

**JSC BANK FOR FOREIGN
TRADE OF VIETNAM**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Address: 198 Tran Quang Khai, Hanoi
Business Registration No. 0100112437
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Hanoi, April 21st, 2023

**REPORT OF THE SUPERVISORY BOARD
ON OPERATION IN 2022 AND ORIENTATION FOR 2023**

The Supervisory Board hereby would like to submit the report to the 2023 Annual General Meeting of Shareholders (“AGM”) as follows:

I. PERFORMANCE OF THE SUPERVISORY BOARD IN 2022

1. Organization and operation of the Supervisory Board in 2022

1.1. The Supervisory Board’s organizational structure and personnel:

On Jan 1st, 2022, the Supervisory Board of JSC Bank for Foreign Trade of Vietnam (“VCB”) included 03 (three) members. On Apr 29th, 2022, the 2022 AGM approved the proposal of supplementing the election for 01 member of the Supervisory Board. Up to now, the Supervisory Board of VCB includes 04 (four) members: Mr. Lai Huu Phuoc – Head of the Supervisory Board, and three members, including Ms. La Thi Hong Minh, Ms. Do Thi Mai Huong, and Ms. Tran My Hanh.

Units under the Supervisory Board include the Internal Audit Department (in Head Office and Southern Office) and the Operational Supervisory Department.

1.2. The Supervisory Board’s meetings – Findings and Recommendations

In 2022, the Supervisory Board held periodic meeting sessions to discuss and take into consideration to approve the scope of work relating to the Supervisory Board's functions and duties, including a summary of performance in 2021 and performance orientation in 2022; selection of independent auditing firm for VCB financial statements and internal control system in FY2023; the Supervisory Board’s appraisal on 2021 financial statements and the Supervisory Board’s report content in the 2022 AGM; assessment on the preliminary performance of the Supervisory Board in quarterly/semi-annual basis and the Supervisory Board’s orientation for the next period; implementation of tasks

relating to the Supervisory Board's personnel. The Supervisory Board's meeting sessions, summoned by the Head of the Supervisory Board, have been fully participated by all 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 the discussion relating to VCB's governance and business management and evaluate the performance of the Supervisory Board's members and functional departments.

Based on supervisory results, the Supervisory Board has given opinions, proposals, and recommendations to the Board of Directors (BOD) and the Board of Management (BOM) to enhance supervision, risk mitigation, compliance with the provisions of law, VCB Charter, and other internal regulations, contributing to the improvement of operational quality and effectiveness as well as safe and sustainable development for VCB.

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

In 2022, the Supervisory Board entirely carried out functions and duties in line with regulations stated in the VCB Charter, Regulations on the organization and operation of the Supervisory Board. The Supervisory Board members have fulfilled duly assigned tasks, fully participated in periodical and unscheduled Supervisory Board's meeting sessions, and entered into discussion and voting for issues in line with the Supervisory Board's responsibilities and functions.

Operational expenses for the Supervisory Board have been implemented in line with the VCB internal regulations. The remuneration in 2022 paid for members of the BOD and members of the Supervisory Board was 0.065% of consolidated profit after tax, which complied with Resolution No. 15/TN2022/NQ-ĐHĐCĐ approved by the AGM dated Apr 29th, 2022 (maximum of 0.27% profit after tax).

2. The supervision of implementing VCB's development strategies, business plan, and financial plan; the supervision and assessment of VCB's business performance and financial status:

The Supervisory Board has fully participated in periodic meetings of the BOD and some specific monthly meetings of the BOM; supervised based on

provided reports, information, and documents on the management, operation, and business activities of VCB; reviewed and audited VCB's business operation. The Supervisory Board has supervised the execution of duties based on the government authorities' directives, orientation, and targets approved by the AGM and plans issued by the BOD. In 2022, VCB well executed its duties under the guidance of the Government, the Prime Minister, the State Bank of Vietnam, and other duly authorities: proactively implemented solutions regarding monetary, credit, and foreign exchange policies and banking operations; established VCB's Development Strategy to 2025, vision to 2030 on the foundation of directions of the State Bank of Vietnam; implemented solutions on enhancing management capability; improved digital transformation, developed the updated payment services, ensured security and safety for IT and payment system; actively implemented and fully reported the assigned duties on the Restructuring plan associated with the settlement of bad debts for the term 2021-2025...

