

**JSC BANK FOR FOREIGN
TRADE OF VIETNAM**

**SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

HO Address: 198 Tran Quang Khai, Hanoi
Business Registration No.: 0100112437
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**THE SUPERVISORY BOARD'S REPORT
For submitting to 2021 Annual General Meeting of Shareholders**

Pursuant to:

- Law on Credit Institutions of Vietnam 2010, Law on Amendments to some articles of the Law on Credit Institutions 2017 and implementation guidelines;
- Charter on the organization and operation of Jsc Bank for Foreign Trade of Vietnam adopted by General Shareholders in the Resolution No. 12/2019/NQ-ĐHĐCĐ dated on Apr 26th 2019;
- Regulations on the organization and operation of the Supervisory Board of Jsc Bank for Foreign Trade of Vietnam adopted in the Decision No. 661/QĐ-VCB-BKS dated on Apr 26th 2019 of the Supervisory Board, adopted by General Shareholders in the Resolution No. 12/2019/NQ-ĐHĐCĐ dated on Apr 26th 2019;
- 2020 Consolidated financial statements of Jsc Bank for Foreign Trade of Vietnam which was independently audited by KPMG Vietnam Co., Ltd;
- Business performance of Jsc bank for Foreign Trade of Vietnam (VCB), the Board of Directors' reports, the Board of Management's reports and performance of the Supervisory Board in 2020;

The Supervisory Board would submit the report to 2021 Annual General Shareholders of Jsc Bank for Foreign Trade of Vietnam (“AGM”) as follows:

I. PERFORMANCE OF THE SUPERVISORY BOARD IN 2020

1. Organization and operation of the Supervisory Board in 2020

1.1. The Supervisory Board's personnel

2020 Annual General Meeting of Shareholders on Jun 26th 2020 approved the election of the Supervisory Board with 04 (four) members including: Ms. Truong Le Hien, Mr. Lai Huu Phuoc, Ms. La Thi Hong Minh, Ms. Do Thi Mai Huong.

In 2020, Ms. Truong Le Hien submitted the letter for resignation on retirement valid from Nov 01st 2020; as approved by State Bank of Vietnam on Document No. 7977/NHNN-TCCB dated on Nov 03rd 2020, the Supervisory Board unanimously elected Mr. Lai Huu Phuoc to be the Head of the Supervisory Board in the term 2018 – 2023 since Nov 04th 2020.

There are units under the Supervisory Board: The Internal Audit Department (in Head Office and Southern Office) and the Operational Monitoring and Supervision Department.

1.2. The Supervisory Board's meetings – Findings and Recommendations:

The Supervisory Board has ensured to hold periodical meetings in accordance with Charter on the organization and operation of VCB (VCB Charter). In 2020, the Supervisory Board held 09 meeting sessions in order to discuss, take into consideration to approve the scope of work relating to the Supervisory Board's functions and duties. Topics covered in those meeting sessions included: Summary on performance in 2019 and performance orientation in 2020; selection of independent auditing firm for VCB financial statements and Internal Control system in FY2021; the Supervisory Board's appraisal on 2019 financial statements and the Supervisory Board's report content in AGM 2020; assessment on preliminary performance of the Supervisory Board in quarterly/semi-annually basis and the Supervisory Board's orientations for the next period; implementation of tasks relating to the Supervisory Board's personnel (work assignment for managing the operation throughout voting procedure of the Head of the Supervisory Board, work assignment for the members,...); consideration to adopt the Supervisory Board's internal regulations (Regulations on Code of Ethics of the Supervisory Board's members and internal auditors, Regulations on management and utilization of documents, auditing data in VCB, Draft of the Amendment of Regulations on the Supervisory Board's organization and operation to submit to AGM,...). The Supervisory Board's meeting sessions, summoned by either the Head of the Supervisory Board or the person-in-charge who has been temporarily assigned for the Supervisory Board's operation management, have been fully participated by all of the Supervisory Board's members. Meeting minutes have been well made and filed in line with the regulations.

