



## **PUBLIC DISCLOSURE ON CAPITAL ADEQUACY RATIO**

(IN ACCORDANCE WITH THE CIRCULAR 41/2016/TT-NHNN dated December 30<sup>th</sup>, 2016)

As of 31<sup>st</sup> December 2025



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## I. INTRODUCTION

The objectives of this public disclosure under Circular 41/2016/TT-NHNN (Circular 41) and its amendments and supplements are to provide the transparency information on status of equity, value of risk weighted and risk management framework of Wooribank Vietnam (the Bank) to related parties (depositors, government agencies, etc), based on the information the Bank can evaluate the capital adequacy ratio (CAR).

According to Public Disclosure of Circular 41 and its amendments and supplements, the Bank implements the qualitative and quantitative information on CAR.

## II. SCOPE OF CAPITAL ADEQUACY RATIO CALCULATION

### 1. Qualitative Content

According to regulations on financial reporting for credit institutions and foreign bank branches, the following entities are subject to consolidation and non-consolidation of the Bank:

- Subsidiaries: *not incurred*
- Affiliated companies: *not incurred*
- Exempt companies (insurance companies): *not incurred*

The Bank, consisting of no subsidiaries or affiliated companies, shall only be subject to the minimum capital adequacy ratio based on its Financial Statements.

### 2. Quantitative Content

Amount of investment in a subsidiary which is an insurance business enterprise: *not incurred*.

## III. OWN CAPITAL STRUCTURE

### 1. Qualitative Content

The capital of the Bank as of 31<sup>st</sup> December 2025 does not include stocks and no debt-equity instruments. The Bank's own capital consists mainly of contributed capital from Wooribank Korea (Mother Bank), reserves, and retained earnings from initial investment in Vietnam until now.

### 2. Quantitative Content

Table 01 – Own Capital of the Bank

*Unit: Million VND*

<b>Items</b>	<b>Amount (31/12/2025)</b>
Tier 1 Capital	18,302,348
Tier 2 Capital	315,628
<b>Own capital</b>	<b>18,617,976</b>

## IV. CAPITAL ADEQUACY RATIO

### 1. Qualitative Content

#### a. Process of calculation and management of Capital Adequacy Ratio (CAR)

<b>Step 1: Data collection</b>
- Collect data
- Cleansing input data
<b>Step 2: Calculation and Review CAR</b>
- Calculate CAR through the automatic CAR calculating tool
- Verify the accuracy of the calculation tool to ensure that the CAR results are accurate
- The review is conducted by an independent unit.
<b>Step 3: Approval and Disclosure of Information</b>
- Management level approve the CAR result
- Report to the State Bank of Vietnam (SBV), disclose the information

#### b. Capital planning to secure capital adequacy ratio

The Bank establishes the targeted CAR for the period of the next 3-5 years and at least annually conducts the periodical judgement in order to adjust on time when there are changes in the business environment, law to meet the target of risk management. On the basis of established targeted capital adequacy ratio, the Bank establishes the suitable capital plan and business plan.

### 2. Quantitative Content

Table 02 - Risk weighted assets & Capital Adequacy Ratio

Unit: Million VND

Items	Amount (31/12/2025)
Credit Risk-Weighted Assets. Including:	70,502,829
<i>Credit Risk-Weight Asset</i>	70,120,544
<i>Counterparty Credit Risk-Weighted Asset</i>	382,285
Regulatory capital for operational risk	440,671
Regulatory capital for market risk	11,355
Tier 1 capital adequacy ratio (%)	24.03
<b>Capital adequacy ratio (%)</b>	<b>24.45</b>

## V. CREDIT RISK

Credit risk is one of the Bank's material risks, accounting for the highest proportion of the Bank's total regulatory capital. To manage and minimize credit risk, the Bank has focused on completing the credit risk management framework, upgrading information and technology systems, and implementing a series of initiatives to strengthen credit risk management system.

“**Credit risk**” is the risk that customers do not perform or are unable to partially/fully perform the loan repayment obligations under contracts/agreements with the Bank, excluding the cases exposed to counterparty credit risk. In which, customers (including credit institutions, foreign bank branches) have relations with the Bank in receiving credit (including receiving credits through trust), receiving deposits, and corporate bond issuance.

“**Counterparty credit risk**” is the risk that the counterparty does not perform or is unable to partially/fully perform its payment obligations before or in the due date of its proprietary, repo, and reverse repo transactions; trading of derivative products for hedging risks, foreign exchange (FX) trading, financial asset trading to serve the customers and counterparties' demand. In which, counterparty (including credit institutions, foreign bank branches) have transactions with the Bank including proprietary transactions, repo transaction and reverse repo transaction; trading of derivative products to prevent risk; FX trading, financial asset trading to serve the customers and counterparties' demand.

