

**VIETNAM JOINT STOCK  
COMMERCIAL BANK FOR  
INDUSTRY AND TRADE**
**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

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**PERFORMANCE REPORT BY THE BOARD OF DIRECTORS FOR 2024  
AND TONE-SETTING FOR 2025**

In 2024, in the context of the world economy undergoing uncertainties and unpredictable fluctuations, the Vietnamese economy still maintained a sustainable recovery momentum and continued to register positive growth results. The Government, the State Bank of Vietnam (SBV) and other line ministries and regulators have drastically implemented many solutions to promote economic growth, supporting businesses and people to overcome difficulties. By the end of 2024, 15/15 targets set by the National Assembly are mainly met and exceeded, with the GDP growth rate reaching **7.09%**. Most sectors of the economy have improved, the macro-economic environment is stable, inflation is under control, major balances are maintained, production and business activities have changed positively, regaining growth momentum as in the period before the COVID-19 pandemic.

For VietinBank, 2024 is a pivotal year when the Bank consolidates our management and governance apparatus, including the Board of Directors (BoD) and the Supervisory Board (SB) for the new term 2024 - 2029 and the General Director (CEO). Under the strong direction of the BoD, new resources, along with new thinking and policies, on the basis of promoting the unique foundation of VietinBank, the Bank's business activities continue to register outstanding growth, successfully fulfilling the targets assigned by the General Meeting of Shareholders (GMS), thereby continuing to create a solid foundation for the Bank's development in the future.

**I. MEASURED PERFORMANCE AS ASSIGNED BY GMS**
**1. Implementing results of 2024 business plan**

As assigned by the GMS, VietinBank's BoD directed and drove aggressive business since the beginning of the year towards efficient, safe and sustainable growth.

A quick glance at the 2024 GMS-assigned key targets (*billion Vietnamese Dong, %*)

Indicator	Dec 31, 2023	Dec 31, 2024	Dec 31, 2024 vs. Dec 31, 2023		Targets set by 2024 GMS	Tracked against 2024 targets
			+/-	+/- %		
Total Assets	2,032,614	2,385,388	352,774	17.4%	Grow by 8-10%	Done
Fund Mobilization	1,526,275	1,757,995	231,720	15.2%	To grow pro-rata with credit growth, in alignment with the SBV-required adequacy	Done



Indicator	Dec 31, 2023	Dec 31, 2024	Dec 31, 2024 vs. Dec 31, 2023		Targets set by 2024 GMS	Tracked against 2024 targets
			+/-	+/- %		
					ratios	
Credit Exposure	1,478,228	1,725,877	247,649	16.8%	To grow by the SBV-approved quota and the SBV-run credit policy from time to time	Done
NPL ratio out of credit portfolio (Circular 31)	1.0%	1.1%			<1.8%	Done
Separate PBT	24,194	30,361	6,167	25.5%	26,300	115%
Consolidated PBT	24,990	31,764	6,774	27.1%		

(Source: Audited consolidated and separate financial statements FY 2023 and 2024)

VietinBank's key business highlights are below:

### 1.1. Selective and efficient credit growth

- Consolidated credit outstanding balance is **VND 1.73 quadrillion**, up by **16.8%** from 2023; credit growth rate remained steady from the beginning of the year and higher than the banking industry's average (15.08%).
- Outstanding loans grow proportionally in both corporate and retail banking segments with the shifting focus of the credit portfolio towards more robust growth of outstanding loans to retail and SME segments. Outstanding loans to these two segments have increased from **61.2%** in 2023 to **61.5%** of the total loan book in 2024.
- Credit growth is driven to high-priority industries and sectors as mandated by the Government and the SBV, critical domains of the economy with resources dedicated to providing support to the people and businesses in their economic activities and recovery efforts.

### 1.2. Effective funding growth and optimal funding structure

- During the year, VietinBank has implemented consistently a number of solutions to manage assets-liabilities effectively and grow the funding sustainably by leveraging flexible and diverse sources of local and foreign capital. The consolidated fund mobilization is nearly **VND 1.76 quadrillion**, up by **15.2%** compared to 2023.
- On a notable score, **CASA deposits** of VietinBank continue on a strong growth curve, reaching a volume of nearly **VND 400 trillion**, one of the **top 3 CASA acquirers** in Vietnam. CASA ratio out of the total deposits is **24.8%** which represents a remarkable improvement versus end of 2023's (**22.5%**). This is supporting very well in controlling VietinBank's costs of funds.
- VietinBank always keeps LDR (*Loan to Deposit*) and other liquidity ratios in compliance with the SBV requirements.

### 1.3. Ecosystem and cross-selling synergies

- VietinBank has planned strategically for the utilization of the ecosystem of our subsidiaries and

investees to provide diverse products and services to our customers. In 2024, VietinBank has put in place a committee on contributed capital management in order to identify and fix cross-selling issues, promote and improve the collaboration across segments and among business units, branches and subsidiaries. The total cross-selling profit of VietinBank's ecosystem has achieved an increase of 150% from 2023; ecosystem cross-selling contributes up to 26% of the total profit before tax of the subsidiaries.

**1.4. Effective risk management, boosted collection and recovery of bad debts and written-off debts**

- Risk management is enhanced. Customers of latent risk are forecast and identified while debt quality scenarios are taken care of. VietinBank makes more risk provisions as the amount of provisions in 2024 set at VND 27.6 trillion and the amount spent to write off is VND 17.7 trillion. The bad debt ratio as defined in Circular 31, by the end of 2024, is controlled at **1.1%** fulfilling the target of less than 1.8% as mandated by the GMS. The bad debt coverage ratio of 2024 has reached **171.7%** versus 2023's (**167.2%**) and remains satisfactorily high.
- We have implemented consistently debt collection and recovery programs for bad and written-off debts, run a centralized debt collection engine covering large exposures as well as a collection-in-proxy scheme. Collection of written-off debts amounts to **VND 8.48 trillion**, a sharp increase by **81.76%** compared to 2023, making significant contribution to the Bank's Total operating income (TOI).

**1.5. More effective cost efficiency and management**

- Operating cost efficiency remains high to achieve the best level in years. In 2024, VietinBank has dedicated our resources to funding direct business operations and digital transformation initiatives while carrying out thrifty, anti-waste practices, raising service quality and HR quality to facilitate VietinBank's sustainable development. VietinBank's CIR (*cost to income*) is controlled at **27.5%**, further improved from **29%** in 2023 and a more efficient level than most other banks.

**1.6. Sharp growth of operating income, the best performance in the banking sector**

- TOI is **VND 81.9 trillion**, up by **16.1%** from 2023, also **the best bank's income**.
- Net interest income (excluding guarantee fee income) is **VND 60.6 trillion**, up by **17.4%** compared to 2023 thanks to the effects of credit packages and preferential interest rate programs, etc. on credit growth. Growth of CASA and short-term deposits is promoted to optimize the Bank's costs of funds.
- While service fee income of banks tends to drop versus 2023's, net income of service delivery (including guarantee fee income) still achieves **VND 8.5 trillion**, up by **0.7%** versus 2023 mostly from card, trade finance, insurance, guarantee, deposit and lending services fees of which guarantee service fees amount to **VND 1.8 trillion**, increasing by **35.1%** from 2023.

In general, in 2024, VietinBank continued on our comprehensive business restructuring, transformation of business models, shifting of the lending structure, expanding the contribution of non-interest income while keeping optimal control of cost efficiency and operating costs. VietinBank's profit before provisions is **VND 59.4 trillion** or an increase by **18.5%** from 2023, **which is a record in VietinBank's history and the best performance in the banking sector**. Consolidated profit before tax is **VND 31.8 trillion**, up by **27.1%** compared to 2023. Separate profit before tax is **VND 30.4 trillion**, up by **25.5%** versus 2023, achieving **115%** of the GMS-assigned target, enabling a strong financial base for VietinBank to play the role as a systematically important state-owned bank of the economy and make sizable contribution to the state budget revenue and the country's socio-economic development.