In addition, the Supervisory Board has held monthly internal meetings to bring issues into discussion which are relating to VCB's governance and business

management via operational supervisory and auditing result, as well as evaluate the performance and working agenda for the Supervisory Board members and functional departments. Based on supervisory results, the Supervisory Board has given opinions, proposals and recommendations to the Board of Directors (“BOD”), the Board of Management (“BOM”) in form of reports, verbal opinions in the BOD’s meeting sessions or proposal documents. The Supervisory Board’s opinions, recommendations mainly focus on methods to enhance supervision, risk mitigation, compliance with legislation, VCB Charter and other internal regulations, contributing to the improvement of quality, operational effectiveness as well as safe and sustainable development for VCB.

1.3. Operational results of the Supervisory Board members; remuneration, operational expense and other benefits of the Supervisory Board:

In 2020, the Supervisory Board has fully carried out functions and duties in line with regulations stated in VCB Charter, Regulations on the organization and operation of the Supervisory Board. The Supervisory Board members have well fulfilled duly assigned tasks; fully participated in periodical and unscheduled the Supervisory Board’s meeting sessions, entered into discussion and voting for issues in line with the Supervisory Board responsibilities and functions.

In 2020, the Supervisory Board has reviewed internal regulations for amendment, supplement (Regulations on the organization and operation of the Supervisory Board, Regulations on Internal audit procedure, Regulations on Code of Ethics of the Supervisory Board’s members and internal auditors,...) in order to comply with the latest legislation and satisfy the operational requirements of the Supervisory Board.

Operational expenses for the Supervisory Board have been implemented in line with the VCB internal regulations (Statutes on Finance, Statutes on Salary, Regulations on Emulation and Commendation). The remuneration in 2020 paid for members of the BOD and members of the Supervisory Board was 0.09% of consolidated profit after tax, which is complied with the Resolution No. 13/TN2020/NQ-ĐHĐCĐ approved by VCB 13th AGM dated on Jun 26th 2020 (AGM adopted the maximum remuneration paid for the BOD and the Supervisory Board is 0.28% profit after tax).

2. VCB’s 2020 performance & the Supervisory Board’s supervision:

2.1. Supervision on business operation and appraisals on financial statements:

Implementing functions and duties in accordance with regulations stated in VCB Charter, Regulations on the organization and operation of the Supervisory Board, the Supervisory Board directed Operational Monitoring and Supervision Department to supervise finance and accounting implementation, appraise VCB's financial statements (audited by independent auditing firm) in order to assess the reasonableness, trustfulness of financial statements reported to AGM complied with legislation in general and internal regulations.

2.2. VCB's business performance in 2020:

On the basis of appraising on 2020 Consolidated Financial Statements of VCB, the Supervisory Board would like to inform the details as follows:

- The Consolidated Financial Statements for the fiscal year 2020 fully reflected the performance and financial position of VCB and its subsidiaries as at Dec 31st 2020, presented in accordance with the report forms stipulated in the Decision No. 16/2007/QD-NHNN dated on Apr 18th 2007 and Circulars No. 49/2014/TT-NHNN dated on Dec 31st 2014 issued by SBV on the financial report mechanism for credit institutions, in accordance with the Vietnamese Accounting Standards as well as relevant statutory regulations.

- The Consolidated Financial Statements for the fiscal year 2020, in all material aspects, gave a true and fair view of financial position of VCB and its subsidiaries as at Dec 31st 2020.

The key figures relating to equity and assets as at Dec 31st 2020 and results of operations of VCB for the year 2020 are as follows:

1. Total assets:	VND 1,326,230 billion
2. Total shareholders' equity:	VND 94,095 billion
3. Results of business operation in 2020:	
- Profit before tax:	VND 23,050 billion
- Corporate Income tax:	VND (4,577) billion
- Profit after tax:	VND 18,473 billion
<i>(Profit after tax recorded in single financial report</i>	<i>VND 18,044 billion)</i>
+ Non-controlling interest	VND (21) billion
+ Net profit during the year	VND 18,451 billion

3. Implementation of making, storing and updating the list of related parties of the BOD's members, the Supervisory Board's members, the CEO, founding shareholders and owners of at least 5% of the voting shares of VCB

Updating the list of related parties of the BOD's members, the Supervisory Board's members, the CEO, founding shareholders and owners of at least 5 percent of the voting shares of VCB has been implemented periodically by the Supervisory Board based on the co-ordination and information exchange with Secretarial department (Strategic Planning & BOD Secretariat Department).

