



Ha Noi, March 29, 2022

REPORT

ON THE ACTIVITIES OF THE SUPERVISORY BOARD IN 2021

(To be submitted to the General Meeting of Shareholders on April 20, 2022 for approval)

Ladies and Gentlemen

Dear Esteemed Sharholders

Pursuant to Article 45 of the Law on Credit Institutions on the duties and powers of the Supervisory Board (SB);

Pursuant to the Charter of An Binh Commercial Joint Stock Bank (ABBANK);

Based on ABBANK's operation situation, the report of the Board of Directors (BOD) and Board of Management (BOM) and the operation results of the Supervisory Board in 2021.

The Supervisory Board of An Binh Commercial Joint Stock Bank would like to report to the General Meeting of Shareholders (GMS) on the implementation of its tasks in 2021 as follows:

I. RESULT OF KEY ACTIVITIES OF SUPERVISORY BOARD IN 2021

ABBANK Supervisory Board consists of 3 members, of which 2 members are full-time members. In performing SB duties and powers, in 2021 SB organized and implemented the work in accordance with the law, the Bank's Charter and the Regulation on SB Operation approved by the General Meeting of Shareholders. Periodic meetings were properly implemented in accordance with regulations, including 4 sessions, all meetings were attended by SB members, the content of the meeting was recorded in minutes. After each meeting, the SB recommendations were sent to the Board of Directors and the Board of Management for direction and corrective action. These recommendations were promptly and seriously handled.

The tasks related to SB duties were implemented by the SB Head to each member. The main contents have been implemented in 2021 such as: monitoring the compliance with the provisions of the Law, the Bank's Charter in banking governance; supervising the implementation of the GMS Resolution; closely follow the implementation of the instructions of the State Bank; perform due diligence on financial statements,...

1. Monitoring the implementation of the GMS Resolution

The SB monitored the implementation of GMS Resolution, attended and expressed opinions at the regular BOD meetings, and the BOM meetings. At the BOD and BOM meetings, SB independent gave opinions and views on business operation data; shortcomings and risks in business activities, management and administration of ABBANK. Since then, SB recommended to the BOD, BOM the contents and existings that need to be implemented to overcome the limitations for the purpose of implementing the plan assigned by the GMS. At the same time, for matters that need to be paid attention and strengthened of control, the SB has specific recommendations to improve operational efficiency and ensure safe and sustainable growth. In 2021, the BOD and BOM have performed the contents of the GMS Resolution, especially implemented the plan to raise charter capital in accordance with the Resolution with high efficiency and in accordance with the law.

The BOM has made great efforts, promptly grasped market developments, strictly implemented the BOD decisions and resolutions, thoroughly saved costs, as well as closely followed the business plan and completed the targets assigned by the GMS.

2. Supervising the compliance with the provisions of the law and the Charter of the Bank in the management and administration activities of the Board of Directors and the Board of Management:

The BOD, BOM performed the governance and management of the Bank in accordance with the functions, duties, and authority specified in the Internal Regulations on governance and the Charter of ABBANK:

2.1. BOD's activities:

- The BOD has fully and promptly implemented the guidelines, policies, directives of the State Bank and the GMS Resolution through the issuance of resolutions and directives on the orientation of goals, targets of the business plan and key tasks of ABBANK's system.
- The committees under the BOD have been fully established and in accordance with the law and promoted their role in the Bank's governance. In 2021, in order to meet the growth momentum and new trends in the industry's activities, ABBANK has established a Transformation and Digital Banking Committee (TDC) under the Board of Directors led by the Vice Chairman as the Committee Chairman. The main function of the TDC is to advise on policy development and directly support the BOD in directing the implementation of projects, initiatives, transformation programs, technology activities and digital banking project;

- In 2021, the Board of Directors held 03 regular meetings, in addition, based on the Regulations on approving the BOD decisions which have been issued, the BOD exchanged opinions and voted by documents to promptly issue decisions related to governance, business strategy, risk management, debt settlement and promulgated policies in line with reality, oriented according to the GMS Resolution, on the basis of compliance with the provisions of the law.
- The BOD has completed the formulation, submitted to the GMS for approval and promulgated the Internal Regulation on Bank governance, and at the same time appointed the person in charge of the governance of the Bank in accordance with the provisions of Decree 155/2020/ND-CP dated December 31, 2020 detailing the implementation of a number of articles of the Law on Securities.