## 2. Selection of an independent audit firm

As authorised by the 2024 AGM and 2024-2029 term on April 27, 2024, VietinBank BoD is delegated to make decision on hiring an independent audit firm for the review and audit of financial statements (FS) and the performance of VietinBank's internal control system in 2025, in compliance with Circular 39/2011/TT-NHNN, Circular 24/2021/TT-NHNN and their subsequent amending documents (*if any*) from the following list: KPMG Vietnam Ltd.; Ernst & Young Vietnam Ltd.; Deloitte Vietnam Ltd.; and PwC Vietnam Ltd.

VietinBank BoD is directing relevant departments in the process of selecting an independent audit firm for 2025 and then will make information disclosure in due course.

## 3. Distribution of 2023's earnings

At the GMS Resolution 27/NQ-DHĐCĐ dated April 27, 2024, the 2024 AGM and 2024-2029 term ratified the proposed distribution of 2023's earnings. VietinBank is applying to the regulators for approvals and VietinBank BoD is authorised to **(i)** decide and implement the official distribution of 2023's earnings upon the regulators' approvals; **(ii)** decide the amounts of money appropriated for different funds of 2024 from the 2023's separate profit after tax in the maximum amounts permitted in applicable law; and **(iii)** decide the utilisation of the annual managers' bonus fund in its legitimate stated purpose.

As approved by the SBV in official letter No.494/NHNN-TCKT dated January 22, 2025 and as authorised by the GMS, VietinBank BoD promulgated Resolution No.033/NQ-HĐQT-NHCT-VPHĐQT1 dated February 18, 2025 on the distribution of 2023's earnings. The profit leftover after making appropriations of funds of 2023 will be duly paid out as stock dividend to increase the Bank's charter capital upon the regulators' approvals.

## 4. Consolidating the personnel of the BoD/CEO, remunerations of the BoD and SB in 2024

### 4.1. Consolidation of the personnel of the BoD for 2024-2029 term and the CEO position

The 2024 AGM and 2024-2029 term on April 27, 2024 consolidated VietinBank BoD of 2024-2029 term with 09 members. Then on October 17, 2024, the extraordinary GMS ratified the election of 02 new members to VietinBank BOD and Mr. Nguyen Tran Manh Trung is appointed the CEO.

VietinBank BOD of 2024-2029 term consist of eleven members

- Mr. Tran Minh Binh – BoD chairman;
- Mr. Nguyen Tran Manh Trung – BoD member cum CEO;
- Mr. Tran Van Tan – BoD member;
- Mr. Le Thanh Tung - BoD member;
- Mr. Nguyen The Huan - BoD member;
- Ms. Pham Thi Thanh Hoai - BoD member;
- Mr. Nguyen Duc Thanh - BoD member;
- Mr. Nguyen Viet Dung - BoD member;
- Mr. Koji Iriguchi - BoD member cum Deputy CEO;
- Mr. Takeo Shimotsu - BoD member;
- Mr. Cat Quang Duong - independent BoD member.

### 4.2. Remunerations of the BoD and SB in 2024

Remunerations of the BoD in 2024 were paid as approved by the GMS. In 2024, VietinBank carried on to deliver multiple programmes to support the customers, and save and cut operating costs. According to official letter No.7456/NHNN-TCCB dated September 10, 2024 by the SBV

on the 2024 salary plan of VietinBank, the average salary paid to VietinBank's Managers in 2024 increased only by 1.6% from 2023 despite the fact that VietinBank's profit increased by 25.5% compared to 2023. The remuneration rate actually paid in 2024 to the BoD and SB is 0.12% of the 2024's profit after tax which is lower than the rate approved by the 2024 AGM and term 2024-2029 on Apr 27, 2024 (max. 0.25%). Particularly:

- BoD: VND 17,054 million (*including BoD member cum CEO*);
- SB: VND 3,939 million.

*(The remuneration of the Board of Management (BoM) is VND 12,993 million. The remuneration of each member of the BoD, SB and BoM is given at Notes 43 of VietinBank's 2024 audited consolidated FS and Notes 42 of VietinBank's 2024 audited separate FS).*

#### **5. Listing publicly offered bonds in 2024 by VietinBank on Hanoi Stock Exchange after the offerings are done**

The 2024 AGM and 2024-2029 term on April 27, 2024 ratified the listing of publicly offered bonds (POB) in 2024 by VietinBank on Hanoi Stock Exchange (HNX) after the offerings are closed. VietinBank BoD is authorised to direct the registration of listing VietinBank POBs in 2024 on HNX in compliance with applicable law.

In relation to the issues of POB, following VietinBank BOD resolution 240/NQ-HĐQT-NHCT-VPHĐQT1 dated July 3, 2024 and Decision by the CEO No. 2894/QĐ-TGD-NHCT-KDVTT2 dated November 19, 2024, the State Securities Commission (SSC) issued a certificate of registration of POBs No. 233/GCN-UBCK dated December 16, 2024 with a total value of **VND 8,000 billion**, scheduled for two tranches (*VND 4,000 billion each tranche*). On January 15, 2025, VietinBank's done the first tranche of POBs successfully for **VND 4,000 billion** and made disclosure of information in due course. VietinBank is currently proceeding to list the POBs of the first tranche in due course. VietinBank is issuing the second tranche of POBs from 20/3/2025 to 16/4/2025.

#### **6. Addition of securities clearance and settlement services to VietinBank's lines of business**

At the GMSR No. 27/NQ-ĐHĐCĐ dated April 27, 2024, the 2024 AGM and 2024-2029 term ratified *(i)* the addition of securities clearance and settlement services as defined at Point a, Clause 4, Article 56 of the Law on Securities to VietinBank's lines of business in compliance with applicable law; *(ii)* delegating VietinBank BoD to make decisions and direct the implementation of next steps concerning the Government regulators in due course.

However, so far the new IT system (KRX) is not operated yet. VietinBank continues following up with the progress of the KRX system in order to apply to the SSC for the license of securities clearance and settlement services (clearing house's license).

#### **7. Authorising VietinBank BoD to approve the promulgation of the revised financial statute of VietinBank upon the SBV's consent**

Pursuant to the provisions of 2024 Law on credit institutions (CIs) related to the SB; management of capital and asset use; revenue, expenses, profit distribution, accounting regime, auditing work, authority over capital contribution plans, purchase and sale of shares, capital contributions and investments, purchase and sale of fixed assets, ....., VietinBank is drafting the revised financial statute and submit to the SBV before promulgation.

#### **8. Amendments to VietinBank's Charter, the statute of VietinBank's BoD and the statute of VietinBank's SB**

The 2024 AGM and 2024-2029 term on April 27, 2024 ratified the changes in the contents

and the full consolidated texts of VietinBank's Charter, the statute of VietinBank's BoD and the statute of VietinBank's SB, and had the BoD Chairman sign the promulgation of VietinBank's Charter and the statute of VietinBank's BoD, had the Chief of the SB sign the promulgation of the statute of VietinBank's SB, those texts consolidating the changes ratified by the GMS and revised by the BoD at the SBV's request. VietinBank finalised and promulgated VietinBank's Charter, the statute of VietinBank's BoD and the statute of VietinBank's SB on June 25, 2024 and disclosed information in due course.

#### **9. VietinBank's restructuring plan in association with bad debt recovery for the 2021-2025 period (the restructuring plan)**

At the AGM Resolution No. 27/NQ-ĐHĐCĐ dated April 27, 2024, the 2024 AGM and 2024-2029 term approved the content of the restructuring plan while assigned VietinBank BoD to (i) design, approve and implement the solutions and recommendations provided in the GMS-approved restructuring plan; (ii) approve any changes and revisions to the restructuring plan in line with the practical situation and at the Government regulators' requests (if any).

Therefore, as requested by VietinBank's practical situation and the SBV, VietinBank BoD approved several changes to the restructuring plan. VietinBank is currently dedicating our resources to the implementation of the solutions and recommendations provided in the restructuring plan.

