

VIETNAM ASIA COMMERCIAL  
JOINT STOCK BANK

SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

DRAFT

No..... /2025/BC-BKS

Hanoi, ..... 2025

**THE SUPERVISORY BOARD'S REPORT  
AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS (AGM)  
IN 2025**

**To: The General Meeting of Shareholders of Vietnam Asia Commercial Joint  
Stock Bank**

- Pursuant to the Law on Credit Institutions No. 32/2024/QH15 dated January 18, 2024;
- Pursuant to the functions and tasks of the Supervisory Board as stipulated in the Charter of Vietnam Asia Commercial Joint Stock Bank and the Regulations on organization and operation of the Supervisory Board;
- Pursuant to the Report of the Board of Directors of Vietnam Asia Commercial Joint Stock Bank on the 2024 operational performance results and the 2025 operational orientations;
- Pursuant to the audited separate and consolidated financial statements of Vietnam Asia Commercial Joint Stock Bank in 2024;
- Pursuant to the operational situation of Vietnam Asia Commercial Joint Stock Bank (VAB).

The Supervisory Board reports to the General Meeting of Shareholders (GMS) on the (Board of Directors) BOD's operation monitoring results, the (General Director) GD's business performance results and the (Supervisory Board) SB's Operations in 2024 at the 2025 Annual General Meeting of Shareholders (AGM) as follows:

**I. Regarding VAB's 2024 business target implementation situation according to the GMS's Resolution.**

The Supervisory Board has reviewed the 2024 separate and consolidated financial statements audited by MOORE AISC Auditing and Informatics Services Company Limited and unanimously confirmed the following results:

- The Bank's 2024 financial statements have presented fully, honestly and reasonably the business performance and financial situation of the Bank and its subsidiaries as of December 31, 2024 in all material aspects. The preparation and presentation of financial statements are in accordance with the regulations of the State Bank of Vietnam (SBV), the accounting regime, accounting standards applicable to credit institutions (CIs) in Vietnam and current regulations.

- Some key business indicators on the Consolidated Financial Statements ending in the fiscal year (December 31, 2024) are as follows:

- + Total assets: VND 119,832 billion, reaching 102% of the 2024 plan assigned in the Resolution No. 02/2024/NQ-DHCD dated April 26, 2024 (the GMS's Resolution No. 02) at the 2024 Annual General Meeting of Shareholders (AGM).

- + Total capital mobilized from economic organizations and residents: VND 92.434 billion, reaching 100% of the 2024 plan assigned in the Resolution No. 02.

+ Outstanding credit balance: VND 79,916 billion, reaching 100% of the 2024 plan assigned in the Resolution No. 02; credit growth rate in 2024 reaches 15.5%, complying with the 2024 targets (15.5%) assigned by the State Bank of Vietnam in the Official Dispatch No. 10167/NHNN-CS'TT dated December 31, 2023, the Official Dispatch No. 7194/NHNN-CS'TT dated August 28, 2024 and the Official Dispatch No. 9790/NHNN-CS'TT dated November 28, 2024 (hereinafter referred to as the Official Dispatch No. 10167).

+ On-balance sheet non-performing loan ratio: 1.37% out of total outstanding credit balance, complying with the 2024 target (below 3%) issued by the State Bank of Vietnam and VAB's 2024 plan assigned in the Resolution No. 02.

+ Profit before tax: VND 1,086 billion, reaching 103% of the 2024 plan assigned in the Resolution No. 02. In 2024, in addition to stable income from credit activities, revenue from service activities and bad debt collection has contributed a large proportion to VAB's total income.

Details of some business indicators as of December 31, 2024 are as follows:

Unit: VND billion

No.	Key indicators	December 31, 2024	December 31, 2023	2024 plan according to the Resolution No. 02	Achievement percentage	Increase/ decrease in comparison with beginning of the year	
						Increase/ decline	Increase/ decline percentage
1	Charter capital	5,399.6	5,399.6	7,505	71.9%	-	-
2	Total assets	119,832	112,196	116,988	102%	7,636	6.81%
3	Total capital mobilized from economic organizations and residents	92,434	87,181	92,027	100%	5,253	6.03%
4	Outstanding credit balance (*)	79,916	69,190	79,918	100%	10,726	15.5%
5	Bad debt / outstanding credit ratio	1.37%	1.59%	<3%	Pass	-0.22%	
6	Profit before tax	1,086	917	1,058	103%	169	18%

(\*) Outstanding credit balance: The 2024 Outstanding credit balance plan according to the Resolution No. 02 is adjusted according to the 2024 credit growth limit assigned by the State Bank of Vietnam in the Official Dispatch No. 10167.

Thus, the BOD and GD have basically completed a number of business targets in 2024 approved by the GMS in the Resolution No. 02 except for the 2024 plan on its charter capital increase.

## II. 2024 Performance assement of the BOD and GD

The Board of Directors has performed its functions and duties in accordance with the Charter and current legal regulations. The General Director has promptly implemented the strategic directions and orientations of the Board of Directors through the management and operation of the Board of Management to the functional Divisions/Departments and Business Units in the entire system.