At the end of 2022, VCB has fulfilled and outperformed fundamental indicators assigned by the AGM on the total asset, deposit, profit before tax, bad debt ratio, and indicators of operational adequacy ratios,... namely:

- Total assets reached VND 1.8 quadrillion, increased by ~28.2% YoY (VND 1.4 quadrillion at the end of 2021), equivalent to 119% as planned.

- Deposit of first market and valuable paper issuance reached VND 1.26 quadrillion, increased by 9% YoY (VND 1.15 quadrillion at the end of 2021), equivalent to 100% as planned.

- Outstanding loan balance reached more than VND 1.15 quadrillion, up by ~19% YoY (VND 0.97 quadrillion at the end of 2021). Credit growth was monitored, complying with the State Bank of Vietnam's credit growth ceiling, credit structure was shifted towards safety and efficiency.

- Credit quality was strictly controlled. Non-performance loan ratio stood at ~0.68%; The loan loss coverage ratio reached more than 317%, the highest in the banking industry; Recovery of written-off loans totaled VND 2,393 billion.

- Consolidated profit before tax was VND 37.37 trillion, which increased by 35.95% compared to 2021 (VND 27.5 trillion), equivalent to 121% of the plan assigned by the AGM.

- The ROAA and ROAE ratios maintained high, reaching 1.9% and 24%, respectively.

- Operational adequacy ratios complied with the law's provisions and Basel II requirements. The separated capital adequacy ratio of VCB at the end of 2022, as regulated by Circular 41/2016/TT-NHNN, was ~9.7%.

3. The supervision and assessment of executing the rights and obligations of the BOD, the CEO; conducting the rights and responsibilities of the Representative for Government's shares at VCB

3.1. The Supervisory Board's supervision:

The Supervisory Board has supervised the BOD, the BOM, and the Representative for Government's shares at VCB on implementation of VCB's business directions and goals in 2022 approved by the AGM, supervised the compliance of governance and administration with the provisions of law, VCB Charter. The operation of the Supervisory Board was carried out regularly and according to thematic, on the foundation of the Government and the State Bank of Vietnam's directives for the activities of credit institutions, regarding the implementation of monetary, credit, and foreign exchange policies, capital contribution investment activities, share purchase, enhancement of governance capability, operational management, risk management, financial capacity and ensuring safety within banking operation... Based on supervisory and auditing activities, the Supervisory Board has given opinions, proposals, and recommendations to the BOD, the BOM to stipulate internal regulations and policies; solutions to enhance supervision, mitigate the risks complying with the provisions of law, VCB Charter, and other internal regulations, contributing to the enhancement of quality, operational safety, and effectiveness.

3.2. Assessment of the compliance with the law and execution of the guidance documents by the Government, the State Bank of Vietnam in governance and management activities:

In 2022, the BOD and the BOM proactively enacted Resolutions, directive documents regarding the orientation on business objectives, business plan and pivotal tasks in VCB's business management which were in accordance with executive and administrative direction of the Government and the State Bank of Vietnam; enacted solutions to cope with practical events; established agenda to synchronously and drastically deploy solutions; speed up the processing in banking operation and focused on tackling the difficulties and hindrances in the bank broad scope to ensure the business objectives to be accomplished such as: to continue implementing synchronously solutions for restructuring the repayment

term, waiver and reduction of interest and fees, keeping the same loan group for borrowers affected by the COVID-19 pandemic; implementing supportive interest from government budget for customers pursuant to Decree No. 31/2022/NĐ-CP issued by the Government and Circular No. 03/2022/TT-NHNN issued by the State Bank of Vietnam; Actively follow up Russia embargo amidst Russia-Ukraine crisis to give out adequate solutions to process relating to transactions; Implementing the Digital Transformation Action Program with 105 initiatives to enhance customer experiences and digitalizing internal operational procedures,... In general, the governance and management of the BOD and the BOM were complied with the law on credit institutions and VCB Charter.