## **II. GOVERNANCE REPORT**

### **1. Streamlined, reformed and improved human resources of all levels, drastically promoted increased labor productivity**

VietinBank consolidated the management structure, elected additional members of the BoD and the General Director (CEO); took actions to streamline the organizational model, unified measures to improve the human resources, reviewed and re-evaluated leadership of all levels, and classified human resources quality at units; developed high-quality human resources through internal recruitment examinations, identification and training of talents in the NextGen and Hipo Top 500 programs.

The Bank proactively implemented the human resources plan through recruiting high-quality people and providing them with upskill trainings to qualify for digital transformation (DX) and business-as-usual (BAU) activities, in particular: training and developing human resources with focus on improved DX capacity and quick-wins; sales capacity and expertise for the sales force at branches as well as management and leadership capacity for leadership roles.

### **2. Drastically drove digital transformation in every aspect of business and governance activities**

In 2024, VietinBank finished the important "momentum-gaining" phase with 45 priority initiatives, laying a solid foundation for the DX journey. The implementation of such initiatives helped increase automation, save time and operating costs, and improve labor productivity. In particular, the introduction of Digital Factory (DF) in June 2024 was the cornerstone; the adoption of Agile way-of-work enables continued improvement through shorter time-to-market and prompt feedback collection. The transformation journey at VietinBank is people-centric, vacancies have been promptly filled in and personnel have been continuously upskilled. The DX spirit has permeated, promoting synergy and innovation throughout the Group.

### **3. Further fine-tuned the model and promoted DX application in risk management**

Adjusted policies on KPIs and credit authority, proactively identified potential non-performing loans (NPLs), developed a machine learning model to optimize early warning

system, etc. for the purpose of effective control of bank-wide debt quality. Focused on managing newly emerging risks, strengthened risk monitoring/warning, and effectively deployed information security activities, prevented and responded to IT downtime.

VietinBank combined the Party's regular inspection and supervision with professional inspection, adopted a new and creative way of communication and training, and improved the quality of human resources in risk management.

#### **4. Further strengthened financial capacity, improved financial governance through financial supervision and management, and control of operating costs**

VietinBank took integrated measures to improve capital capacity, consolidate financial resources to facilitate sustainable business development while securing minimum capital adequacy ratio (CAR) according to Circular 41 and improving reserve capital buffer according to Circular 13. Further optimized efficiency, controlled the positive income-expense ratio, prioritized cost budget for business promotion activities at units and bank-wide DX support.

#### **5. Continuously improved service quality and customer experience**

Focused on promoting service quality, took the lead in the implementation of the Customer Experience Management Project to increase customer satisfaction and engagement and promote the customer-centric culture; completed a set of automatic tracking and measurement indicators, managed service quality on customer touchpoints according to practices. VietinBank listened to the voice of millions of customers through conducting 10 customer experience (CX) survey campaigns on 5 transaction channels every quarter and piloting measurement of CX indicators throughout DX customer journeys to identify painpoints and propose solutions. Promoted a consistent service quality experience across the bank through regular service quality monitoring and training to improve bank-wide service quality.

#### **6. Strictly follow corporate governance requirements applicable to large-sized public listed companies**

##### **6.1. Meetings, Resolutions and Decisions by the BoD**

In 2024, VietinBank's BoD held regular meetings to evaluate business results, provide orientations, direct operations, and discuss contents and topics for VietinBank's governance. In addition, the BoD also decided on many other issues in the form of meetings/collection of written opinions. The list of Resolutions/Decisions made by the BoD in 2024 is published in Appendix 1 - Report on Corporate Governance in 2024 of VietinBank.

##### **6.2. Activities of the BoD's members**

The BoD, Chairman of the BoD evaluate the performance results in 2024 of each member of the BoD. Accordingly, all members of the BoD have fully performed their functions and duties in accordance with the Charter of VietinBank, the statute on organization and operation of the BoD of VietinBank, the statute on supervision activities of the BoD of VietinBank and applicable law, ensuring the overall operational efficiency of VietinBank and our shareholders; research and evaluate the situation and results of operations and contribute to VietinBank's development orientation and business plan; attend meetings of the BoD, discuss and vote on issues under the duties and powers of the BoD in accordance with regulations and take responsibility before the GMS and the BoD for their decisions; implement the resolutions and decisions of the GMS and the BoD and be accountable to the GMS and the BoD for the performance of assigned tasks upon request; perform other rights and obligations as assigned by the BoD, the Chairman of the BoD and in accordance with the law. At the same time, the members of the BoD also carried out comprehensive monitoring activities in key areas of VietinBank's activities, promptly identified and supported to resolve and overcome shortcomings and limitations in the direction and

*Performance report by the BoD for 2024 and tone-setting for 2025*

implementation of activities at all levels.

### **6.3. *Activities of the independent member of the BoD and the independent member's evaluation of the activities of the BoD***

Activities of VietinBank's independent BoD member in 2024 have been organized and implemented in compliance with VietinBank's Charter, statute on organization and operation of the BoD, applicable laws and current internal regulations, and fully implemented the contents of the Resolution of the GMS and the contents authorized by the GMS, performing a prominent and active role in orienting the business strategy and operation of the system, monitoring the implementation as well as managing risks, contributing positively to the overall performance of the system (*Details in the report on activities of independent BoD member and evaluation by independent BoD member of the activities of the BoD*).

### **6.4. *Report on the transactions between the subsidiaries and companies where VietinBank holds control of more than 50% of the charter capital with a BoD member and his/her related persons; transactions between VietinBank and companies where a BoD member is a founding member or a corporate manager for the last three years prior to such transactions***

In 2024, VietinBank conducted 30 transactions with **(i)** our subsidiaries (VietinBank Fund Management One-Member Limited Liability Company; Vietnam Industry and Trade Bank Limited in Laos – VietinBank Laos; VietinBank Insurance Joint Stock Corporation; VietinBank Securities Joint Stock Company; VietinBank Gold & Jewelry One-Member Limited Liability Company; VietinBank Financial Leasing One-Member Limited Liability Company); **(ii)** our affiliate (Indovina Bank Ltd.); **(iii)** VietinBank's major shareholder (MUFG Bank, Ltd.).

In which, **02** transactions were conducted with VietinBank Laos, a subsidiary of VietinBank and member of VietinBank BoD Pham Thi Thanh Hoai who is the chairwoman of VietinBank Laos's board of members (*Annexes 3 and 4 of the 2024 report on Corporate Governance of VietinBank*).

### **6.5. *Activities of the BoD-level committees***

As of December 31, 2024, VietinBank has **09 committees under the BoD**, namely Human Resources Committee, Risk Management Committee, Policy Committee, Strategy Committee, Assets – Liabilities Management Committee (ALCO), IT Committee, Service Quality Committee, Capital Contribution Management Committee, and Debt Quality Management Committee. The committees were formed in compliance with regulations of the SBV and relevant laws. The BoD assess that in 2024, these committees have closely coordinated with relevant departments to fully, promptly and effectively perform the functions and tasks in accordance with the statutes of the committees issued by the BoD. Thereby, the committees under the BoD have helped the BoD enhance the effectiveness of governance and supervision by the BoD over the units and individuals subject to the supervision by the BoD. Detailed results of the committees's activities in 2024 are in the attached Appendix.

### **6.6. *Supervision of VietinBank's Executives***

Supervisory activities by the BoD of VietinBank's BoM are carried out in accordance with the statute on supervision activities of the BoD of VietinBank. Accordingly, members of the BoD, committees under the BoD and supervision visits help the BoD carry out regular supervision activities in the annual and ad-hoc supervision plans. The Office of the BoD is the unit that advises and assists the BoD in organizing and implementing supervisory activities of the BoD; individuals and units subject to supervision are notified of the annual or ad-hoc supervision plan of the BoD, and assignment of supervisory tasks by members of the BoD.