In 2020, the BOD's members, the CEO remained unchanged compared with Dec 31st 2019; personnel of the Supervisory Board demonstrated the adjustment (In June/2020, the Supervisory Board was approved by AGM to add 01 member in the term 2018 – 2023, on Nov 01st 2020 the Head of the Supervisory Board declared the resignation on retirement and the Supervisory Board voted for the new Head of the Supervisory Board for the remaining time in the term 2018 – 2023). The information of related parties of the BOD's members, the Supervisory Board's members, the CEO has been updated accordingly align with the regulation.

4. Results on the operations of the BOD, the CEO, other managing persons and the Supervisory Board's supervision

4.1. The Supervisory Board's supervision:

The Supervisory Board's supervision on management and administration activities of the BOD, the BOM has been regularly implemented by theme, on the basis of orientations and guidelines on credit institution activities of the Government and State bank of Vietnam (SBV) which are related to implementation of monetary, credit and foreign exchange policies, capital contribution and investment, purchase of shares, enhancement of governance and management capability, risk management, enhancement of financial capability, ensuring safety in banking operations...

Supported by supervision results, the Supervisory Board has pointed out stereotype, limitation and defining issues in the operation process, timely putting forward proposals and recommendations to the BOD, the BOM for their direction and management for the purpose of surmounting those shortcomings, mitigating risks, ensuring compliance with the Law and enhancing the quality and efficiency

of VCB's business activities.

4.2. Assessment on the compliance with the Law and execution of the guidance documents by the Government, SBV in terms of governance and management activities:

The BOD, the BOM have enacted Resolutions, documents regarding the orientation on business objectives in 2020 and pivotal tasks in VCB's business management which are in accordance with executive and administrative direction of the Government and SBV, establish agenda to deploy solutions synchronously and drastically in order that business objectives and plans adopted by AGM would be well accomplished. VCB has complied with interest rate and exchange rate policies, focusing on the preferential loan packages for areas which are encouraged by the Government and SBV; also implemented policy on interest rate reduction to support the customers who suffer from Covid-19 pandemic; well implemented SBV's policies on the bank restructuring and bad debt handling.

Vietcombank has controlled business operation to comply with the indicators of operational adequacy ratios in banking activities as adopted by SBV (capital adequacy ratio (CAR), liquidity ratio, loan/deposit ratios, capital contribution and shares investment ratios, credit facility,...)

4.3. Assessment on risk management

In 2020, VCB accomplished 3 pillars of Basel II, complying with the requirements of Circular No. 13/2018/TT-NHNN dated on May 18th 2018, Circular No. 40/2018/TT-NHNN dated on Dec 28th 2018, and international practices as follows:

- To boost the supervision of the BOD, the BOM and the Supervisory Board in terms of risk management system, standardize the operation of the Risk Management Committee and the Risk Council, establish the Capital Management Committee;

- To continue the implementation of restructuring and re-arrangement of the operational mechanism, standardize the functions and responsibilities of Departments/Centers at the Head Office in the Three lines of defense model to improve risk management and business efficiency;

- To continue implementing projects of IT infrastructure system

enhancement to timely meet the objectives of digital banking and modern bank management.