The Board of Directors organized regular monthly/quarterly meetings to perform tasks and deploy the work of the BOD members according to BOD's Regulations on organization and operation. In 2024, the BOD directed the GD to fully and correctly implement VAB's business directions and goals approved by the GMS. In the process of directing the Bank's operations, BOD always supports and creates conditions for the GD to complete the business plan, consolidate the organizational structure, improve asset quality, strengthen risk management in accordance with the provisions of the Circular No. 13/2018/TT-NHNN dated May 18, 2018 and the Circular No. 40/2018/TT-NHNN dated December 28, 2018 (hereinafter referred to as the Circular No. 13) and provides timely solutions to difficult and problematic situations.

The Board of Directors has its assisting apparatus, namely the Personnel Committee, Risk Management Committee, Strategy Committee, etc. to perform the role of advising and consulting the Board of Directors in making decisions in each specific field.

- Last year, the BOD directed the GD to regularly review, amend and supplement VAB's internal processes and regulations to suit the actual situation in order to meet the requirements on management and operation activities according to the Law on Credit Institutions 2024, the Circular No. 13. The supervision work of the Board of Directors and General Director is done through the activities of the Committees under the Board of Directors and the Councils under the General Director.

- Continue to develop the information technology system to effectively implement the goal of Digital Banking; launch digital products to improve customer experience such as: Money transfer by QR Code, complete eKYC implementation; complete core-banking upgrade to operate the Bank safely, professionally, suitable for VAB's scale of operations and improve customer service quality.

### **III. The Supervisory Board' performance assessment**

#### **1. Regarding SB's inspection and supervision.**

Based on the Bank's 2024 development orientation, the SB has implemented control and supervision work according to its functions for operations of BOD and GD as follows:

- Supervising BOD and GD's implementation of the Resolution approved by the GMS;
- Supervising and monitoring the bank's activities, promptly detecting and reporting any shortcomings and inadequacies in the operation process and recommending remedial measures.
- Supervising implementation of SBV's Regulations related to limits, capital safety ratios, bad debt handling and deployment of recommendations of the Banking Inspection and Supervision Agency of the SBV via its internal management information system. In addition, the SB also supervises key business activities such as capital mobilization, capital utilization, credit quality, management and operation of Directors of Business Units, etc.
- The Supervisory Board attended BOD's regular meetings, GD's monthly hand-over meetings and conferences on the Bank's business operations and reported assessment results, participated in discussions and addressed its opinions on the contents of the meetings. At the same time, the SB also made proposals and recommendations to the BOD and GD on measures to strengthen control, amend/improve internal processes and regulations, etc. to comply with legal regulations, minimize risks, and improve the quality and efficiency of the Bank's operations.





- The Supervisory Board has carried out many other regular and irregular activities such as supervising the request for written opinions from BOD members on business activities and VAB's management and operation; monitoring implementation of VAB restructuring plan; participating in giving opinions on the drafting of VAB's internal documents.

- Review to complete the operations of the SB and internal audit according to the conclusion of the Governor of the State Bank of Vietnam in the Notice No. 273/TB-NHNN dated August 31, 2023 and the Notice No. 400/TB-NHNN dated November 15, 2024.

- The Supervisory Board has reviewed the Consolidated Financial Statements of the Bank and its Subsidiaries, coordinated with the independent audit company in the process of auditing VAB's financial statements and internal control system and submitted to the GMS at the annual general meeting.

- In 2024, the SB closely directed the internal audit work according to the approved plan; reviewed the audit results and remote monitoring results, evaluated the results of post-inspection and post-internal audit remediation of the Units in the entire system.

- Directly directed the Internal Audit Department (IAD) to implement the annual audit plan and conduct surprise inspections at the request of the BOD and/or the GD; directed the IAD to regularly update risk assessments at business units to adjust the audit plan in accordance with the actual situation. In addition to regular audits as planned or surprise inspections, the IAD also supports units in the entire system in the inspection and examination work of the State Bank of Vietnam (SBV).

- The coordination mechanism between the SB and BOD and the GD always ensures the principle of full compliance with VAB's internal regulations and legal regulations; sharing the common goal of helping VAB grow sustainably. On the other hand, the BOD and the GD also created conditions for the SB to fully perform its functions and duties.

- During the year, the Supervisory Board directed the Internal Audit Department to continue reviewing and perfecting the system of internal regulations related to the audit process and suitable audit methods in accordance with the provisions of law in order to successfully complete the function of independently assessing compliance with the internal mechanisms, policies and regulations of the internal control system according to the Circular No. 13.

## **2. Assessment of each SB member's performance**

In 2024, there are 03 SB members for the 2023-2028 term in compliance with the provisions of Clause 2, Article 44 of the Law on Credit Institutions (CIs) 2010, including 01 Head of the Board, 01 executive member and 01 SB member. Composition of the Supervisory Board complies with the provisions of the Law on Credit Institutions 2010. According to Clause 8, Article 210 of the Law on Credit Institutions No. 32/2024/QH15 dated January 18, 2024, effective from July 1, 2024, composition and structure of VAB's Supervisory Board shall continue to be maintained until the end of the term of the Supervisory Board, except in cases of election, additional appointment, replacement of the SB members.