Based on the assignments of regular and ad-hoc supervision under the supervision plan, the BoD conducts supervision activities in the following forms:

- **Reviewing reports:** Members of the BoD and Committees under the BoD consider reports according to their assigned supervisory scope or under the direction of the Chairman of the BoD for each specific report. After reviewing the report, members of the BoD and the Committee under the BoD shall prepare a report on supervision results and send it to the Chairman of the BoD or report on the results of supervision at the periodic or extraordinary meetings of the BoD.
- **Meetings with individuals and units under supervision:** The Chairman of the BoD or a member of the BoD participates in meetings with individuals and units under supervision. After the meeting, the members of the BoD report to the Chairman of the BoD on arising issues related to the monitoring content discussed in the meeting for handling, further instructions, or reporting to the BoD at the regular or extraordinary meetings of the BoD.
- **Supervision visits:** Based on the annual supervision plan as approved by the BoD or upon the emergence of an ad-hoc supervision request, the BoD chairman decides the formation of a supervision visit to conduct a supervision. A supervision visit is led by either the BoD chairman or a BoD member. Once a supervision visit is done, a supervision report is submitted to the BoD chairman. Based on such supervision report, the BoD chairman decides to hold a full BoD meeting to discuss and handle any issues and recommendations raised in the supervision report under the BoD's authority.

The supervision by the BoD in 2024 has been strongly implemented and contributed to enhancing the performance of the high-level supervision and oversight at VietinBank. In 2024, the BoD conducted 11 themed oversights in the Bank's critical areas (1) Group-wide credit business, shifting of credit portfolio structure and debt quality management; (2) ALM performance and financial governance; (3) CASA, non-interest income, cross-selling and ecosystem business performance (excluding subsidiaries' ecosystems) and channel migration; (4) priority banking; (5) collection of write-offs, debt quality control and enhancement of debt recovery performance; (6) service quality; (7) labour productivity; (8) capital construction, procurement and assets management; (9) branch business by their region; (10) development of payment services; and (11) promotion of ecosystem cross-selling among HO divisions, branches and subsidiaries. BoD members and BoD-level committees are assigned with supervision by different themes and reporting to the BoD every month or as requested in their supervision plans.

At the monthly meetings of the BoD, the Deputy CEO in charge of the BoM/CEO on behalf of the Executives of VietinBank fully reported on VietinBank's activities, highlighted activities in the month on: (i) interest rate policies, growth promotion programs; (ii) products and services; (iii) customer support; (iv) internal control and inspection; (v) risk management and debt recovery; and (vi) business plans for the following months, etc. The Deputy CEO in charge of the BoM/CEO also reports the progress and results of implementing the Resolutions of the GMS, the resolutions, decisions, directions by the BoD or reports at the request of the Chairman of the BoD, members of the BoD, BoD-level committees, reporting on topics at the request of the BoD to support the supervisory activities of the BoD compliance with risk control limits, proposed measures when the limit(s) is in danger of being breached or the likelihood of unanticipated material risks, other proposed contents to the BoD. BoD members also play their roles in supervising, leading and working closely with the BoM members for the purpose of business development, implementing frequent PDCA in keeping up with the timelines, promptly resolving problems and issues to support the BoM and business units to overcome the bottlenecks encountered in business activities.

Through the supervision activities of the BoD, it shows that the Executives always promptly report, receive the orientations and directions of the BoD, and organize the implementation of these contents across the system by assigned functions and tasks. Based on the direction of the BoD in business strategy, the Deputy CEO in charge of the BoM/CEO has built and assigned tasks to each member of the BoM, directing and assigning specific business targets and tasks to each Division/Department, making a complete and timely report in writing to the BoD on the results of performance of assigned tasks. In 2024, the Executives have dedicated resources to implementing foundational topics and enablers, shifting the tenor structure of the funding mix, CASA growth and credit growth by controlling risk and the quality of credit portfolio, cost efficiency, prioritizing costs for business and digital transformation programmes, strongly innovate across all lines of operation and business (HR, branch management, IT capabilities, service quality and labour productivity, etc.). At the same time, the Executives also reviewed and consolidated VietinBank's system of internal governance mechanisms and regulations and policy documents in a streamlined and coherent manner, actively supporting and promoting business activities, quickly resolve difficulties and problems for branches in order to improve competitiveness while strictly controlling key risks.

In addition, in 2024, the supervision by the BoD continued to improve and enhance with the Executive Monitoring System (EMS). The assignment and tracking of work tasks, and reporting the implementation progress of the resolutions and decisions by the BoD, BoD chairman and other members are now done on this system that helps raise the quality and progress of work.

Going forward, the supervision and oversight by the BoD over VietinBank's Executives stay focused on thematic and specialised oversight of foundational enablers and critical areas of the Bank to drive the Executives to take timely actions in prevention of risk and improvement of VietinBank's operating performance.

### III. TONE-SETTING FOR 2025

#### 1. Tone-setting for 2025

In 2025, global economic growth is forecast to remain resilient; however, downside risks are still present; in particular, geopolitical tensions and potential conflicts in some regions of the world continue to escalate and become complicated; the risk of trade war and increased protectionism, etc. Central banks around the world are projected to further loosen monetary policy as inflation shows signs of easing. However, the pace and extent of interest rate cuts will depend on the situation of each economy, and especially developments in the U.S. Amid uncertainties in global trade, Vietnam is forecast to see positive growth (~8%) mainly driven by recovery of domestic consumption, public investment, improved private investment, along with exports and FDI relocation to Vietnam to leverage trade advantages. The SBV is expected to continue with flexible policy tools in order to stabilize exchange rates, control inflation while ensuring safety and liquidity of the banking system, effectively funding the economy, facilitating the development of CIs.

The year 2025 is a milestone in delivery of economic targets in the 2020-2025 period for the banking industry in general and VietinBank in particular. VietinBank will further affirm our role as the systematically important bank, taking the lead in executing the guidelines and policies, serving the socio-economic development, helping secure money market environment and promote the thriving of the country in “Vietnam's Era of National Rise”. Accordingly, VietinBank will try our best to keep focusing on **four strategic objectives** (i) Growing core revenue streams to ensure efficiency and sustainability; (ii) Increasing customer engagement, becoming the main bank of customers; (iii) Managing resources effectively; and (iv) Enhancing

risk management capacity.

#### **Directions on some key and critical activities**

- Execute monetary, credit and foreign exchange solutions, implement the restructuring plan as instructed by the Government and the SBV.
- Maintain the sustainable growth of balance sheet, increase the proportion of highly profitable products with inherent risk within the prescribed limits, and diversify the access to banking and financial services for the economy.
- Continue with measures to control interest rates, support individuals and businesses in accordance with the instruction of the Government and the SBV, effectively accelerate the progress of preferential credit packages as per the direction of the Government and the SBV.
- Effectively manage assets and liabilities, mobilize resources to promote deposit growth, ensuring liquidity safety, with particular focus on the growth of CASA and low-cost fund.
- Increase the proportion of non-interest income, drastically and thoroughly improve the quality of products and services.
- Accelerate bad debt collection and recovery.
- Continue to strengthen the organizational structure; streamline the workforce, improve the quality of human resources, develop talents in association with digital transformation, and promote increased labor productivity.
- Improve the quality of services provided to customers, switch to service quality management based on customer journey. Continue to accelerate the transition to transactions on digital channels.
- Continue with integrated solutions to improve financial capacity, effectively leverage resources; manage cost efficiency, secure a positive jaws ratio.
- Embrace customer centricity, increase customer engagement, facilitate customer transactions while saving operating costs.

## **2. Key business indicators of 2025**

Based on the business targets VietinBank has registered with the competent State agencies, we would like to submit to the GMS several basic targets for 2025 as follows:

<b>Indicator</b>	<b>Targets for 2025</b>
Total assets	Grow by 8% - 10%
Credit exposure	In line with the credit growth quota as approved by the SBV and the credit management policy as directed by the SBV from time to time
Fund mobilization	Grow in line with credit growth rate, compliant with the liquidity security ratios
NPL ratio out of credit exposure	< 1.8%
Separate profit before tax	As approved by the regulators ( <i>VietinBank is to keep improving business performance and playing the role of a systematically important bank</i> )

Dividend	Dividend payout rate and structure ( <i>cash, stocks</i> ) are subject to the regulators' approval and in compliance with applicable law.
Operating adequacy ratios	In compliance with the SBV requirements

We hereby request the GMS to allow authorising VietinBank BoD to decide the official indicators upon obtainment of the competent State agencies' approval, market developments and VietinBank's practical business and to make information disclosure in due course.