- To review, assess periodically the list of material risks, and internal policies in risk management to ensure the compliance with the Law, VCB's business operation practices and risk management strategy;

- To measure credit risk by using internal credit scoring and rating, quantitative models in line with Circular No. 13/2018/TT-NHNN dated on May 18th 2018; build early warning signal system to evaluate, detect the customers who may expose potential risks, enhance quality of VCB's credit portfolio and propose preventive measures to mitigate risks in a timely manner;

- For other types of material risks, namely as operational risk, market risk, interest risk in the banking book (IRRBB), liquidity risk, concentration risk, VCB established a system to identify, measure, review, monitor, alert and report the risks for the purpose of risk control and management in an adequate manner;

- In 2020, VCB has implemented Internal Capital Adequacy Assessment process (ICAAP), fulfilled 3 pillars of Basel II ahead of schedule set by SBV, which is complied with requirement of capital adequacy ratio, not only reach VCB's business target but also in line with risk appetite and risk management strategy.

5. The coordination among the Supervisory Board, the Board of Directors, the CEO and shareholders

Following the Internal Governance Regulations, the Supervisory Board has participated in periodical meetings of the BOD and monthly meetings of the BOM. The BOD and the BOM have provided information and documents on the management, operations and business activities of Vietcombank for the purpose of the Supervisory Board's supervision. The Supervisory Board members and staff have participated in professional training courses and seminars to enhance their knowledge on banking management and operation;

Based on the results of monitoring, the Supervisory Board has captured the information and has promptly recommended the BOD and the BOM on the management and the implementation of internal management regulations. Adhere to guideline of the BOD and the BOM, bankwide units have been subjected to

strictly carry out the Supervisory Board's recommendations, and periodically reported the progress of actions. The cooperation among the Supervisory Board, the BOD and the BOM has complied with regulations specified by the Law, VCB Charter and other internal regulations.

The Supervisory Board made the report on results of VCB operational supervision at all sessions of Annual General Meeting of Shareholders in accordance with VCB Charter. In the year of 2020, VCB implemented 15 transactions with FPT and FPT Information System Co., Ltd (FIS), known as the related parties of Mr. Truong Gia Binh – Chairman of FPT Corporation cum Independent Member of VCB's Board of Directors. The Supervisory Board reviewed contracts, transactions between VCB and related parties of Independent Member of VCB's Board of Directors as per SBV's request. In the recent past, the Supervisory Board has not received any request from other shareholders or group of shareholders to review book of accounts, documents, or to monitor VCB's business, operation and management.

6. Performance of Internal Audit and the supervision of the Supervisory Board

6.1. Performance of Internal Audit:

In 2020, Internal Audit has completed the annual audit plan with 19 audits. The audit scope met the requirements regulated by SBV in Circular No. 13/2018/TT-NHNN as follows:

- Internal Audit has audited and assessed independently the appropriateness and compliance of internal regulations, mechanism, policies on the supervision of senior management level, internal control, risk management, internal assess on capital adequacy. The Internal Audit has submitted the proposals, recommendations to competent authorities and relevant departments to deal with the pitfalls and constrains in a timely and effective manner.

- Internal audit scope has ensured the comprehensiveness of VCB's operation and business procedures including credit procurement, anti-money laundering, treasury, ALM, foreign exchange management in international payment, management on access and log in IT system, cash handling operation, bad debt handling in line with Resolution No. 42/2017/QH14 by the National Assembly dated on Jun 21st 2017. In addition, Internal Audit implemented audits

on risk and data management (assessment, review on capital adequacy ratio, audit probability of default model for SME, assess system and database for financial statement preparation).

- The audits include 45 branches, 24 Departments/Centers in Head office, 01 subsidiary and 01 Representative Office. Internal Audit has effectively implemented the project of Internal Audit capability improvement and transformation as per requirements of Basel II, applied new audit methodology and approaches to assess the risk management frameworks, quantitative risk models for measuring material risks, information technology system and database, thoroughly conducted auditing theme for bank-wide procedures and operation, to ensure audit quality in line with international standards and requirements.

Internal Audit held as main contact to implement the Internal Audit/Internal Control management system contributed to automation process, took the initiative in training for internal auditors strengthening the exchange of experiences and updating new audit methods.

6.2. The Supervisory Board's supervision on Internal Audit

The Supervisory Board has regularly directed and supervised Internal Audit operation as regulated by Circular No. 13/2018/TT-NHNN, VCB Charter, Regulations on the organization and operation of the Supervisory Board: the Supervisory Board has reviewed and approved internal audit plan in 2020, directed Internal Audit to conduct scheduled and adhoc audits.