2.2. BOM's activities:

- The BOM has organized the implementation of tasks and business plans in accordance with the orientation of the GMS and the BOD. In 2021, the BOM closely followed the business plan, made the most of resources, and promptly grasped market developments, and seriously implemented the BOD decisions and resolutions.
- The BOM has clearly assigned responsibilities to each member, directed professional units at the Head Office to continuously review internal regulations in order to standardize the internal document system to ensure timely updates of the internal regulations to SBV regulations, the law and ensure that ABBANK's operations are smoothly, safely and effectively operated.
- 2021 continued to be a difficult year with the outbreak of the Covid - 19 epidemic, the BOM promptly directed the units to both deal with the epidemic while ensuring business and safety for staff. In addition, following the BOD and SBV, the BOM promptly adopted policies to support customers who had difficulties in business due to the epidemic as well as developed a welfare policy for employees infected with Covid-19 during working time.

In 2021, the BOD and the BOM completed the task of leading ABBANK's leaders to achieve their goals approved by the GMS, ensuring operational safety, and complying with the provisions of the law and of the Bank.

3. Coordination between the Supervisory Board and the Board of Directors, the Board of Management and shareholders

The coordination of activities between the SB, BOD, BOM and shareholders always ensures the principle of compliance with the provisions of the law and ABBANK, for the common interests of the Bank and shareholders, ensuring independence and continuity which were shown on key activities such as:

- The SB is provided with documents and information on the management, administration and business activities of the Bank in a complete and timely manner in accordance with regulations.
- The SB Head fully participates in the periodic meetings of the BOD, the BOD Committees, SB members fully participate in the meetings of the BOM.
- The SB regularly discussed with BOD, BOM members on issues related to governance, administration, risk management...
- The SB recommendations sent to the BOD, BOM were seriously considered for implementation and promptly feedback.

4. Directing the implementation and supervision of senior management for Internal Audit

- The SB closely followed up the requirements of the SBV, gave timely instructions to the Internal Audit to develop, update and supplement policies and operational regulations of the Internal Audit and the Supervisory Board.
- The SB approved the internal audit plan in 2021 in line with the risk orientation and closely followed the directions of the State Bank and the Banking Inspection and Supervision Agency. At the same time, the SB regularly monitors and closely supervises the implementation of Internal Audit work. After the audits, every 6 months, the Internal Auditor reviews the operation quality and compliance with the internal regulations of the members, the operational departments and the Head of Internal Audit and reports to the SB.
- Internal Audit has complied with regulations and made sure to strictly comply with professional ethical standards issued by the SB.
- In 2021, Internal Audit has carried out 26 field and thematic audits, reaching 100% of the annual plan. Some recommendations reflecting the added value of internal audit contribution to the system in 2021 are:
 - + Operation and Customer Service Division has made recommendations related to Smartform system, vault safety, over-the-counter transactions to improve efficiency and reduce risks through the issuance of guidelines, notice and correction throughout the bank.
 - + Operation and Customer Service Division implemented Internal Audit's recommendation on anti-money laundering, and issued a notice of suspicious review and warning at Anti-Money Laundering software.
 - + The ICCAP project audit made some recommendations for ABBANK to complete the ICCAP governance framework in compliance with the regulations of the State Bank.
 - + The Transformation and Digital Banking Committee acknowledged the recommendations of the Internal Audit and directed the BOM / Consumer Banking

Division to rebuild the methodology for assigning targets and evaluating KPIs; building capacity to manage partners of business units.

5. Evaluation of transactions between the Bank, its subsidiaries and members of the Board of Directors, General Director (CEO), other ABBANK executives and related persons

The SB regularly monitors, supervises and promptly updates the list of major shareholders, members of the Board of Directors, members of the Supervisory Board, the General Director, the executive person and Chief Accountant and related persons as prescribed. In 2021, the SB reviewed the contracts and transactions between ABBANK, its subsidiary, members of the Board of Directors, General Director, other ABBANK executives and related people; transaction between ABBANK and a company in which members of the Board of Directors, General Director and other executives of ABBANK are founding members or managers of the business during the last 03 years before the time of transaction. These transactions are carried out in compliance with the provisions of law and are reported to the management agency as well as fully disclosed according to regulations.