Respectfully submitted to the GMS for ratification of this report.

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**



**Tran Minh Binh**

**APPENDIX****PERFORMANCE RESULTS OF COMMITTEES UNDER THE BOARD OF DIRECTORS****1. HR COMMITTEE**

HR Committee is an agency in charge of advising and assisting the BoD on dealing with issues under the BoD's authority in developing HR policies, recruiting, and arranging titles under the BoD's authority; assisting the BoD in supervising the implementation of HR mechanism and policies as well as HR management activities of VietinBank. In 2024, the HR Committee advised and assisted the BoD in:

- Streamlining the organizational model, restructuring the network towards the goal of optimizing operational efficiency in 2025 and thereafter.
- Continuing to implement the project of streamlining, innovating, improving the quality of VietinBank workforce and achieving some roadmap-based results according to the set roadmap. Up to now, no legal risks related to the issue of reviewing and classifying personnel have been recorded.
- Consolidating the personnel under the BoD in charge of units in VietinBank system to ensure compliance with VietinBank regulations and procedures.
- Comprehensively innovating the system of policies on personnel and salaries.
- Comprehensively innovating the VietinBank Officials Management Regulations according to the regulations of the Party and the SBV.
- Organizing the official's recruitment on a large scale with numerous innovations and breakthroughs (*recruiting the positions of Branch's Director and Deputy Director*).

In 2025, HR Committee will continue to advise and help the BoD effectively implement the project of HR streamlining and innovation and improving the quality of VietinBank's human resources; consolidate the organizational model and HR affairs under the authority of the BoD, manage and plan the network to ensure compliance with regulations and increase the operational efficiency of VietinBank.

**2. Risk Management Committee**

As the advisory body of the BoD in risk management activities across VietinBank's system, in 2024, Risk Management Committee performed tasks as follows:

- Advising the BoD on various policies, guidelines and directions on risk management activities such as: Promoting credit orientation (controlling key customer groups, controlling external credit granting, ESG compliance); strictly controlling the compliance of risk appetite, risk management strategy in the period of 2024-2026; Controlling debt quality and setting aside provision costs; Improving the efficiency of debt classification, collection and handling; Consolidating the system of policy documents on risk management in accordance with the amended Law on Credit Institutions and other legal provisions; Building and editing systems/tools to support risk management; Improving the method of controlling/managing RWA; Promoting IT risk

- management; Strengthening measures to control and minimize fraud risks.
- Coordinating with the RM Committee of other commercial banks to organize *Vietnam Commercial Bank RM Committee Seminar in 2024* with the theme "**IT Risk Management**". The seminar received the participation of commercial banks; experts from consulting and insurance companies in risk management and IT field, and the participation of representatives of the SBV agencies. This seminar provided useful insights in enhancing connections and sharing experiences in the process of organizing and operating IT risk management activities at the RM Committee in commercial banks, especially in the context of digital transformation trend in the banking industry on the rise nowadays. With the Seminar, VietinBank is honored to engage in maintaining the connection and sharing of information between the RM Committee of commercial banks, thereby contributing to the sustainable development of the Vietnamese banking system.
  - Proposing and recommending to the BoD various important issues on risk management, based on monitoring the development of risk status at VietinBank and ensuring that VietinBank business activities are safe, effective, and in compliance with legal regulations given the economy still facing many fluctuations internally and externally. At the same time, the RM Committee has advised the BoD to deploy key projects related to risk management activities, helping to minimize risks and maximize profits, towards safe, effective and sustainable business growth.

In the coming time, the Risk Management Committee will continue to promote and enhance its role in advising the BoD in implementing initiatives aimed at advanced international practices in risk management. Strengthen supervision of the implementation of the Risk Management Committee's decisions to ensure effective implementation of risk prevention measures, timely response and continuity of safe and effective business operations in the face of economic fluctuations.

### 3. Policy Committee

The Policy Committee is an advisory body that assists the BoD in ensuring the relevance, completeness and consistency of VietinBank's policy documents. In 2024, the Policy Committee:

- Monitoring and grasping changes in legal regulations, market trends in digitalization, identifying and assessing the impact of nearly 50 newly adjusted legal documents, including a series of Laws that have a profound impact on banking activities such as the Law on Credit Institutions, Land Law, Housing Law, Law on Real Estate Business... and guiding Decrees and Circulars. Based on that, the Committee advised the BoD to develop a plan to adjust internal policy documents, as well as direct the BoM to promptly adjust relevant internal regulations, ensuring compliance with legal regulations, as well as promoting business activities, while monitoring and supervising the issuance of internal policy documents;
- Directly reviewing and evaluating the plans to adjust policy documents in the divisions/departments/boards and monitoring the implementation progress according to the approved plan;
- Controlling the directory tree of policy documents to ensure streamlining, avoiding the

- widespread issuance of policy documents affecting users;
- Coordinating in the implementation of digital transformation to advise the BoD in rebuilding operating procedures to improve labor productivity, enhance user experience, minimize unnecessary operational steps, and control risks.
  - Continuing to advise the BoD on guiding the BoM to complete the centralized document storage and search tool, ensuring the completeness of documents as well as the confidentiality of VietinBank document storage.

In 2025, Policy Committee will continue to advise the BoD in development and adjustment of policy documents in a timely manner in accordance with changes of legal regulations, control VietinBank's current policy document system to ensure streamlining; Continue to coordinate in digital transformation activities to implement plans to streamline processes, as well as adjust policy document storage system to conveniently serve users.

#### 4. Strategy Committee

The Strategy Committee is an advisory body that assists the BoD in building and supervising the implementation of long-term business strategies, medium-term business plans, annual business plans and key topics, resolving the bottlenecks in VietinBank's business. In 2024, Strategy Committee:

- Organizing meetings, discussing and evaluating the international and domestic macro environment (economy, policy, technology, ...), the industry environment and the internal environment that affect VietinBank's strategy and operations; assessing the results of monitoring the implementation of key topics in 2024 in both business and platform aspects; discussing bottlenecks in the business model and advise the BoD on solutions;
- Discussing and agreeing on the 2025 annual plan target map that covers the Bank's core activities, with close links between key business and foundational goals and solutions, between units and segments in VietinBank ecosystem, in line with market conditions and VietinBank's long-term strategy;
- Assisting the BoD in coordinating strategic and comprehensive implementation tasks to be consistent with VietinBank's orientation and operational reality.

In the coming time, the Committee will continue to promote and enhance its role in advising the BoD in monitoring and assessing the macroeconomic situation and impacts on banking operations. Supervise the implementation of VietinBank's key themes and propose solutions to promote the Bank's development pillars including BAU associated with the digital transformation strategy, ecosystem business and cooperation with the subsidiaries, and sustainable finance.

#### 5. ALM Committee (ALCO)

ALCO Committee is the body that advises and assists the BoD in the management of Assets and Liabilities. In 2024, ALCO Committee:

- Advising the BoD on directions and measures: *(i)* Optimize the efficiency of the Asset-Liability portfolio; *(ii)* Closely monitor the development of the Bank-wide risk index;
- Advising the BoD on measures to manage liquidity risk, interest rate risk and market risk,

giving the orientation of the management of VietinBank interest rate policy for customers and internal capital transfer pricing policy, ensuring the appropriate implementation of business objectives as well as the overall benefits of VietinBank.

In the coming time, the ALCO Committee will continue to closely monitor market developments to promptly advise the BoD to direct and implement measures to improve the management of VietinBank's balance sheet while managing risk and in compliance with internal regulations and the regulators's requirements.