In 2022, the Representative for Government's shares at VCB requested the State Bank of Vietnam to give comments on matters and activities following Regulations on Representatives of direct owners, Representatives of portions of State capital paid in credit institutions, financial institutions, and enterprises under the control of State Bank of Vietnam according to Decision No. 1500/QĐ-NHNN dated Sep 20th, 2021 promulgated by the State Bank of Vietnam's Governor: Plan of receiving the mandatory transfer of a weak credit institution, approval on financial statements, profit distribution, plan of capital increasing, charter capital increase for Vietcombank Security Co., Ltd, the additional election of a member of the BOD and the Supervisory Board for the term 2018-2023. The Representative for Government's shares at VCB reported periodically and reported the results of implementing activities following the opinions of the State Bank of Vietnam under the provisions of law.

4. The supervision and assessment of the effectiveness and compliance level with regulations on internal audit, regulations on risk management and prevention, reporting regulations, and other internal corporate governance regulations

4.1. The effectiveness and compliance level with regulations on internal audit:

The Supervisory Board 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; reviewed and approved annual internal audit plan, supervised the implementation of approved ad-hoc audits. The Supervisory Board has regularly held internal audit meetings with the leading body of the Internal Audit Department to assess the issues recognized through the

audit activities, identify the material risks, direct and orient internal audit activities, requested internal auditors to comply with the code of ethics, internal audit procedures; kept up with shortcomings to surmount and overcome.

In 2022, VCB completed the annual audit plan registered with the State Bank of Vietnam with 21 thematic audits and implemented 01 additional audit per risk controlling requirements. The content of audits consists of (i) 11 thematic audits regarding systematic operations, including credit activities, anti-money laundering, card operation, accounting, construction investment, asset procurement, capital trading and management, risk management, safety and security of information technology systems, projects/operational software systems; (ii) 11 audits on subsidiaries/representative offices/branches. In addition, Internal Audit has carried out an independent assessment of VCB's internal control system following the requirements of Circular 13. The audit results have shown outstanding problems, limitations, and potential risks in VCB's activities, thereby proposing recommendations to overcome, correct, prevent, control, and mitigate risks to improve the operational efficiency of the internal control system of VCB, contributing to ensuring VCB's business operation to be safe, efficient, sustainable and complied with the provisions of law.

On Feb 15th, 2023, VCB reported to the State Bank of Vietnam on the 2022 internal audit complying with regulations. The Internal Audit Department has completed periodical reports in compliance with internal regulations and other reports as requested by the authorities, reports to the State Bank of Vietnam, conducted audits at the request of the State Bank of Vietnam (Internal assessment procedure on capital adequacy, compliance with anti-money laundering regulations, compliance with information safety and security regulations), tracked and monitored the implementation of internal audit recommendations according to the conclusion of the State Bank of Vietnam's Inspection and Supervision Agency...

In 2022, the Supervisory Board coordinated with relevant departments to carry out recruitment and training for staff of the Supervisory Board via appropriate form depending on the actual situation; reviewed and evaluated performance, appointing and re-appointing positions with internal audit personnel complying with relevant regulations; the Supervisory Board has directed Internal Audit Department to deploy and widely apply software for managing Internal Audit/Internal control activities, increase the use of modern auditing tools and techniques; accelerate the digital transformation process in internal audit activities

to improve the quality and efficiency of internal audit as a closer step of meeting the requirements of a modern risk management model.