### 1. Qualitative Content

#### a. Credit risk management policy

The Bank has issued Credit Risk Management Policy to specify the issues needed for an accurate assessment of the Bank's credit risk. Accordingly, the Bank ensures that credit extension is in compliance with the laws and internal regulations of the Bank, maintains checking and supervising credit before, during and after extension; maintains independence and objectivity in risk assessment within the protection tiers at the same time.

#### ➤ Credit risk management principles

Credit risk is managed based on the following principles:

- Balance between risk and return, if there is discrepancy between risk and return opportunity, risk management must be prioritized.
- For all credit risk transactions, credit risk must be assessed and prioritized for management.

- Credit portfolio must be diversified and not concentrated on assets or specific asset class.

➤ **Credit risk management strategy**

The Bank's target bad debt ratio and bad credit grant ratio are in line with credit risk appetite.

➤ **Credit risk management apparatus**

- Credit risk limit must be determined according to the following criteria: Credit risk limit proposed by Risk Management Division, submitted to the Risk Council for review to submit to General Director for promulgation or amendment.
- Risk Management Division periodically monitors the performance of the limits and in case limits are likely to exceed, Risk Management Division shall coordinate with relevant units to have suitable solution and submit to competent authorities.
- The Bank has decentralized credit approval authority based on: credit size, customer credit rating and type of collateral. Woori Vietnam grants approval authority to 4 levels: consulting with the Mother Bank, credit Committee, credit officer Committee and Branch /transaction Office.

➤ **Evaluation, monitoring and control of credit risk**

*Regarding the measurement (methods and models of credit risk measurement) of credit risk:*

The Bank use the Expected Loss measuring model to measure the credit risk. The model was set up in accordance with international practices. Herein, the risk level is classified according to the business type (according to credit rating and business) and retail credit (individual credit scoring model).

The Bank uses a credit rating model to conduct customer reviews. For corporate customers, the Bank has operated a model of customer credit ratings under Basel III standards with support from the Mother Bank. Accordingly, indicators of credit risk such as PD (Probability at Default), EAD (Exposure at Default), LGD (Loss Given at Default) are calculated for each loan. For individual customers, the Bank has developed and operated a credit rating model based on customer information and credit status.

**b. List of independent credit rating agencies**

The Bank utilizes the credit rating scales of the three independent credit rating agencies: Standard and Poor's (S&P), Moody's Investor Service (Moody's) and Fitch Rating.

**c. Security assets, third party guarantee, offset and derivative assets eligible credit risk mitigation instruments**

**Table 03 – List of Eligible Credit Risk Mitigation Instruments**

(31/12/2025)

No.	Items
1	Collateral - Valuable documents, savings card issued by credit institutions, foreign bank branches.
2	Third party guarantee

**2. Quantitative Content**

**a. Credit risk weighted assets according to the credit rating scale, rated by credit rating company**

**Table 04 – Credit risk weighted assets**

(By independent credit rating)

Unit: Million VND

External Credit Ratings	Risk weight	Credit risk weighted assets (31/12/2025)		
		Fitch Rating	S&P	Moody's
<b>Claims on foreign financial institutions (including foreign credit institutions) and foreign branch banks in Vietnam</b>				
From AAA to AA-	20%			957,824
From A+ to BBB-	50%		1,555,763	9,865,244
<b>Claims on domestic credit institutions with an initial term of less than 3 months</b>				
From BB+ to BB-	40%	31,696		591
From B+ to B-	50%			256
Under B- or not available	70%			160,940
<b>Claims on domestic credit institutions with an initial term of over 3 months</b>				
Under B- or not available	150%			603,882
<b>SUM</b>				<b>13,176,136</b>

**b. Credit risk weighted assets by credit risk and counterparty risk**

Table 05 - Credit risk weighted assets *(By risk weight factors and counterparty type)*

*Unit: Million VND*

<b>Items</b>	<b>Amount (31/12/2025)</b>
Financial Institution Receivable	13,176,136
Enterprises Receivable	40,000,903
Real Estate Receivable	36,702
Housing Receivable	2,539,076
Retail Receivable	13,578,574
Bad Debt Receivable	132,778
Other Assets	656,375
<b>Credit risk weighted assets</b>	<b>70,120,544</b>

**c. Credit risk weighted assets by sector**

Table 06 - Credit Risk weighted assets *(By Sector)*

*Unit: Million VND*

<b>No.</b>	<b>Items</b>	<b>Amount (31/12/2025)</b>
1	Agriculture, forestry and fisheries	94,018
2	Manufacturing and processing industry	14,827,465
3	Producing and distributing electricity, gas, water, etc,	1,728,700
4	Water supply, waste management and treatment	158,823
5	Construction	615,635
6	Wholesale, retail, repair cars and motorcycles	2,563,137
7	Transportation and warehouse	1,657,623
8	Accommodation and food services	281,240
9	Information and communication	4,020,444
10	Financial, banking, and insurance operations	21,415,506
11	Real estate	4,601,264
12	Professional activities, science and technology	37,125
13	Administrative activities and supporting services	372,305
14	Education and training	729,273
15	Health and social assistance activities	1,943