## 6. IT Committee

The IT Committee advises and assists the BoD in VietinBank's IT-related affairs in alignment with the Bank's business strategy, optimizing resource utilisation and managing IT risks. In 2024, IT Committee:

- Advising the BoD on IT-related issues, including: *(i)* Approving the strategies and plans for IT application development, Board-level policy documents on IT activities, annual investment & procurement plans and programs; *(ii)* Monitoring, assessing tasks performance under the BoD approval authority and the effectiveness of IT activities.
- Organizing regular meetings, discussions to analyze, evaluate, inspect the supervision and promote IT activities; thereby reporting and proposing to the BoD various issues on the overall management of business architecture, technology architecture, investment and procurement plans, IT human resources plans; digital transformation initiatives on technology, management responsibilities and monitoring the effectiveness of IT projects & systems implementation.

In the coming time, the IT Committee will continue to promote its advisory role to the BoD in directing and supervising the implementation of digital transformation initiatives in technology, investment and implementation plans of key technology projects, optimize the leverage of technologies to enhance VietinBank's core technological capabilities with an aim to be the most trusted digital bank in Vietnam. In addition, IT Committee will also advise the BoD to develop key IT policies and deliver IT upskilling to respond to the rapid changes in the business environment and digital transformation trends.

## 7. Service Quality Committee

The Service Quality Committee is an advisory body that assists the BoD in managing service quality across the entire bank, improving operational foundation capacity, and linking with the Bank's business strategy and sustainable development. In 2024, the Committee focused on:

- Researching and advising the BoD on key topics as well as orientations for innovation and improvement to enhance the service quality of VietinBank such as strengthening the service quality management mechanism throughout from the Committee level to HO SQ Council level, Branch SQ Council, dealing with communications in case of events affecting the service quality; improving the capacity and quality of handling complaints; adjusting the method of measuring and calculating KPIs on service quality for branches.
- Organizing regular meetings, reporting the results of service quality assessment and quality

management activities on all channels and customer touchpoints; completing automatic reporting of service quality assessment indicators on 05 channels; analyzing the causes; discussing and proposing solutions to resolve existing problems, thereby reporting and recommending to the BoD some directions to improve service quality.

In 2025, the Service Quality Committee will continue to enhance its advisory role to the BoD in setting the direction of the development of comprehensive service quality management, specifically:

- Continuing to advise the BoD in guiding the development of service quality management activities comprehensively in all aspects (from sales quality, service quality provided to customers, operational quality to customer care quality on all channels), IT application, digital transformation in improving processes and procedures to enhance the experience of external and internal customers;
- Monitoring the implementation results of solutions on service quality improvement, enhancing customer satisfaction with VietinBank service quality; thereby contributing to promoting business activities and building the Bank's brand image.

#### **8. Capital Contribution Management Committee**

Capital Contribution Management Committee serves as an advisory body to the BoD in managing, supervising, and evaluating the effectiveness of VietinBank's capital investments in its subsidiaries. It provides overall directions for restructuring, promoting, and increasing the value of VietinBank's capital contributions in these subsidiaries. In 2024, the Capital Contribution Management Committee focused on:

- Organizing meetings, discussing, assessing the current situation of units receiving capital contributions from VietinBank, identify key bottlenecks that need to be resolved and advise the BoD on solutions;
- Discussing and agreeing on the direction for capital contribution activities, consisting of transforming the monitoring model to both promote growth and enhance the monitoring role; improve risk management capacity, IT capacity and core operations of capital receiving units; discussing and agreeing on the direction of ecosystem development to increase the strength of the entire system as well as products and services to serve the diverse needs of VietinBank customers.
- Assisting the BoD in coordinating the implementation of comprehensive and strategic tasks to be consistent with the orientation and actual operations of the VietinBank system and VietinBank capital receiving units.

Going forward, Capital Contribution Management Committee will continue to enhance its advisory role to the BoD in long-term strategic direction and implement solutions to achieve the strategic objectives of VietinBank's capital-receiving entities. It will also monitor the implementation of solutions by these entities, ensuring alignment with the strategic goals of VietinBank.

#### **9. Debt Quality Management Committee**

Debt Quality Management Committee is an advisory body to the BoD, assisting in risk

identification, debt quality control, and bank-wide debt recovery management. It supervises and evaluates the effectiveness of debt recovery efforts and provides overall directions to enhance credit quality and the effectiveness of VietinBank's debt recovery activities. Established in December 2024, Debt Quality Management Committee will focus on the followings in 2025:

- Advising the BoD on overall orientation, plans, roadmaps, and implementation solutions to boost the effectiveness of risk identification, debt collection and settlement in VietinBank system.
- Monitoring and evaluating the progress and effectiveness of performing risk identification, debt collection and settlement solutions in VietinBank system; advising on appropriate measures to improve efficiency.
- Monitoring and forecasting the performance of VietinBank credit portfolio quality control indicators as stipulated in the Risk Appetite and Risk Limit Statements, and advising on appropriate control measures.

**VIETNAM JSC BANK FOR INDUSTRY  
AND TRADE**

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

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Tel: 024.39421030; BRC 0100111948  
13<sup>th</sup> revision on January 8, 2024

*Hanoi, April 17, 2025*

**PERFORMANCE REPORT AND EVALUATION OF THE ACTIVITIES OF  
THE BOD BY THE INDEPENDENT MEMBER OF THE BOD**

Pursuant to clause 4, Article 280 of Decree 155/2020/NĐ-CP dated Dec 31, 2020 by the government detailing several articles of the law on securities, the independent member of the BoD hereby reports her performance and evaluation of the activities of the BoD of VietinBank in 2024 as follows:

**I. ACTIVITIES OF THE INDEPENDENT MEMBER OF THE BOD**

In exercise of the powers and responsibilities of the independent member of the BoD as specified in the laws and VietinBank's internal regulations, the independent member of VietinBank BoD fully participates in the activities of the BOD, implements responsibly the work tasks assigned by the BoD chairman, and complies with the laws, VietinBank's charter and other internal regulations, specifically:

**1. Exercising the rights and duties of a BoD member**

a) Fully participate in the meetings of the BoD, give opinions/votes on discussed contents with the awareness of ensuring compliance with the provisions of law, VietinBank's Charter, internal regulations and with the intention of building VietinBank for safe, efficient and sustainable development.

b) For the issues under the authority of the BoD that are voted in the form of written opinions: researched and fully reviewed the documents enclosed to the Opinion Sheet and provided comments. Vote independently, ensuring compliance with laws and internal regulations of VietinBank with good progress.

- Participate in opinions/voting to promulgate internal regulations related to organization, personnel, governance and operations of VietinBank and other issues under the authority of the BoD.

- Participate in opinions/voting to approve issues related to credit activities and other activities under the authority of the BoD.

- Participate in giving opinions/voting on programs and activity plans of the BoD, agenda, contents and documents for the General Meeting of Shareholders (GMS) and the convening of the GMS.

**2. Exercising the duty as the independent member of the BoD:**

a) Supervised the vote counting and prepared vote counting minutes to collect opinions from members of the BoD for all documents under the authority of the BoD to approve, ensuring accuracy in accordance with the provisions of law and VietinBank's Charter, and signed all Vote Counting Minutes.

b) Prepared the report evaluating the activities of the BoD in accordance with VietinBank's Charter.

### **3. Participating in addressing legal affairs as assigned by the BoD:**

Engaging in supervisory activities for the BoM, ensuring the implementation of guidelines, directions, and policies as per Resolutions and Decisions of the BoD at Branches in Region 5. This includes participating in BoM meetings on promoting business activities, debt collection and settlement, as well as thoroughly reviewing reports related to branch management in Region 5. Based on these reviews, recommendations or proposals are made to the BoD for resolution within their authority, or tasks are assigned/urged upon the BoD to address and mitigate existing issues, limitations, and latent risks for Branches and VietinBank.