4.2. Risk management and prevention, other reports, and internal governance:

In 2022, the Supervisory Board audited the internal capital adequacy assessment process (ICAAP); evaluated and reviewed the minimum capital adequacy ratio CAR following the provisions of Circular No. 41/2016/TT-NHNN. The results showed that: In essence, VCB has fully complied with internal mechanisms, policies, and regulations on the supervision of senior management, internal control, risk management, and the internal capital adequacy assessment. The risk management apparatus is implemented in line with three lines of defense model, in which each line of defense performs roles and responsibilities in risk management and deploys risk management activities in accordance with the respective functions and duties stipulated in risk management policies and procedures, complying with the provisions of Circular 13. In 2022, VCB implemented the action program of the Risk Management and Compliance Division until 2025, vision to 2030 to deploy the overall goals of being the best risk management bank in Vietnam, pioneering in applying advanced risk management standards.

The system of risk management limits has been fully established for each type of risk, in line with VCB's risk appetite and strategies. Monitoring and supervision of compliance with risk limits have been strictly implemented through a system of monitoring tools, thereby having been fully and timely reported to duly authorities. The limit system has been periodically reviewed, re-evaluated, updated, and adjusted if necessary to ensure its conformity with risk appetite, risk strategies, business practice, and risk management.

Risk identification, measurement, monitoring, and controlling at VCB have been fully implemented upon the key risks in VCB's business activities. VCB has been and continues to complete the methodology, tools, risk measurement, and warning models, helping VCB to fully identify, accurately measure, and regularly monitor for timely risk detection, mitigation, and prevention, and control risk status to ensure compliance with limits.

The liquidity and capital stress tests have been carried out periodically under VCB's regulations, complying with the requirements of Circular 13. The liquidity stress test has been carried out quarterly under 02 scenarios (scenario of

normal operating and scenario of adverse events). The capital stress test has been carried out annually in normal and stressful scenarios, on that basis to calculate economic capital in the adverse scenario to determine the target capital.

The risk reporting mechanism has been fully established and operated: VCB built a periodical internal reporting and information system for each type of risk, timely reported to the BOD, the BOM, the Supervisory Board, Risk Management Committee, Risk Council... for approval and directions. The content of the report consists of all necessary and important information such as credit quality analysis, analysis of potentially risky economic sectors/fields, report on compliance with risk limits/ warning thresholds, and cases of limit violations...

VCB has stipulated, regularly updated, and reviewed internal regulations on professional activities, ensuring the availability of mechanisms of control, internal audit, and risk management associated with each business operational procedure. VCB has maintained the indicators on limits and prudential ratios in operation following the regulations of the State Bank of Vietnam (including indicators of minimum capital adequacy ratio, solvency ratio, capital utilization/mobilized capital ratio, capital contribution limit, share purchase, credit limit,...).

5. The supervision of the legality, systematicity, and honesty in accounting activities, accounting records, and financial statements:

The Supervisory Board has regularly supervised financial and accounting activities by reviewing documents on financial and accounting policies and regimes and reviewing and evaluating VCB's financial management. In 2022, VCB has proactively followed up and updated new regulations of the law to stipulate, amend and supplement internal documents and instructions for consistent implementation in the bank broad scope in various fields of accounting, tax, finance and account management such as: to amend and supplement regulations on early withdrawal of partial or full deposit and the interest rate for early withdrawal of term deposits in accordance with the provisions of Decree No. 04/2022/TT-NHNN dated Jun 16th 2022; to stipulate regulations on the issuance, management and consistent use of e-invoices at VCB, as one of the pioneer banks in converting to e-invoices in accordance with current standards of the Tax Authority (activated 03 months earlier than the deadline set by the authority); to review and stipulate all new documents relating to internal capital adequacy assessment to ensure the compliance with the State

Bank of Vietnam's requirements on CAR, being conformed with risk appetite, risk management strategy of VCB; to research, develop and officially implement an accounting program complying with Vietnamese Accounting Standards and International Financial Reporting Standards (IFRS) for capital trading products at VCB, thereby helping VCB step-by-step implement the roadmap of applying international accounting standards.