No.	Items	Amount (31/12/2025)
16	Art and entertainments	16,919
17	Other services	200,049
18	Individuals	16,142,700
19	Other Assets	656,375
<b>Credit risk weighted assets</b>		<b>70,120,544</b>

**d. Credit risk weighted assets (including on- and off-balance sheet) mitigated under the risk mitigation methods**

Table 07. Credit Risk weighted assets  
(Before and after Credit Risk Mitigations)

Unit: Million VND (31/12/2025)

Total credit risk weighted assets (Before CRM)	CRM* measures		Total credit risk weighted assets (After CRM)
	Security Asset	Guarantee	
70,935,465	809,246	5,675	70,120,544

\* CRM: Credit Risk Mitigation

**e. Counterparty credit risk-weighted assets**

Table 08 - Counterparty Credit Risk Weighted Assets

Unit: Million VND

No.	Items	Amount (31/12/2025)
1	Derivative product transactions aimed at hedging risks	302,498
2	Foreign exchange or financial asset trading transactions aimed at serving demands of customers	79,787
<b>Counterparty credit risk weighted assets</b>		<b>382,285</b>

**f. Counterparty credit risk (CCR) weighted assets mitigated under the risk mitigation methods**

Table 09. Counterparty Credit Risk weighted assets  
(Before and after Credit Risk Mitigations)

Unit: Million VND (31/12/2025)

Total CCR weighted assets (Before CRM)	CRM measures	Total CCR weighted assets (After CRM)
382,285	-	382,285

## VI. OPERATIONAL RISK

*Operational risk (OR)* arises from deficiencies or failures in internal processes, human errors, system malfunctions, failures, or external events which may result in financial loss or non-financial negative impacts on the Bank. OR shall include legal risks; exclude reputational risk and strategic risk.

The Bank has synchronously implemented OR management throughout the system and has brought important values in minimizing the frequency and the impact of OR on finance, reputation, and legal obligations of the Bank.

### 1. Qualitative Content

#### a. Operational risk management policy

The Bank has issued “*Operational Risk Management Policy*” in order to unify the principles, create a seamless framework for managing OR, fully meet the international standards and best practices, as well as the SBV's internal control system requirements and legal regulations.

##### ➤ Principles of Operational risk management

All products, business activities, business processes, and IT systems of the Bank must be identified with OR; from there, this enables the implementation of monitoring and control measures, supported by appropriate tools and methodologies to assess and quantify the risks and potential impacts of operational disruptions.

All OR must be managed by risk limits within the risk appetite of the Bank.

The culture of OR management should be established in the whole banking system to prevent risks incidents.

The OR management framework is structured based on the independent Three Lines of Defense model ensuring that the OR must be managed with clearly defined authorities and responsibilities; be assessed independently and objectively; be reported fully and accurately to the Members' Council, Risk Management Council, General Director, Risk Council and Divisions/Departments/Branches of the Bank.

Manage objectively all the OR that may arise during the business activities.

Comply with the SBV's regulations on OR management.

##### ➤ Framework of Operational risk management

The framework of OR management at the Bank prescribes the overall components, including: (i) OR governance and organization - the principle, the strategy, objectives and limits of OR; (ii) OR management documentation; (iii) OR management culture and awareness; (iv) procedures for identifying, evaluating, measuring, controlling and

reporting OR; (v) OR management in new products/systems/markets, outsourcing and technology application; and (vi) OR management system.

➤ **Content of Operational risk management Policy**

The OR management policy at the Bank specifies the following contents:

- Strategy for OR management.
- Limits on OR, including financial loss limit (sorted by 7 OR events and 6 business groups according to Circular 13/2018/TT-NHNN) and non-financial loss limit (including reputation, service errors, labor and arising legal obligations).
- Organizational structure of OR management: the structure of 3-lines of defense, roles and responsibilities of risk management of the Risk Management Division, the managers of the Divisions, the staffs in charge of managing OR and the role of each division/department at the Bank.
- The OR management process: identifying, measuring, and evaluating OR by applying the OR management tools.
- Managing OR for new products, new markets, outsourcing activities, and managing ORs in technology application.
- Handling of OR, including methods: Avoidance of risk, reduction of risk, acceptance of risk or transfer of risk.
- Reporting and managing OR data.