The Supervisory Board has regularly held internal audit meetings to assess the findings during audits, recognize the high risk issues to make recommendations; request internal auditors to comply with code of ethics, internal auditie practices; keep track on and to surmount shortcomings and overcome difficulties. Periodical reports and reports for each and every internal audit would always be under the Supervisory Board's review, assessment and may mention any improvement needed for the upcoming audits, continuously enhance quality and effectiveness in internal audit, ensure the comprehensiveness and professionalism in internal auditing practice.

In the year of 2020, the Supervisory Board has enacted regulations on usage and management of audit document and data; gave comments on draft of

amendment internal auditing procedure, draft of regulations on the Supervisory Board's supervision to internal audit and Code of Ethics of Internal Audit,...

The Supervisory Board has always taken into serious consideration on internal audit operation and human resource enhancement. In 2020, the Supervisory Board has co-ordinated with relevant departments to carry out internal audit recruitment and training; reviewed and assessed performance, designation, re-designation with internal audit personnels complying with VCB internal regulations; the Supervisory Board has directed Internal Audit to implement and apply audit software for managing Internal Audit/Internal control activities; research solutions to outsource the audit on information technology safety.

7. Rights of shareholders and the Supervisory Board's supervision:

The Supervisory Board has supervised the implement of orientation and targets approved by AGM, monitored the progress of the Restructuring Plan associated with bad debt handling toward 2020. The findings demonstrated that: In 2020, in the context of unfavourable factors upon worldwide and domestic economy resulted from Covid-19 pandemic, the BOD and the BOM have actively promulgated reasonable solutions; drastically implemented directions to boost strategic business operation for sustainability and development aline with VCB's strategic targets and orientation; solutions in the Restructuring Plan associated with bad debt handling toward 2020 have been actively, synchronizingly conducted, to ensure implementation of targeted plan, whilst certain targets are recorded to be done ahead its schedule.

Up to Dec 31st 2020, VCB has outperformed the basic indicators assigned by the AGM and guided by SBV, namely: total assets reached VND 1,326,230 billion, increase by 8.5% compared to end of 2019, exceeding by 1.3% compared to the plan assigned by the AGM; profit before tax was VND 23,050 billion, comparatively equivalent to 2019 and 16.3% exceeding the plan; loan outstanding balance was VND 845,128 billion, up by 14% compared to Dec 31st 2019 (under the ceiling limit guided by SBV); deposit was VND 1,053,354 billion, up by 10.9% compared to Dec 31st 2019, exceeding by 1.9% of the plan; non-performance loan ratio was 0.62%, down by 0.11 percentage points compared to end of 2019 and followed the planning ratio (< 1.5% of total loan outstanding balance); profit is considered to be sufficient for dividend payment as per plan; 05

new local branches accepted by SBV to open and the plan of opening a branch in Australia (under AGM direction) granted by SBV (VCB has been granted Certificate of offshore investment and has been in progress to contact Australian relevant authorities for branch opening).

In 2020, the BOD has directed to implement profit distribution of 2019 complying with principles approved by AGM and SBV. 2019 dividend (payment ratio of 8% by cash) has been paid to state shareholders and the others on Jan 08th 2021.

The BOD unanimously approved KPMG Vietnam Co., Ltd to act as independent auditing firm toward semi-annual financial statements in 2021, VCB's financial statements and internal control system in 2021 based on principles approved by AGM on schedule.

Plan for chartered capital increase in the period of 2020 – 2021 approved by AGM in 2020 has been guided to implement and gained certain achievements: (1) Composition 1 (issuance of shares for capital increase by means of 2018 dividend payment in form of shares): On Dec 02nd 2020, SBV dispatched document of approval to pay dividend in form of shares on the retained earnings and to pay dividend in form of cash; On Dec 15th 2020, VCB submitted proposal on additional business investment funded by state capital in VCB by means of dividend payment in form of shares on the 2019 retained earnings after dividend payment 8% by cash upon now awaiting for SBV's approval; (ii) Composition 2 (placement of private shares with similar size of 6.5% chartered capital of VCB at the time of offering): shall be conducted subsequent to the 1st Composition accomplishment based on the AGM's approval.