In 2022 and during the beginning of 2023, the Supervisory Board appraised the interim financial statements of 2022 and the annual financial statements of 2022 of VCB. The results of the appraisal confirmed the consolidated financial statements for 2022 and have fully reflected business performance and the financial position of VCB and its subsidiaries presented following the State Bank of Vietnam's regulations on financial reporting regimes for credit institutions, following Vietnamese Accounting Standards as well as relevant statutory regulations. In all material aspects, the Consolidated Financial Statements for the fiscal year 2022 gave an accurate and fair view of the financial situation of VCB and its subsidiaries as of Dec 31st, 2022.

The key figures relating to equity and assets as of Dec 31st, 2022, and the operational results of VCB in 2022 are as follows:

1.	Total assets:	VND	1,813,815 billion
2.	Total shareholders' equity:	VND	135,646 billion
3.	Profit before tax:	VND	37,368 billion
4.	Corporate Income tax:	VND	7,449 billion
5.	Profit after tax:	VND	29,919 billion
	+ Non-controlling interest	VND	20 billion
	+ Net profit during the year	VND	29,899 billion

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

From the time of the 2022 AGM (Apr 29th, 2022) to this AGM (Apr 21st, 2023), there have been changes in the personnel of the members of the BOD, the

CEO, and the Supervisory Board, specifically: The AGM on Apr 29th, 2022 elected Ms. Tran My Hanh to be the member of the Supervisory Board for the term 2018 - 2023, the Extraordinary General Meeting of Shareholders on Jan 30th, 2023 elected Mr. Nguyen Thanh Tung to be the member of the BOD for the term 2018 - 2023; the BOD elected Mr. Nguyen Thanh Tung to hold the position of the CEO of VCB. The information on personnel of the members of the BOD, the members of the Supervisory Board, the CEO and related parties of the members of the BOD, the members of the Supervisory Board, and the CEO has been thoroughly monitored, updated, and in accordance with the regulations.

7. The coordination between the Supervisory Board and the BOD, the CEO, and the shareholders

Performing the Internal Governance Regulations, the Supervisory Board fully attended periodic meetings of the BOD and certain monthly meetings of the BOM. The BOD and the BOM ensured the provision of information and documents on the management, administration, and business activities of VCB to serve supervisory activity.

The BOD and the BOM held meetings with reports submitted by the Supervisory Board, directed the guideline to various units to strictly carry out the Supervisory Board's recommendations, and periodically reported the progress of actions. The notes and recommendations of the Supervisory Board were widely disseminated throughout the system at semi-annual and annual conferences to learn from experience, rectify and remedy. The working relationship between the Supervisory Board and the BOD and the BOM was carried out in accordance with the provisions of law, the VCB Charter, and other internal regulations.

The Supervisory Board fully reported the supervision results to shareholders at the AGM per VCB Charter.

8. The supervision of contracts and transactions of VCB with related parties

In 2022, VCB performed contracts and transactions with related parties, including Vietcombank - Bonday - Ben Thanh Co., Ltd, Vietcombank Tower 198 Co., Ltd, Vietcombank Securities Co., Ltd, Vietcombank Fund Management Co., Vietcombank Laos Limited, Vietcombank Leasing Co., Ltd, Vietcombank Money Inc, FPT and FPT Information System Co., Ltd (known as the related parties of Mr. Truong Gia Binh – Independent Member of VCB's BOD), Mizuho Bank Ltd (Strategic shareholder, major shareholder of VCB). The above contracts and

transactions with related parties were reviewed and approved by the BOD in accordance with the provisions of Article 75 of the VCB Charter (corresponding to 32 Resolutions approved by the BOD) and were disclosed by VCB complying with regulations.

In 2022, there were no contracts, buying and selling transactions, and other contracts and business transactions with a value greater than 10% of VCB's equity; there were no shareholders or group of shareholders who requested the Supervisory Board to review accounting books, documents, or requested inspection related to VCB's business, operation and management.

9. Rights of shareholders and supervision of the Supervisory Board

The BOD has directed to implement profit distribution and dividend payment of 2021 in accordance with principles approved by the AGM and the State Bank of Vietnam.

