

**VIETNAM JOINT STOCK COMMERCIAL
BANK FOR INDUSTRY AND TRADE**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

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REPORT

ON THE PERFORMANCE OF THE SUPERVISORY BOARD IN 2024 AND OPERATIONAL ORIENTATIONS FOR 2025

Pursuant to:

- *The Law on Credit Institutions 2024 No. 32/2024/QH15 dated January 18, 2024 (Law on CIs 2024);*
- *The Charter on organization and operation of Vietnam Joint Stock Commercial Bank for Industry and Trade;*
- *The Regulation on organization and operation of the Supervisory Board approved by the General Meeting of Shareholders on June 25, 2024.*

The Supervisory Board (SB) would like to report to the General Meeting of Shareholders (“GMS”) of Vietnam Joint Stock Commercial Bank for Industry and Trade (“VietinBank”) on the performance and results of execution of assigned duties and powers in 2024 and orientations for 2025 as follows:

I. PERFORMANCE OF THE SUPERVISORY BOARD

In April 2024, the SB of VietinBank was re-elected for the new term 2024-2029, with no changes in personnel. As of December 31, 2024, the SB of VietinBank for the term 2024-2029 consists of 3 members:

No.	Member	Position	First date as member	Last date as member	Qualifications
1	Ms. Le Anh Ha	Head	23/04/2019		Master of Economics and Public Management
2	Ms. Nguyen Thi Anh Thu	Member	23/04/2019		Master of Business Administration
3	Ms. Pham Thi Thom	Member	16/04/2021		Master of Finance and Banking

In 2024, the SB performed the functions and duties as stipulated in the Law on CIs, the Charter on Organization and Operation of VietinBank (Charter), and the Regulation on Organization and Operation of the Supervisory Board. The SB held 12 meetings to carry out

tasks, discuss, and give opinions on matters within the scope of the SB's responsibilities and powers. The attendance rate of such meetings was 100%, specifically:

No.	Member of the Supervisory Board	Number of meetings attended	Meeting attendance rate	Voting rate
1	Ms. Le Anh Ha	12/12	100%	100%
2	Ms. Nguyen Thi Anh Thu	12/12	100%	100%
3	Ms. Pham Thi Thom	12/12	100%	100%

The SB's meetings were attended by the Management of the Internal Audit Department and the assisting team to review tasks and set specific orientations for each member of the SB, the Internal Audit Department and the assisting team in the upcoming period. The meeting agenda included: Reviewing the performance of the SB and Internal Audit in 2023; approving the work plan in 2024; setting the 2024 operation direction; implementing the directives of the SBV; discussing contents and issues related to VietinBank's business activities, governance and risk management activities. SB's meetings were convened by the Head of the SB with the participation of all members of the SB. The minutes of meetings of the SB were recorded and filed as per regulations.

Remuneration of the SB: The realized amount of remuneration for the Board of Directors (BoD) and the SB in 2024 is 0.12% of 2024 Profit after tax (PAT), in line with Article 6 of the 2024 GMS and term 2024-2029's Resolution No. 27/NQ-DHDCD dated April 27, 2024 (for approval of remuneration for the BoD and the SB in 2024, of up to 0.25% of 2024 PAT). In which, the remuneration of members of the SB in 2024 is VND 3.939 billion.

II. IMPLEMENTATION RESULTS OF SOME SPECIFIC TASKS

1. Supervision of the Bank's business and financial performance

a. Supervision of the performance of financial targets as per GMS' Resolutions

The SB monitors the delivery of financial targets according to the Resolutions of the GMS through staying updated to the Bank's performance on business activities and ensuring compliance with the required prudential ratios. The SB fully attended and provided consultations at regular meetings of the BoD and the Board of Management (BoM). In these BoD and BoM meetings, the SB gave independent opinions and views on business results (as against GMS-assigned targets); pending issues and risks in business operation, the management and governance of VietinBank, thereby, recommending necessary solutions to address the challenges and setbacks. In addition, as for matters that require attention and intensive control, the SB made specific recommendations to improve operational efficiency and ensure secure and sustainable growth.

