) to determine the effectiveness of the plan and make adjustments (if necessary).
  - ✓ Details of the strategy include the roles and responsibilities of team members, business impact analysis, alternative structures, alternative business sites, workforce recovery, critical information, outsourced companies, education, recovery strategies, restoration framework, information and testing, as well as detailed policies to implement based on the scale of the disaster and the disaster recovery plan to ensure uninterrupted service delivery during a disaster.

b) Quantitative disclosures:

- **Regulatory capital for operational risk:**

Business index	**Business index defined in the last quarter at the calculation date**	**Business index defined in the respective quarters of 1 years preceding the calculation year**	**Business index defined in the respective quarters of 2 years preceding the calculation year**
Interest income and other equivalent income – interest expenses and other equivalent expenses **(IC)**	107.335,83	113.014,04	116.469,85
Income received from providing services + Expenses paid for receiving services + Other operating income + Other operating expenses **(SC)**	12.600,78	12.796,07	5.130,82
Net profit/loss from foreign exchange trading (including standardized gold)| + |Net profit/loss on trading securities| + |Net profit/loss from trading investment	7.909,89	7.318,32	8.719,37

securities **(FC)**			
Business indicator values (BI= IC + SC + FC)	127.846,50	133.128,44	130.320,05
Capital for operational risk (**K_{OR}**)	**19.564,75**		

* *The average Business Indicator (BI) value over 3 years multiplied by 15%.*

6. Market risk:

a) Qualitative disclosures:

- Market risk management policy:

  ✓ Market risk is the potential for losses due to changes in market factors such as interest rates, gold prices, stock prices, exchange rates, and commodity prices. Market risk includes interest rate risk, foreign exchange risk, stock price risk, and commodity price risk. Due to its limited scope, BSP HCM is only exposed to foreign exchange risk.

  ✓ Foreign exchange risk arises when market exchange rates fluctuate. The instability of exchange rates can impact the income from foreign exchange transactions.

  ✓ To minimize losses from market risk, BSP HCM establishes several monitoring measures, including: limits on foreign exchange transactions, limits for traders, and early warning thresholds – stop-loss limits. Additionally, BSP HCM always complies with the foreign exchange position regulations set by the State Bank of Vietnam (SBV) for specific periods.

  ✓ All foreign exchange-related limits are closely managed and monitored daily, with adjustments to risk limits made and communicated by the Risk Management Department of the Head Office

- The proprietary trading strategy:

  ✓ BSP HCM adopts a relatively cautious proprietary trading strategy, only conducting spot foreign exchange buy and sell transactions based on customer demand. Foreign exchange rates are updated and published on the website as well as displayed at transaction counters. BSP HCM continuously monitors market fluctuations to make adjustments in line with domestic and international conditions, while adhering to the regulations of the State Bank of Vietnam and the Head Office

- List of exposures in the trading book:

- ✓ The trading book portfolio includes: spot foreign exchange purchase, sale, and swap transactions, as well as other foreign currency transactions based on customer needs and in accordance with BSP HCM's internal regulations

b) Quantitative disclosures:

- **Regulatory capital for market risk:**

Item	**Value** (Million VND)
Regulatory capital for interest rate risk (**K_{IRR}**)	
Regulatory capital for stock price risk (**K_{ER}**)	
Regulatory capital for commodity price risk (**K_{CMR}**)	
Regulatory capital for foreign exchange risk (**K_{FXR}**)	87.286,12
Regulatory capital for option transaction risk (**K_{OPT}**)	

We hereby commit that the information disclosed above is accurate and truthful, and we take full legal responsibility for the content of the disclosed information.

Thank you sincerely and best regards.

TPHCM, June 30 , 2026

Bank SinoPac- HCMC Branch

General Director

M.S.D.N: 030332…14 NGÂN HÀNG SINOPAC CHI NHÁNH THÀNH PHỐ HỒ CHÍ MINH

Yu Hsin Chang