**b. Business continuity plan**

The Bank establishes and periodically runs and revises (if necessary) the business continuity plan in accordance with the OR management strategy. The Business continuity plan has to meet at least the following requirements:

- There are available plan, method, and resource to maintain the ability of business continuity, to mitigate the damage in the scenario of interruption/stop events in business.
- The established plan is consistent with the qualifications, scale of the Bank.
- There are backup systems for human resources, IT system and database.
- Be able to restore disrupted business activities back to the normal state within the requested time limit.
- Be reviewed and tested annually in order to determine the effectiveness of the plan to sustain operations and make adjustments if necessary.

**2. Quantitative Content**

Regulatory capital for OR according to Circular 41/2016/TT-NHNN is calculated according to the Basic Indicator method.

Business index (BI) includes 3 components taken from the Bank's income statement, including: IC (absolute value of interest Incomes and similar incomes minus Interest Expenses and other similar accounts), SC (Total value of service Incomes, service Expenses, other operating Incomes, other operating Expenses), FC (Sum of absolute value Net gain/loss from foreign exchange trading, trading securities, and investment securities).

The BI and the components of the BI, the regulatory capital for OR are shown in the table below:

**Table 10 - Regulatory Capital for Operational Risk**

*Unit: Million VND (31/12/2025)*

<b>Period</b> (the latest 12 quarters at time calculated Regulatory capital for OR)	<b>IC</b>	<b>SC</b>	<b>FC</b>	<b>BI</b> (=IC+SC+FC)
The latest 4 quarters (BI <sub>- year n</sub> )	2,415,422	275,841	452,423	3,143,686
The next 4 quarters (BI <sub>- year n-1</sub> )	2,077,456	304,405	466,420	2,848,281
The first 4 quarters (BI <sub>- year n-2</sub> )	2,067,666	280,276	473,517	2,821,459
<b>Regulatory capital for OR</b> $\{(BI_n + BI_{n-1} + BI_{n-2})/3 \times 15\%\}$				<b>440,671</b>

## VII. MARKET RISK

### 1. Qualitative Content

#### a. Market risk management policy

The Market Risk Management Policy in the Bank is in line with the Bank's objectives, business strategy, risk appetite and SBV regulations, where by:

- Organizational model of market risk management is implemented according to the model of three independent tiers of protection: The first tier of protection has the function of identifying, controlling and minimizing risks; The second tier of protection has the function of establishing risk management policies, internal regulations on risk management, risk measurement and monitoring; The third tier of protection has an internal audit function performed by the Internal Audit Department.
- Regulations on classification of trading books and banking books follows the principle: Items in trading books are only allowed to be reclassified and converted to banking books when they no longer meet the criteria for recording in the trading

books; banking book entries are not allowed to be reclassified and converted to trading book; transferring status from the trading book to banking books of items must be approved.

- The Bank conducts identifying, measuring, monitoring, mitigating, tracking and reporting the Market risk.
- Principle of setting market risk limit: The limit of market risk will be proposed by the Risk Management Division in cooperation with other related units, submitted to the Risk Council for review and approved by the General Director. The market risk limit is reviewed and re-evaluated at least annually or when there is a major change affecting the market risk exposure of the Bank.

**b. The bank's proprietary trading strategy**

As of 31<sup>st</sup> December 2025, the Bank has no strategy of proprietary trading and transaction of proprietary trading. All foreign exchange transactions and derivatives transactions are aimed at meeting the liquidity, serving demands of customers, partners and the purpose of corresponding to these ones.

**c. Portfolio of trading books**

The Bank's trading book consists of following:

- Foreign exchange transactions: to facilitate the demand of customers and counterparties, together with their corresponding back to back transactions.
- Derivatives transactions: to facilitate the demand of customers and counterparties, together with their corresponding back to back transactions.

**2. Quantitative Content**

Table 11 - Regulatory Capital for Market Risk

*Unit: Million VND (31/12/2025)*

Type of market risk	Regulatory capital for market risk	Market risk weighted assets
Interest rate risk	11,355	141,938
<b>Total</b>	<b>11,355</b>	<b>141,938</b>

As of 31<sup>st</sup> December 2025, capital for market risk of the Bank only combines of the interest rate risk.

The Bank's total net foreign exchange position per its own capital as of 31<sup>st</sup> December 2025 is **0.47%**, which is less than 2%. Therefore, the Bank's regulatory capital for foreign exchange risk as of 31<sup>st</sup> December 2025 is zero.

Regulatory capital for the stock price risk, regulatory capital for the product price and regulatory capital for option trading as of 31<sup>st</sup> December 2025 is zero for the reason that those activities are not in the portfolio of the Bank.

We hereby confirm that the information provided herein is accurate and take all legal responsibilities regard to contents of the public disclosure.

*Hanoi, || June 2026*

**Wooribank Vietnam Limited**

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**BAE TAE IN**

General Director