In 2024, under the direction of the BoD and the execution of the BoM, VietinBank achieved and exceeded the targets set by the GMS, specifically:

Cal unit: VND billion, %

Indicator	Dec 31, 2023	Dec 31, 2024	Dec 31, 2024 vs. Dec 31, 2023		Targets set by 2024 AGM	Tracked against 2024 targets
			+/-	+/- %		
Total Assets	2,032,613	2,385,388	+352,774	17.4%	To grow by 8-10%	Pass
Fund Mobilization	1,526,275	1,757,995	+231,720	+15.2%	To be aligned with credit growth and in compliance with the SBV-set prudence ratios	Pass
Credit Exposure	1,478,228	1,725,877	+247,649	+16.8%	To follow the SBV-approved credit growth cap and credit orientation policies from time to time	Pass
NPL ratio out of credit portfolio (Circular 31)	1.0%	1.1%			<1.8%	Pass
Separate PBT	24,194	30,361	+6,167	+25.5%	26,300	115%
Consolidated PBT	24,990	31,764	+6,774	+27.1%		

(Source: 2024 audited consolidated and separate financial statements (FS))

As for prudence ratios in banking operations, through periodical audit and review by Internal Audit function, the Supervisory Board found that in 2024, VietinBank managed to keep these ratios compliant with the SBV's regulation.

b. Appraisal of FSs in 2024

In execution of duties and functions as stipulated in the Law on CIs, VietinBank's Charter, and the Regulation on the organization and operation of the SB, the SB established 2 FS appraisal teams in 2024 to appraise VietinBank's consolidated FS for the fiscal year ended December 31, 2023 and half-year consolidated FS for 06-month period ended June 30, 2024 based on the FS independently audited by Deloitte Vietnam Co., Ltd. The appraisal of the FS aimed to review and evaluate the preparation, auditing of FS, and adjustment entries in the FS. As finding of the appraisal, the consolidated FS for the year ended 31/12/2023 and half-year ended 30/06/2024 of VietinBank give a true and fair view, in all material aspects, of the consolidated financial situation of VietinBank; were presented in accordance with SBV's regulations on financial reporting regime for credit institutions, in accordance with Vietnamese Accounting Standards and current regulations. Through appraisal of FS, the legality, consistency, and transparency in accounting practices, accounting records in the FS, appendices, and related documents were monitored.

VietinBank's performance in delivery of targets as shown in the consolidated FS in 2024:

No.	Target	31/12/2024 (VND Billion)
1	Total assets	2,385,388
	- Loans to customers	1,721,955
	- Investment securities	215,193
	- Fixed assets (at historical cost)	24,181
	- Other assets	44,693
2	Capital	148,505
3	Customer deposits	1,606,317
4	Net operating income	59,363
5	Provision costs for credit losses	27,599
6	Total Profit before tax	31,764

(Source: audited consolidated FS of 2024)

2. Supervision over performance of the BoD, the General Director and other executives of VietinBank in management and governance

The SB's oversight of the BoD, General Director and other executives of VietinBank was regularly conducted based on the provisions of the Law, VietinBank's Charter, and the direction and guidelines of the Government and the SBV applicable to operation of credit institutions. Accordingly, the BoD and the General Director are found to have directed and run business activities in accordance with the set objectives, and provisions of the Law on CIs and VietinBank's Charter, in line with the direction and guideline of relevant State regulators:

- ***The Bank's performance in implementation of the directives of the SBV and State regulators in 2024:*** The BoD and the General Director strictly adhered to and actively implemented the guidelines and orientations by the Party, the State and the SBV. Particularly, the Bank has been actively introducing solutions, launching programs and credit products specifically for domestic business activities, consumption, and loans for livelihood; restructuring debt repayment periods for customers facing difficulties; reducing lending interest rates to directly alleviate difficulties for people and businesses, smoothing the way for continued capital turnover for business activities, consumption and livelihood, thereby contributing to production development and economic growth according to the set objectives; fostering digital transformation, applying digital transformation in lending activities to simplify procedures, lending through electronic and online forms, facilitating easy access to capital for businesses and individuals; implementing solutions to utilize data from the national database on population to enhance security, safety, and maximize convenience for customers.