6. Credits granted to the subjects specified in Clause 1, Article 127 of the Law on Credit Institutions

December 31, 2021, ABBANK does not grant credit unsecured credit nor concessional credit to the subjects specified in Clause 1, Article 127 of the Law on Credit Institutions (amended and supplemented according to Law No. 17/2017/QH14 dated December 27, 2017).

II. EVALUATION OF FINANCIAL STATEMENTS 2021, RESULTS OF SUPERVISION OF THE BANK'S OPERATION AND FINANCIAL STATEMENT

ABBANK's 2021 financial statements have been audited by Ernst & Young Vietnam Co., Ltd. and reviewed by the Bank's Internal Audit. The Bank's 2021 consolidated and separate financial statements fully, timely, accurately and transparently reflect the Bank's business operations as at 31 December 2021. The Bank's financial statements are consistent with accounting standards, accounting regimes applicable to credit institutions in Vietnam and relevant legal regulations.

The business results in 2021 are reflected in the separate financial statements as follows:

- Total assets: VND120,862 billion
- Equity: VND11,657 billion
- Business results:
 - + Net profit before provision for credit risks: VND2,733 billion
 - + Total profit before tax: VND1,979 billion

+ CIT: VND390 billion

+ Profit after tax: VND1,588 billion

Profit performance in 2021 of the subsidiary (ABBANK Asset Management and One Member Limited Liability Company): 45,42 billion, in 2021, the subsidiary transfers dividend to ABBANK of 73,65 billion.

The Bank's operational and financial status in 2021 ensures safety, stability and compliance with legal regulations.

III. REMUNERATION, OPERATION COSTS AND OTHER BENEFITS OF THE SUPERVISORY BOARD.

Remuneration and operating expenses of the Supervisory Board are summarized in the report on remuneration and operating expenses of and presented by the Board of Directors. Remuneration and expenses comply with the provisions of Article 172 of the Enterprise Law, the Charter of ABBANK and within the limit approved by the General Meeting of Shareholders.

IV. SUPERVISORY BOARD'S OPERATION PLAN IN 2022

In 2022, the SB continues to perform its functions and duties with the following main activities:

- Supervising ABBANK's activities to ensure compliance with the provisions of law and the Bank's Charter in governance and administration.
- Performing the supervisory role of senior management for internal audit activities; paying attention to monitoring the implementation of inspection contents, independent assessment of Internal Audit on compliance with mechanisms, policies and internal regulations on supervision of senior management, internal control, risk management and internal assessment on the capital adequacy.
- Monitor the effectiveness of the internal control system as required in Circular 13/2018/TT-NHNN by directly directing internal audit activities; which focuses on regular reporting, periodical reporting to ensure that information on the Bank's operation is timely and in accordance with regulations.
- Performing the appraisal of financial statements, focusing on assessing the reasonableness, legality, honesty and prudence in accounting work and financial statement preparation;
- Supervising information disclosure and shareholder relations activities of listed companies.

V. SUGGESTIONS AND RECOMMENDATIONS:

On the basis of the results of monitoring business activities, the management and administration of the BOD and BOM, financial report figures for 2021, the Supervisory Board proposes to the General Meeting of Shareholders to approve:

1. Approving ABBANK's 2021 financial statements, which have been independently audited and appraised by Ernst & Young Vietnam Co., Ltd.
2. Proposing the General Meeting of Shareholders to authorize the Board of Directors to choose one of the four prestigious international auditing firms (Big 4) including: Auditing Company PWC; Company Deloitte Vietnam; Ernst & Young Vietnam Co., Ltd or KPMG Vietnam Co., Ltd. as independent auditor that audits the 2022 financial statements for ABBANK.

Respectfully submit to the General Meeting of Shareholders for approval this report of the Supervisory Board.

We wish all guests and shareholders good health, happiness and success. We wish the conference a great success!

FOR THE SUPERVISORY BOARD

HEAD

(Signed)

NGUYEN THI HANH TAM