II. THE SUPERVISORY BOARD'S OPERATIONAL ORIENTATION IN 2021

Pursuant to the Supervisory Board's functions and responsibilities, operational orientation of Vietcombank for 2021, the directives of the Government and SBV on objectives and missions to conduct monetary policy, to ensure the safety and efficiency in business operation, the Supervisory Board shall well keep implementing duties and tasks complying with the Law and internal regulations and focusing on main activities as follows:

1. To appraise the semi-annual and annual financial statements in 2021;

2. To supervise the compliance with the Law, VCB Charter in VCB business operation activities approved by the BOD, the CEO and other senior managers; to monitor the compliance with indicators of operational adequacy ratios in banking activities; to supervise the implementation of risk management of in line with Basel II; to follow up implementation of the Supervisory Board's recommendations and performance of VCB objectives and plans upon AGM's approval.

3. To monitor and update the list of major shareholders and related parties of members of the BOD, the BOM and the CEO.

4. To direct, manage and supervise internal audit operation, to fulfil duties and function specified by regulations and to complete Internal Audit plan in 2021; to continue applying the achievements of the project of Internal Audit capability improvement and transformation aligning with the best international internal audit practices and Basel II requirements; to build up the information system to support audit function;

5. Strengthen organization model and human resource in the Supervisory Board, enhance knowledge and skills of staffs of the Supervisory Board to meet increasing requirements of risk monitoring in the constantly changing and developing environment of the banking sector.

III. PROPOSALS AND RECOMMENDATIONS:

Based on the findings of supervision on business and operational management of the BOD, the BOM, the Supervisory Board would like to make the following proposals and recommendations:

1. Policy mechanism

- The Supervisory Board has reached the consensus on policy and mechanism proposals of the BOD, the BOM submitted to the Government relating to capital increase, financial capacity enhancement of joint stock banks with state budget capital, implement digital Banking project to take advantage of achievements of Industrial Revolution 4.0, policies regarding bad debt collection activities as promulgated in Civil Law and Resolution No. 42/2017/QH14 by the Congress; came to agreement with proposals of the BOD, the BOM submitted to SBV on amendment of some articles on the Restructuring Plan associated with bad debt handling toward 2020 of VCB, proposals to handle VCB's capital in

VCBT, VBB and VCBB in line with practical situation.

- In 2020, certain legislation was issued and would come into effect in 2021 (the Enterprise Law, the Law on Securities, the Law on Investment, the Construction Law, the Labour Law...) with a number of points refer to banking activities. VCB has reviewed, assessed and established a roadmap to implement new stipulation, amendment, implementation on VCB's policies and mechanism. The Supervisory Board would propose that the BOD, the BOM shall continue directing all departments concerned to keep right track on approved roadmap.

- For implementation of many transformation and restructuring projects in recent years and coming time, (Basel II, RTOM, CTOM, Payment Hub, establishment of Asset Valuation Center, strengthening of Digital Banking Center...), the bank procedures, mechanism, policies relating to organizational structure, capability framework, salaries...are subjected to regular and rigorous monitoring and assessment. The Supervisory Board would recommend that the BOD, the BOM shall continue directing all departments concerned to review such related internal regulations for adequate amendment in line with VCB's objectives and governance requirements.

2. Personnel

- With the target of being on top in human resources quality at banking sector, during recent years, VCB has enacted the Project of human resource development and management, implemented projects in human resource management software, project in developing capability framework,...The Supervisory Board would like to propose that the BOD, the BOM shall continue directing all departments concerned to keep right track on approved roadmap for prompt application in staff recruitment, job rotation, designation, training, assessment and motivation policies with the purpose of enhancing human resources quality in VCB.