The Supervisory Board has assigned tasks to each member to perform the duties and powers of the SB, Head of the SB and each member (according to Articles 45 and 46 of the Law on Credit Institutions 2010 and Articles 52 and 53 of the Law on Credit Institutions 2024; Articles 66, 67, 68 and 69 of the Bank's Charter). In 2024, the SB evaluates the performance and level of task completion of each member as follows:



**- Head of the Supervisory Board:**

- ✓ Assigned tasks: Take general responsibility; Exercise the rights and obligations of the Head of the Supervisory Board; Directly direct the internal audit activities.
- ✓ Evaluation of the 2024 operational results: has completed its assigned tasks.

**- For 02 members of the Supervisory Board:**

- ✓ Assigned tasks: Supervise the activities of the BOD and GD in implementing the GMS's resolutions at the AGMs; take charge of internal audit activities; Direct and monitor the handling and resolution of recommendations of the Banking Inspection and Supervision Agency of the SBV, of the Internal Audit Department; Periodically appraise the Bank's financial statements to submit to the GMS; Supervise the activities of VAB's subsidiaries; Update the list of major shareholders, members of the BOD, SB, GD and related persons; Inspect and supervise other business areas as assigned by the Head of the SB.
- ✓ Evaluation of the 2024 operational results: has completed its assigned tasks.

All members of the SB have completed their assigned tasks, participated in supervising the internal audit activities, monitoring risks in their professional operations, timely recommended and coordinated with the GD to supervise implementation of these recommendations.

**IV. The SB's 2025 operational plan.**

Based on the functions and tasks of the Supervisory Board and VAB's 2025 business plan, the Supervisory Board has developed a key operational plan for 2025 as follows:

1. Supervise compliance with the provisions of law, the State Bank of Vietnam, and VAB's Charter; monitor the Board of Directors and the GD in implementing the GMS's Resolutions and BOD's Resolutions to ensure the completion of the business plan assigned by the GMS.
2. Monitor the implementation of recommendations/ proposals as requested by the Department of Credit Institution Management and Supervision of the State Bank of Vietnam and the Independent audit company; Continue to monitor and urge the resolution of recommendations as requested by the State Bank of Vietnam Inspectorate and orient internal audit activities according to the key tasks of inspection and supervision directed by the State Bank of Vietnam.
3. Monitor the BOD in directing the Executive Board to implement the contents stated in the VAB's Restructuring Plan in 2021-2025 term and promptly report implementation results, shortcomings/difficulties in the implementation of the VAB's Restructuring Plan to BOD and SB for appropriate handling and for gaining the goals in its Restructuring Plan by the end of 2025
4. Monitor issues related to the internal control system according to the regulations of the State Bank of Vietnam, recommend and coordinate with the BOD to continue to improve and enhance the effectiveness of VAB's internal control system in accordance with the provisions of the Circular No. 13 and the Circular No. 41 of the State Bank of Vietnam, contributing to limiting risks, ensuring the Bank's safe and effective operational development. Continue to review, amend and supplement the internal document system serving the operations of the Supervisory Board and Internal Audit in accordance with the provisions of the Law on Credit Institutions 2024 and guiding documents.



5. Monitor the financial situation, appraise the financial statements for the first 6 months of the year and annually according to regulations and report to the GMS; Assess the reasonableness, legality, honesty and level of prudence in accounting, statistics and preparation of financial statements.

6. Direct the Internal Audit Department to effectively implement the 2025 internal audit plan, organize unscheduled audits as required by the Board of Directors and/or at the request of the General Director. Closely coordinate with relevant agencies and the State Bank of Vietnam in inspection, supervision, and handling of recommendations after inspection and independent audit.

7. Continue to improve the personnel structure and enhance the capacity of the Internal Audit in accordance with the Internal Audit standards under the Circular No. 13, prioritize the recruitment of IT auditors as prescribed; organize participation in external training courses on auditing activities, risk management, and application of technology in auditing operations.

8. Strengthen internal auditing training for the auditor team, improve monitoring and auditing methods based on risk identification, identification of violations, risks and responsibilities of related units and individuals as required by the State Bank of Vietnam and Basel II standards; Strengthen the application of information technology in exploiting information systems to support remote monitoring; accelerate the digital transformation process in internal audit activities; automate internal audit processes to improve the quality and efficiency of internal audit activities towards meeting the requirements of modern risk management models.

The Supervisory Board respectfully submitted the supervision report on the Bank's 2024 operational results to the General Meeting of Shareholders for approval.

*Wishing all our valued shareholders good health and happiness, and wishing the meeting great success!*

**Recipient:**

- Shareholders;
- Members of BOD and SB;
- Filed by SB.

**FOR THE SUPERVISORY BOARD  
HEAD OF SUPERVISORY BOARD**



**NGUYEN KIM PHUONG**