The BOD has approved the selection of Ernst & Young Vietnam Co., Ltd to independently audit VCB's financial statements and internal control system for the fiscal year 2023 in accordance with principles approved by the AGM, ensuring the regulated schedule.

II. OPERATIONAL ORIENTATION IN 2023 OF THE SUPERVISORY BOARD

Pursuant to the Supervisory Board's functions and responsibilities, the operational orientation of VCB for 2023, the directions of the Government and the State Bank of Vietnam on monetary policy objectives and tasks, and measures to ensure safe and efficient operation; based on the actual situation; in 2023, the Supervisory Board endeavors to perform well the duties and functions in accordance with the provisions of law and VCB's internal regulations, focusing on main activities as follows:

1. To appraise the annual and interim financial statements for the fiscal year 2023.

2. To supervise the compliance with the provisions of law, VCB Charter in the management and administration of the BOD, the CEO, and other senior managers; to monitor the compliance with indicators of operational adequacy ratios; to supervise the implementation of VCB's risk management in line with Basel II; to follow up the performance of the Supervisory Board's recommendations and the implementation of policies and orientation approved by

the 2023 AGM.

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

4. To direct, orient and supervise the Internal Audit Department; to ensure the completion of duties and functions in accordance with the provisions of law and internal regulations; to fulfill the Internal Audit plan in 2023 approved by the Supervisory Board; to supervise the compliance with code of ethics of internal audit; improve the quality of internal audit for early risk detection, prompt warning, risk mitigation and hence limit losses for VCB; to focus on auditing high-risk areas such as credit, anti-money laundering, information technology, construction, procurement of assets,... and at the same time continue to invest resources in auditing new and highly complex operation, complying with the regulations of the State Bank of Vietnam and meeting the requirements of Basel II.

III. PROPOSALS AND RECOMMENDATIONS OF THE SUPERVISORY BOARD

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

1. Policy & mechanism:

The Supervisory Board suggests that the BOD and the BOM continue to recommend to the Government and the State Bank of Vietnam mechanisms and policies related to improving financial capacity and supporting the operation of commercial banks, specifically:

- To request the State Bank of Vietnam to continue to support VCB in implementing the plan to increase charter capital following the policy approved by the AGM to ensure the target equity size, meeting the safety standards in line with Basel II and towards Basel III.

- To request the State Bank of Vietnam to boost training courses for the Supervisory Board of commercial banks on updating world trends, inspection, supervision, auditing, and professional ethics standards... to expand the vision and improve the professional qualifications and quality of the Supervisory Boards of commercial banks.

- The State Bank of Vietnam has stipulated a number of documents

regulating/directing the contents to be included in the annual internal audit plan, of which some have been issued for a long time without updating or further guidelines, such as Circular No. 31/2014/TT-NHNN dated Nov 11th, 2014 issued by the State Bank of Vietnam on amending Circular No. 35/2013/TT-NHNN on guiding the implementation of a number of provisions on the prevention of money laundering; Official Dispatch No. 3176/NHNN-TTGSNH dated May 2nd, 2019 issued by the State Bank of Vietnam on accelerating banking security and safety in 2019; Official Dispatch No. 9557/NHNN-TTGSNH dated Dec 6th, 2019 issued by the State Bank of Vietnam on warning of risks in foreign exchange and international payment activities. VCB proposes the State Bank of Vietnam to consider and update the mandatory contents of annual internal audits in accordance with the operational practice of the banking industry.

- The practical implementation at credit institutions shows that to meet the requirements of comprehensive audit all over banking activities the internal audit apparatus requires more and more well-trained and experienced personnel in certain specific fields (construction, quantitative model, ...), those have not been specified in the standards for internal auditors regulated in Circular 13/2018/TT-NHNN dated May 18th, 2018. VCB proposes the State Bank of Vietnam to consider expanding the requirements for training majors and working experience of internal auditors.

2. Personnel:

To continue implementing the strategic goal of VCB to 2025 as one of the leading banks in terms of human resource quality, the Supervisory Board recommends the BOD and the BOM as follows:

- To focus on training high-quality personnel to meet the development requirements of the bank and international integration, especially managers and experts in VCB's business activities.