In compliance with the SBV and State management agencies' directives, the BoD approved key themes in 2024, including: 1. *Business themes:* (i) Credit growth; (ii) CASA growth; (iii) Promoting non-interest income generated operations, focusing on trade finance, foreign exchange business, cards, and insurance; (iv) Written-off debts recovery; (v) Effectively exploiting the ecosystem and cross-selling activities by enhancing cross-selling among segments, divisions, VietinBank's branches and subsidiaries; 2. *Foundational themes:* (i) Enhancing channel shift efficiency; (ii) Controlling debt quality and improving debt handling segmentation efficiency; (iii) Continuously taking service quality forward;

(iv) Revamping human resource quality; (v) Implementing digital transformation initiatives and building rapid execution capabilities. Based on the approved directives, the BoM organized action plans for each unit (from headquarters to branches), reviewed the progress, assessed achievements and challenges on a monthly basis to monitor, resolve problems, and ensure timely implementation.

VietinBank continued to aggressively implement the credit institution restructuring project associated with bad debt handling for the 2021-2025 period, effectively implementing approved plans, improving capital adequacy ratios, controlling and disposing bad debts to best achieve the set objectives; reporting the implementation status and execution according to SBV guidance and directives.

- ***The exercise of rights and obligations of members of the BoD, the General Director and other executives:*** The BoD assigned each BoD member or its assisting committee to supervise the implementation of key topics. The supervision by each BoD member was carried out according to the scope of assigned topics, ensuring the principle of independence and separation of duties between the BoD and BoM according to SBV regulations and VietinBank's internal regulations, optimizing resources, and aligning with VietinBank's strategy and business plan. In 2024, the BoD implemented 11 supervision topics in key banking activities. Periodically, BoD members reviewed the progress of their assigned key topics/themes. The BoD met monthly to evaluate business performance, set the tone and give instructions on key tasks in governance, adjusted solutions (if necessary). At these meetings, the General Director, on behalf of the BoM, reported the business performance of VietinBank, notable monthly results, plans for the upcoming months, the progress and results of implementing the GMS's Resolutions, and the BoD's directives; BoD members reported their delivery of their assignments in the month, including the supervision of key topics, based on the significance and urgency of identified issues and proposals in the supervision reports. BoD members enhanced their orientation and supervision roles, closely collaborating with BoM members to promote business, resolve difficulties and bottlenecks in operations. Periodically, monthly/quarterly or ad-hoc, BoD committees held meetings to discuss and address recorded issues/emerging matters that require consultation in business activities, as reported by departments/divisions or as detected by the SB, Internal Audit/Internal Control, or newly arising issues requiring discussion, thereby, advising the BoD on appropriate handling measures to enhance BoD governance and supervision effectiveness. The BoD meetings where SB was invited to partake were organized in compliance with regulations and procedures.

As for the General Director/Deputy General Director in charge of the BoM, based on the direction of the SBV, guidelines of the BoD towards VietinBank's strategic goals, key themes and foundational themes, the General Director/Deputy General Director in charge of the BoM assigned tasks to each member of the BoM, directed and assigned specific business targets and tasks to each division/department/centre and reported to the BoD on the performance results. In 2024, the General Director/Deputy General Director in charge of the BoM and other executives deployed solutions in a consistent and uniformed manner at both the Head Office and front office units; directed units to foster credit growth while strictly control credit quality, provide loans appropriate to customers' capabilities and scale; diversified the credit portfolio, prioritized credit growth in production and business sectors,