### **4. Exercising the duty as a member of the BoD-level Risk Management Committee:**

Attended all meetings of the Risk Management Committee and give independent opinions on discussion topics. Fully participated and ensured the progress of providing comments to the contents requested by the Risk Management Committee, actively contributed in building VietinBank's risk management strategies, policies, and processes.

Furthermore, all other assigned tasks have been carried out responsibly and effectively.

With their independent involvement in the BoD, the Independent Members of VietinBank's BoD have actively contributed to enhancing the quality, objectivity, and transparency of the Board's resolutions and decisions.

## **II. EVALUATION BY THE INDEPENDENT MEMBER OF THE BOD'S ACTIVITIES**

### **1. BoD structure:**

The 2024 AGM and term 2024-2029 (*April 27, 2024*) and the 2024 Extraordinary GMS (*October 17, 2024*) approved the list of elected members for VietinBank's BoD for term 2024-2029. The approved list includes 11 members (*Mr. Tran Minh Binh, Mr. Nguyen Tran Manh Trung<sup>1</sup>, Mr. Tran Van Tan, Mr. Le Thanh Tung, Mr. Nguyen The Huan, Ms. Pham Thi Thanh Hoai, Mr. Nguyen Duc Thanh, Mr. Nguyen Viet Dung<sup>2</sup>, Mr. Koji Iriguchi, Mr. Takeo Shimotsu, and Mr. Cat Quang Duong*), among them, Mr. Cat Quang Duong is an independent member of the BoD.

The structure of VietinBank BoD complies with the Bank's Charter and the applicable law about the number, standards and qualifications of the BoD members and with the banking law about the independent member(s).

### **2. Working mechanism:**

a) BoD meetings are organized fully and legally, ensuring order and procedures according to regulations. In 2024, VietinBank's BoD has organized regular monthly, quarterly, six-month, yearly meetings and thematic sessions to evaluate business results/supervise the activities of the CEO/Deputy General Director in charge of the BoM, provide directions, direct business activities and discuss a number of contents and topics to support VietinBank's governance. In addition, the BoD also coordinated with the Party Committee and Trade Union to organize a number of joint meetings to implement social welfare projects, remuneration for employees and other tasks.

1- Mr. Nguyen Tran Manh Trung was elected to the BoD at the Extraordinary GMS on October 17, 2024.

2- Mr. Nguyen Viet Dung was elected to the BoD at the Extraordinary GMS on October 17, 2024.

b) The collection of written opinions from members of the BoD is implemented in accordance with regulations. Accordingly, in many cases under the approval authority of the BoD, opinions have been collected and written opinions of the BoD members have been compiled to ensure compliance with the provisions of law and the Charter. On that basis, resolutions and decisions of the BoD are issued in due course.

c) The quality of operations of the supporting apparatus of the BoD, including the committees under the BoD and the assistant teams of the BoD is strengthened with the BoD's decisions to consolidate the organizations and personnel and finalise policy documents. The committees under the BoD have coordinated closely with the commissions under the BoM to effectively carry out the functions and tasks of each committee.

### **3. Results of governance and supervision:**

In 2024, the BoD has properly and fully performed the tasks and powers according to the provisions of law and VietinBank's internal regulations, and continues to innovate in the governance and supervision of the BoM in implementing the business plans approved by the GMS. The governance and supervision by the BoD in 2024 has achieved positive results specifically as follows:

#### **a) Completion of the GMS-assigned business targets for 2024 and implementation of business tasks for 2025:**

##### ***❖ Results of GMS-assigned business targets for 2024:***

In 2024, VietinBank's business operations achieved positive results, ensuring the Bank's efficiency and shareholder benefits. These accomplishments lay the foundation for further business development in the coming period.

Business result snapshot: consolidated total assets reach more than **VND 2.385 trillion**, up by **17.4%** from 2023 and fulfilling the GMS-assigned target for 2024 (grow by 8% - 10%). Separate profit before tax is **VND 30.361 billion**, up by **25.5%** against 2023, equal to **115%** of the GMS- and SBV-assigned target (VND 26,300 billion).

##### ***❖ Making of 2025 business plan:***

In 2024, the BoD continued directing the early business planning for 2025. The assignment of business targets for 2025 was done by Oct 31, 2024, targets were allocated to the BUs and branches, and KPI scorecards were done and communicated to the branches in Quarter IV of 2024. The planning and target allocation are conducted using a model based on a 7-year historical data series for each branch. This approach adheres closely to business realities, market share of VietinBank in the area, and the comparative performance between the branch and the region, the entire bank. It is designed to align with market characteristics and considers specific factors that significantly impact business operations in 2025 for branches.

#### **b) Performance across various areas:**

❖ ***Service quality improvement:*** In 2024, the BoD actively directed units to implement customer-oriented digital transformation initiatives, enhancing and improving customer experience. Some initiatives that achieved significant results include: Upgrading eFast for corporate customers (M11S03); Developing/redesigning the loan journey for production and business purposes (M6S03); Enhancing iPay features and improving customer experience (M4S05).

##### ***❖ Organisation and HR affairs, salary payment:***

- **Organisation:** In 2024, the BoD issued directives and resolutions to streamline VietinBank's organizational model in response to digital transformation needs, which aim to a leaner structure, specialization, and improvement of coordination efficiency among units.

- **HR leaning:** Implementing the Resolution of the Party Standing Committee and the BoD of VietinBank regarding the Project on streamlining, innovating, and improving the quality of personnel throughout the system, in 2024, unit heads within the VietinBank system recognized the critical role of reviewing and evaluating staff quality to implement training programs, personnel screening, and job rearrangement for each specific employee. This ensures alignment with the capabilities of the staff, contributing to work efficiency and the sustainable development of the system.

As of December 31, 2024, VietinBank had a total of **24,731** employees (including subsidiaries, non-business units, representative offices, and piece-workers). In 2024, amid the ongoing impacts on labor market challenges post-COVID-19 pandemic, all employees across VietinBank Group were allocated and arranged in positions that matched their qualifications and working abilities. They were also provided with employment contracts in accordance with the Labor Code.

- **Compensations and benefits:** VietinBank's compensations and benefits are aligned with international practices based on the 3Ps principle: Pay for position, Pay for person, Pay for performance to meet three main goals: *(i)* Ensuring stable monthly, quarterly and annual salaries of employees; *(ii)* Creating motivation for employees to improve labor productivity; *(iii)* Ensuring flexibility in salary arrangement and annual salary increase.

- **Recruitment:** Further improved quality and performance through such innovative solutions as: Deploying software and website in the end-to-end recruitment process, developing a separate Facebook fanpage and LinkedIn for recruitment to promote VietinBank's image and working environment in order to attract potential candidates for VietinBank's vacancies.

- **Training:** In 2024, training activities were further transformed to meet the requirements for improved expertise, execution and adaptability capacities for VietinBank's employees in the digital age. Accordingly, training programs from expertise to skills, from staff training to senior management training were all built and developed on the consistent foundation: *on-the-job training linked to digital transformation and business activities*; ensuring *the development of adaptability, quick execution and instant application capacities* to improve the competencies of employees in particular and enhance the competitiveness of VietinBank in general. In 2024, VietinBank organized 1,096 classes. The number of trainees was 314,506 persons, with an average training time of 6.5 days per person.

In addition, VietinBank developed and promoted a proactive learning culture throughout the group as one of the strategic focuses in VietinBank's human resources development in order to embed the learning culture into each staff member, creating a creative workforce, highly adaptable to the development requirements.

❖ **Information technology (IT) and digital transformation (DX):**

- **IT:** In 2024, VietinBank deployed 40 key IT projects in addition to DX initiatives, especially the customer authentication solution in the National Population Database Project, ensuring compliance with the SBV's regulations on account opening and management, and card transactions. Launched dashboards and management reports to help managers at all levels from the Head Office to Branches with visual data, facilitating quick decision-making; applied advanced data analytics in customer experience enhancement, operating cost optimization, detection of suspicious transactions,

and credit risk warnings, etc.; upgraded Corebanking servers and infrastructure platforms to improve transaction processing time by about 20%. VietinBank continued to ensure the operation and maintenance of core systems and other support systems for safe and effective performance. Promptly detected and prevented security vulnerabilities, applied tools to automate administration work, upgraded and optimized servers and other payment systems.