- To continue strengthening the organizational structure of the IT and Digital Transformation Division, promoting innovative activities and initiatives, focusing on effectively implementing solutions in regards to the digital transformation strategy in VCB's activities; to focus on recruiting information technology personnel (especially experienced and key personnel) with a long-term training orientation to build a team of information technology staff with relevant qualifications and high professionalism, meeting the requirements of operational management and mastery of modern technology systems.

3. Risk management:

- To strictly follow directions of the Government and the State Bank of Vietnam in credit activities; to control credit growth reasonably, strictly control credit for potential risk areas, review overall credit portfolio, including credit portfolio relating to real estate; to closely monitor the market situation, economic situation, grasp the situation of customers to take measures to manage credit granting and appropriate solutions; to focus on following-up on the collection of bad debts, debts that have been dealt with off-balance sheet risks, ensuring the portfolio structure and credit quality to achieve the targets.

- To effectively apply and deploy the early warning system (EWS) to timely detect and warn loans with signs of risk. To strengthen monitoring of the quality of input and output data of risk measurement models to improve the model's predictability.

- To speed up the implementation progress and closely monitor information technology development projects and schemes, to promote digital transformation in VCB's operation to strengthen system capacity following security and safety.

- To regularly review, amend, supplement, and complete VCB's internal procedures, regulations, and policies to comply with new legal regulations and align with reality. To focus on improving the effectiveness of risk management following the regulations issued by government authorities and advanced standards of Basel II; to fulfill and apply regulations on banking governance in line with international practices.

- To strengthen inspection of construction activities, procurement of assets, goods, and services... To regularly review to develop, supplement, and amend regulations on the management of finance, norms, standards, and regimes following the provisions of law, meeting practical operation and management requirements.

- To improve the effectiveness and efficiency of direction and law enforcement throughout the VCB system; to thoroughly implement the Regulations on code of conduct and professional ethics of officials, regulations on information safety and security in the VCB system.

- To strengthen personnel management, timely prevent and detect ethical risks for VCB staff. To timely and strictly handle personnel who violate legal

regulations and internal regulations of VCB to improve the effectiveness of deterrence, prevention, and reduction of moral risks in VCB's operation.

4. The operation of Internal Control and Internal Audit:

- To continue strengthening internal inspection and audit, thereby timely and comprehensively identifying and controlling key banking activities risks, to focus on investing resources to maintain network security risks, information safety, and security.

- To continue to strengthen supervision measures and urge the implementation of inspection, examination, and auditing team recommendations to correct existing problems and errors, ensuring safe and effective banking operations.

- To enhance digital transformation, apply information technology in internal inspection and audit activities, take advantage of preeminent features of inspection and audit software; to research and propose improvements to audit methods, techniques, and usage of data processing tools to improve the efficiency and effectiveness of the internal audit and inspection apparatus.

- To strengthen the training, improving the quality of audit staff and the percentage of inspectors and auditors who obtain international professional certificates in internal audit and risk management.

5. The interests of shareholders:

The BOD and the BOM continue to ensure the legal rights of shareholders and effectively implement to increase charter capital to ensure financial capacity enhancement for VCB.

Based on the results of monitoring business activities, supervising the governance of the BOD, the BOM, and the business results in 2022 of VCB, the Supervisory Board would like to submit to the AGM for approval the following contents:

- (i) To approve the FY2022 consolidated financial statements of VCB, which have been independently audited by Ernst & Young Vietnam Co., Ltd and appraised by the Supervisory Board;

- (ii) To approve the Report of the BOD on the activities in 2022 and orientation for 2023;

- (iii) To approve the Report of the BOM on the activities in 2022 and

orientation for 2023;

(iv) To approve the Report of the Supervisory Board on operation in 2022 and orientation for 2023.

Respectfully,

ON BEHALF OF THE SUPERVISORY BOARD
HEAD OF THE SUPERVISORY BOARD

Lai Huu Phuoc