priority areas, key industries, and priority sectors according to the Government's direction; Promoted the partnership between the Bank and businesses, creating favorable conditions for individuals and businesses in terms of credit accessibility; Focused on personnel development and training to improve the quality of human resources, service quality, and labor productivity; Communicated and extensively realized digital transformation initiatives, appropriately arranged quality resources for implementation, enhanced IT applications and digital transformation in operations, especially credit activities, to improve customer experience and reduce manual transactions; Strengthened security, safety, and confidentiality for IT systems, prevented fraud and scams, proactively warned of high-tech crime fraud tactics... Based on the approved key business themes, closely following the instructions by the General Director/Deputy General Director in charge of the BoM from time to time, branch directors comprehensively cascaded such goals and themes down to each department and transaction office at branches. The BoD and BoM assigned targets to units from late 2023, and in turn, branches actively started to implement their plans from the beginning of the year, allocating targets to each staff member; risk management, and credit quality control were emphasized alongside credit growth; accordingly, in 2024, VietinBank achieved and exceeded the targets set by the GMS. As per findings of the monitoring and internal audit results, the General Director/Deputy General Director in charge of the BoM and other executives complied with and exercised the executives' rights and obligations in accordance with the provisions of the Law and of internal regulations of VietinBank.

- **Risk management:** Alongside business development, enhancing risk management effectiveness has been identified as one among VietinBank's strategic focuses, contributing to operational safety and business development in close tie to strict credit quality control. Accordingly, the BoD and the BoM widely communicated and promoted the culture of compliance, the sense of abiding by the Law, the direction of the SBV and the internal regulations of VietinBank, consolidating the staff morale and ethics. The performance in compliance with Risk appetite was subject to regular updates and reporting; and risk identification - measurement - monitoring - control - reporting were consistently implemented in all key areas and activities of VietinBank; thereby supporting early identification of issues that require attention or intensive control for initiating appropriate response. At the same time, socio-economic situation by sector/industry was updated and analyzed as inputs for impact assessment and formulation of development orientations or adjustments to business orientations from time to time, ensuring safe and sound business. Findings from supervision and internal audit function showed that risk management at VietinBank complied with risk management regulations according to Circular 13/2018/TT-NHNN.

- **Performance in human resources and organizational model consolidation:** In 2024, VietinBank accomplished the consolidation of the BoD personnel, including relieving 03 BoD members off their duties and adding 04 BoD members. One among them is executive BoD member, holding the position of General Director. 02 Deputy General Directors of VietinBank were released from their position. The senior personnel consolidation was carried out in due course according to regulations of the Law and VietinBank's Charter. Regarding the organizational model, in 2024, the BoD established several committees under the BoD, advising and assisting the BoD, helping BoD enhance governance effectiveness, and supervision efficiency. At branch-level, the Bank rolled out schemes for streamlining personnel and transaction office network, cutting down/merging inefficient transaction offices.

- ***Supervision by the BoD and the General Director on internal control, risk management and internal assessment of capital adequacy:*** was demonstrated through regulatory documents, policy documents issued by the BoD and the General Director, the mechanism for periodic and ad-hoc reports, and directives to correct the issues and shortcomings at the request and recommendations of the SBV, independent audit, other competent authorities and recommendations by the SB and Internal Audit Department. The risk management and supervision were paid due attention and strengthened. Compliance culture, obligation awareness, sense of compliance with regulations, processes, laws and work ethics were well-regarded.

3. Updating the list of founding shareholders, major shareholders and related persons of the members of the BoD, the SB and the BoM of VietinBank

The list of related persons of members of the BoD, the SB and the BoM and major shareholders of VietinBank was updated on a regular basis by the SB, in coordination and information exchanges with the Secretariat to the BoD & IR. The monitoring and updating results show that compared to the end of 2023, there are some changes in the list of VietinBank's related persons in 2024 due to changes in BoD members for the 2024-2029 term at the 2024 GMS and the 2024-2029 term and changes in BoM members. Specifically:

- Mr. Hoang Ngoc Phuong ceased holding the position of Deputy General Director of VietinBank as of March 28, 2024.
- Ms. Tran Thu Huyen ceased holding the position of BoD member of VietinBank as of April 23, 2024.
- Ms. Nguyen Thi Bac ceased holding the position of independent BoD member of VietinBank as of April 27, 2024.
- Mr. Masashige Nakazono ceased holding the position of BoD member of VietinBank as of April 27, 2024.
- Mr. Cat Quang Duong was elected as an independent BoD member of VietinBank for the 2024-2029 term as of April 27, 2024.
- Mr. Takeo Shimotsu was elected as a BoD member of VietinBank for the 2024-2029 term as of April 27, 2024.
- Mr. Nguyen Tran Manh Trung was elected as a BoD member and General Director of VietinBank as of October 17, 2024.
- Mr. Nguyen Viet Dung was elected as a BoD member of VietinBank as of October 17, 2024.
- Mr. Nguyen Dinh Vinh ceased holding the position of Deputy General Director of VietinBank as of December 18, 2024.