- With the target of being on top digital transformation in banking sector, VCB has established the Project of Information Technology development toward 2020, enforced IT governance to be closer to international standards; a large number of projects have been carried out and accomplished in 2020, as in 2020 VCB established Digital Banking Center and launched Digibank. For success in implement projects in IT sector and meeting targets, human is considered to be the key factor, the Supervisory Board would like to recommend that the BOD, the

BOM shall attach much importance and offer a specific course of actions in IT recruitment (especially for experienced staff and key persons), show orientation and long term roadmap to strengthen organizational model in IT Department, enhance in both human resource quantity and quality.

- 8 Units in Head quarters are recorded to lack Director (but Deputy Director being in charge) and 4 members of the BOM have still held leading position at 4 Units, in certain large and important departments: IT Center, Banking Technology Modernization Department, Internal Control Department, Internal Audit Department, Legal Department, Operational Risk Management Department, Market Risk Management Department, Intergration Risk Management Department, IT project Management Department,... The Supervisory Board would propose that the BOD, the BOM shall promptly address the solutions to supplement and strengthen leading positions for those departments.

3. Risk management

- The BOD, the BOM shall continue reviewing, supplementing and strengthening internal regulations relating to risk management; enact regulations on model risk rating and auditing standards; establish and implement model of risk measurement, fully conduct all model supervision and audit; complete report forms and ensure the correctiveness of data and steps to follow on IT system toward risk measurement model and the calculation program of capital adequacy ratio, in order to comply with regulations on risk management promulgated in Basel II and Circular No. 13/2018/TT-NHNN and Circular No. 41/2016/TT-NHNN.

- To strictly monitor credit portfolio, especially with customers who have suffered from Covid-19 pandemic; to pay special attention to collecting bad debt, off-balance sheet debt to assure the portfolio and credit quality then reach the scheduled target and SBV's orientation.

- To strictly supervise the Project of Information Technology development to boost IT system capacity, ensure the safety, confidentiality, enhance adaptiveness of IT in offering banking services.

- To focus on improving the efficiency of risk management according to regulations promulgated by state authorities and aline with the advanced standards of Basel II; strictly to comply with the regulations set by code of

conduct and code of ethics of the staff, the regulations on information safety and confidentiality in VCB system; to summarize, learn from experiences about solutions to respond to unusual events (storms, floods, Covid-19 pandemic, ...) to build scenarios which provide actively responses and ensure the continuity in business operation.

4. The operation of Internal Control and Internal Audit:

- To continue effectively applying the project "Internal Audit capability improvement and transformation", the audit system project for internal control and internal audit activities.

- To conduct internal control and internal audit that would ensure comprehensiveness, frequency and align with risk orientation; to strengthen supervision on the implementation of recommendations of internal audit, internal control departments and functional external authorities. The Internal Control and Internal Audit departments need to apply new inspectional and auditing methods and techniques to review and assess risk management, evaluate models, technology systems and data, ensuring compliance with the provisions of Circular 13/2018/TT-NHNN, with the aim of meeting international standards, practices and requirements of Basel II.

5. The interests of shareholders:

The BOD and the BOM would report and make proposal to the AGM on the plan of chartered capital increase in order to ensure financial capacity enhancement for VCB.

On the basis of the results of monitoring business activities, supervising the governance of the BOD, the BOM and the business results in 2020 of VCB, the Supervisory Board would like to submit to the Annual General Meeting of Shareholders of for approval the following contents:

(i) To approve the 2020 consolidated financial statements of VCB which have been independently audited by KPMG Vietnam Co., Ltd and appraised by the Supervisory Board.

(ii) To approve the Report of the BOD on the activities in 2020 and 2021 orientations;

(iii) To approve the Report of the BOM on 2020 operations and 2021 orientations;

(iv) To approve the Report of the Supervisory Board on the performance in 2020 and 2021 orientations.

We wish the great success for the Annual General Meeting of Shareholders.

**FOR AND ON BEHALF OF THE SUPERVISORY BOARD
HEAD OF THE SUPERVISORY BOARD**

Lai Huu Phuoc