**- DX:**

DX has become the fourth pillar, alongside with the other three pillars (Core income growth; Effective management of resources and costs; Effective utilization of ecosystem and integration of ESG, promotion of sustainable development) to help VietinBank seize opportunities and become the most effective bank in Vietnam. 108 initiatives were designed based on four main pillars: Digitalization, Technology, Data and Organizational Model.

In 2024, 45 initiatives within the DX framework named X01 were implemented according to the Agile or Waterfall model, making positive contribution to business performance as reflected in the sales volume, conversion and penetration rates. Impressive achievements were made through outstanding initiatives in launching digital products such as DigiGOLD, online disbursement, and online guarantee for corporate customers. These products not only optimize processes, reduce procedures and processing time, but also enhance convenience for customers, minimize risks and increase labor productivity for VietinBank staff, while creating a new, dynamic and modern look for VietinBank.

In particular, the DF was established, serving as a pioneer in applying the Agile way-of-work, shortening the time to market, and quickly collecting feedback for continuous improvement.

❖ **Risk management, inspection and control:** As the Vietnam's economy is still confronted with headwinds, the real estate/tourism market has not recovered, production and business activities, workers' income have decreased... directly affecting customers' ability-to-repay, VietinBank has been proactive and cautious in managing the debt quality across the bank, improving the effectiveness of inspection and supervision, proposing timely and appropriate measures to manage liquidity, market and interest rate risks.

❖ **Debt quality management & written-off debt recovery:**

In 2024, VietinBank's BoD issued the Statute on Organization and Operation and established the Debt Quality Management Committee to advise and assist the BoD in identifying risks, controlling debt quality; manage debt collection and settlement throughout the bank; monitor and evaluate the effectiveness of debt collection and settlement; and provide high-level directions to improve credit quality and the effectiveness of debt collection and settlement of VietinBank.

Amid struggling economy, VietinBank has made efforts and drastically taken integrated measures and solutions to improve debt quality and accelerate debt recovery. The recovery of written-off debts in 2024 reached VND **8.48 trillion**, a sharp increase of **81.6%** year over year 2023.

❖ **Procurement and asset management:**

In 2024, VietinBank issued new regulations on management of investment, procurement of goods, services, and properties within VietinBank in line with actual situation. The BoD also regularly issued instructions to improve the investment and procurement of goods and services; therefore, such activities have basically met the development and investment needs, ensuring business continuity and business-as-usual of VietinBank.

❖ **Business promotion at the investees, overseas network and leveraging of the ecosystem of VietinBank:**

**- Local subsidiaries:**

In 2024, VietinBank further promoted the strategy of leveraging the ecosystem of subsidiaries/investees through assigning business targets, regularly and closely monitoring the target delivery by local investees, urging Capital Representatives at the companies to be proactive, raise their sense of responsibility, and strive to fulfill the targets assigned by VietinBank.

In addition to improving the return on investment at the investees, VietinBank's risk management was further enhanced through Capital Representatives at subsidiaries to direct, supervise, and ensure that the risk management of subsidiaries is consistent with VietinBank's risk management policy; deploying the model of full-time supervisors/controllers at subsidiaries, improving the quality of internal audit activities, etc., thereby strengthening risk management at subsidiaries as well as VietinBank's management and supervision of subsidiaries.

**- VietinBank – German Branch:**

The BoD issued directives and resolutions to drive the business of the German Branch. German Branch continued their business development in alignment with their 2022 – 2025 business plans and VietinBank's MTBP.

The BoD approved the business collaboration and promotion mechanism for German Branch in compliance with Vietnamese and German laws; pushed stronger, unified and effective collaboration between German Branch, the Business Units at HO and the local branches. As a result, many products and services that German Branch has advantages have been cross-sold, i.e FX lending, funds arrangements, financial advisory, trade finance and international payments, UPAS LC refinancing, co-guarantee, FX sell & buy, etc.

**- VietinBank Laos:**

2024 was another year filled with difficulties and challenges, including inflation, volatile exchange rates and interest rates, elevated commodity prices, public debt burden and natural hazards. However, VietinBank Laos strived to fulfill the target assigned by the BoD of VietinBank and achieved high growth rate compared to 2023. In particular, in 2024, VietinBank Laos was trusted by the Bank of the Lao P.D.R (BoL) and assigned with the task of system development and serving as the settlement bank for the Laos - Vietnam QR code payment service.

**❖ *Communication and branding affairs, social welfare and CSR activities:***

- Communication affairs: The BoD gave directives to communication affairs to ensure proactiveness, efficiency, focus, and emphasis on selective projects with large scale and high impacts on promoting the VietinBank brand; tied communications with the implementation of VietinBank's medium-term business strategy and plan; highlighted the business achievements in 2024 and activities to support the economy, businesses, and people to restore production, business and life after the Covid-19 pandemic...

- Social welfare and CSR activities: VietinBank's social welfare and CSR activities focused on building houses for the poor, building schools, medical facilities and infrastructure in disadvantaged, rural and remote areas, supporting natural hazard relief, building infrastructure to strengthen national security and defense. In 2024, VietinBank spent more than VND 500 billion on social welfare and CSR activities.

**c) Supervision and oversight by the BoD:**

Supervision and oversight by the BoD in 2024 continued to be strongly implemented, helping improve the high-level supervision at VietinBank. Particularly:

❖ **The BoD approved the supervision plan for 2024:** In 2024, the BoD implemented 11 supervision themes across the bank's critical areas, in particular: (i) credit extension, bank-wide credit portfolio re-structuring and bank-wide debt quality management; (ii) ALM performance and financial governance; (iii) CASA, non-interest income, cross-selling and ecosystem business performance, channel migration; (iv) priority banking; (v) collection of write-offs, debt quality control and improve the effectiveness of debt classification and settlement; (vi) service quality; (vii) labour productivity; (viii) capital construction, procurement and assets management; (ix) branch business by their region; (x) development of payment services; (xi) promotion of ecosystem cross-selling, strengthening of collaboration between HO divisions, branches and subsidiaries.

❖ **Delegation of authority to the BoD members** to be in charge of critical areas of VietinBank, conducting their respective supervision and reporting to the BoD on a monthly basis or as requested in their supervision plans.

In 2024, the BoD members have strengthened their roles in guiding, supervising, and closely coordinating with the BoM members to promote business, implement regular PDCA to keep on track, promptly resolve obstacles for branches. The BoD members (according to the assigned scope of supervision) have promptly captured and recorded information, helping the BoD review and approve contents within the respective authority to support the BoM and relevant units to address bottlenecks during the operation.

Besides, in 2024, the supervision by the BoD continued to improve and enhance with the upgrade of the Executive Monitoring System (EMS). As a result, the resolutions, directives and conclusions by the BoD, and tasks assigned by the BoD, the Board Chairman, the BoD members are all monitored and tracked as per regulations, ensuring quality and progress.

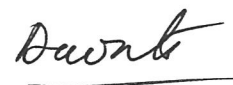
#### 4. Concluding remarks:

a) The activities of VietinBank BoD in 2024 were organised, planned and performed in compliance with the Charter, internal regulations, the BOD statute and applicable laws in full implementation of the AGM resolution and other AGM-authorized work.

b) The BoD has adopted innovative ways and specific measures in corporate governance, persistently demonstrated the role as the setter of business strategy and activities of VietinBank, driving VietinBank's operations on the right track, under control and in line with practices. The BoD provided supervision and support to the BoM in their executive roles and risk management, making positive contributions to the Bank's overall business performance.

c) All BoD members have shown a good sense of responsibility, unity and professionalism, and always worked together towards the goals of developing VietinBank securely, efficiently and sustainably in the best interest of VietinBank.

**Independent member of the BoD**



**Cat Quang Duong**