This list was updated and filed by SB in due course as prescribed.

4. Supervision over the approval and execution of contracts and transactions within the authority of the GMS and BoD

- ***Reviewing contracts and transactions with related persons of VietinBank within the approval authority of the BoD or the GMS:*** In 2024, the SB reviewed 30 contracts/transactions between VietinBank and related persons that are organizations (subsidiaries, affiliated companies, major shareholders). The review showed that the procedures, processes, and approval authority of such contracts and transactions complied with legal regulations and VietinBank's Charter. The signing and execution of contracts were

carried out based on proper legal grounds and were approved by the BoD as required and disclosed in due course.

- ***Reviewing transactions between VietinBank and the companies where a member of the BoD or the General Director or another executive is a founding member or manager during the period of 3 years preceding to the time of the transaction:*** There were 2 cases recorded: Ms. Pham Thi Thanh Hoai - a BoD member of VietinBank is the Chairwoman of the Members' Council of VietinBank Lao; Mr. Le Duy Hai – a Deputy General Director of VietinBank is the Chairman of the Members' Council of VietinBank Fund Management Company. In 2024, based on the documents sent, the SB found 02 transactions between VietinBank and VietinBank Lao and 01 transaction between VietinBank and VietinBank Fund Management Company. These transactions were found falling within the BoD's authority and were duly approved by the BoD with proper legal ground.

- ***Supervising the approval of investment projects, purchase and sale of fixed assets, other contracts and transactions:***

+ ***For projects for investment, purchase, and sale of fixed assets:*** In 2024, the Supervisory Board received information on 44 ongoing investment and fixed assets procurement projects, including 7 capital construction investment projects (construction of office building/repository) and 37 asset procurement projects (IT equipment and software, vehicles). There were no cases of fixed assets sales within the GMS and BoD's authority arose. As findings from the review of the BoD's resolutions on approval of projects for investment, purchase, and sale of fixed assets sent to the SB, the procedures and approval authority complied with regulations of the Law, the Charter and the 2024 capital plan of VietinBank.

+ ***For other contracts and transactions:*** In 2024, the BoD approved credit extension, transactions for 187 customers and 12 other transactions (procurement of other goods and services, tools, etc.). The ratification of BoD's resolutions on approval of such contracts and transactions were found compliant with regulations of the Law, the Charter, and the Regulation on organizational and operation of the BoD.

5. Direction and supervision over Internal Audit by senior management

In 2024, the SB regularly directed and supervised internal audit activities according to the approved internal audit functions, duties and plans. The SB directed the Internal Audit Department to carry out unit-based and thematic audits, assessing the Bank's performance in compliance with legal regulations, internal mechanisms/policies/regulations on supervision by senior management and internal control and risk management, identification of shortcomings, limitations and causes and making recommendations to competent authorities. Supervision by senior management over the Internal Audit was carried out through the role of the person in charge of the Internal Audit squad, thereby controlling the quality of audit activities, complying with work ethics standards as well as assessing the strength and shortcomings of the Internal Audit to promptly draw experience from each audit team. In 2024, the Internal Audit Department's squads completed 12 audits according to the approved plan. Additionally, the Internal Audit Department strengthened the audit of credit extension activities in sectors and industries with warnings of high risks/potential risks according to SBV directives.

III. COORDINATION BETWEEN THE BOD, THE GENERAL DIRECTOR AND SHAREHOLDERS



In 2024, information exchange among the SB and the BoD, BoM was done in due course on the principle of adhering to the Law and internal regulations. The SB regularly attended BoD's monthly meetings and BoM's monthly meetings, and attended as invitees in the meetings of BoD-level committees and BoM-level councils. The SB closely cooperated with the BoD and the BoM in the performance of functions and duties, exchange of information based on the principle of compliance with the Law and VietinBank's internal regulations. Based on the monitoring results and the Internal Audit functions, the SB made specific suggestions/recommendations for solutions; advised and supported the BoD and BoM in improving management and governance, risk control, and implementing necessary measures to address shortcomings and limitations; provided insights to assist the BoD Chairman, the General Director in decision-making and directing relevant units to research and develop measures to promote business in accordance with the strategic direction while effectively control risks, and improve the quality and safety in banking operations.

In 2024, the SB did not receive any request from individual or group of shareholders regarding review of accounting books, records or inspection request regarding the business, governance and management of VietinBank.

IV. SUPERVISORY BOARD'S ORIENTATIONS FOR 2025

Based on the functions and duties of the SB, the direction of the Government and the SBV on the goals, key tasks, orientations, business plans and financial plans for 2025 assigned by the GMS and approved by the SBV, in 2025, the SB will strive to continue effective performance of its duties and powers in accordance with the Law and internal regulations, focusing on the following key tasks:

1. Performing the supervision function in accordance with the provisions of the Law, the Charter and the directions of the SBV

- Supervising the compliance with the provisions of the Law and VietinBank's Charter, GMS resolutions and BoD decisions in management and governance of VietinBank; monitoring the implementation of GMS resolutions and State regulators' directives; supervising the approval and execution of projects on investment, purchase and sale of fixed assets, other contracts and transactions within the authority of the GMS and BoD; supervising the compliance with Chapter VII of the Law on CIs 2024 on restrictions to ensure operational safety; supervising the organization and implementation of the Restructuring plan associated with bad debt recovery for the 2021-2025 period; monitoring the financial status; the delivery of business plan and appraisal of annual FS.
- Continuing to strengthen audit functions and supervision to detect, warn, and promptly deal with violations and potentially risky activities, focusing on a number of key risks such as: credit risk, liquidity risk, operational risk, etc...; Strengthening supervision through information and reporting systems, promptly identifying and controlling issues that have a material impact on banking operations to make recommendations/suggestions and develop appropriate response. Strengthening coordination and information exchange with the BoD and BoM to promptly obtain information in support of supervision activities in order to fully implement duties and tasks, and optimize the role and responsibility of the SB.
- Continuing to proactively review and promulgate all internal regulations on internal control and audit in accordance with applicable laws, internal policies and instructions of the SBV; coordinating with relevant functional departments to propose to the competent



authority the supplementation of SB personnel to ensure compliance with the Law on CIs and VietinBank's Charter.

- Supervising the implementation of corrective measures to shortcomings and limitations according to the requirements and recommendations of external agencies and internal suggestions/recommendations of the SB and the Internal Audit.

2. Building staff capacity and improving performance of Internal Audit Department

- Performing the role of supervision by senior management over the Internal Audit to ensure that annual Internal Audit plan as approved is fulfilled; Internal Audit reports must ensure quality as required by Internal Audit Standards (being accurate, objective, clear, concise, constructive, sufficient and timely).

- Further improving the professional capacity and labor productivity of Internal Audit, arranging adequate personnel, ensuring quality personnel to effectively implement activities of the SB and Internal Audit.

- Developing and taking measures to reform audit methods, tools, and mindset; improving audit capacity on IT,

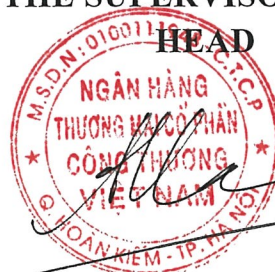
- Developing and implementing solutions to innovate audit methods, tools, and mindset, enhancing capabilities in IT audits and digital transformation in line with ongoing trends, ensuring comprehensive supervision in accordance with the Law and internal regulations, closely following SBV directives.

V. RECOMMENDATIONS

Based on the monitoring result of business activities, governance and management of the BoD, BoM, and 2024 FS, the SB hereby seeks the GMS's approval of:

- The FS of VietinBank in 2024, which have been independently audited by Deloitte Vietnam Co., Ltd. and appraised by the SB;
- The report by the SB on the performance of SB in 2024 and orientations for 2025.

PP. THE SUPERVISORY BOARD



Le Anh Ha