

REPORT
ON THE ACTIVITIES OF THE SUPERVISORY BOARD
AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2024

Dear Distinguished Guests

Dear Shareholders

Pursuant to Article 45 of the Law on Credit Institutions 2010 (amended and supplemented) on the duties and authorities of the Supervisory Board;

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

Based on ABBANK's operations, reports of the Board of Directors (BOD), Board of Management and performance results of the Supervisory Board (SB) in 2023,

ABBANK's Supervisory Board would like to report to the General Meeting of Shareholders (GMS) on the results of implementing tasks in 2023 as follows:

I. REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD IN 2023

1. Regarding the structure and operations of the Supervisory Board in 2023

Immediately after being elected at the Annual General Meeting of Shareholders on the April 28th, 2023 of ABBANK, the Supervisory Board for the 2023 - 2027 term met and elected the Head of the Supervisory Board. Accordingly, the ABBANK Supervisory Board for the term 2023 - 2027 is comprised of 03 (three) members, of which 2/3 of the members are full-time members, specifically: Ms. Nguyen Thi Hanh Tam - Head of the Supervisory Board (full-time member) and two members are Ms. Pham Thi Hang (full-time member) and Ms. Nguyen Thi Thanh Thai (part time member). Members of the Supervisory Board do not simultaneously hold other positions or jobs at ABBANK or other enterprises. Under the Supervisory Board is Internal Audit with 34 employees.

In 2023, the Supervisory Board held 4 regular meetings in accordance with regulations. In addition, the Supervisory Board also regularly meets to exchange and discuss issues that arise during operations. Since then, the Supervisory Board has given opinions and recommendations to the Board of Directors (BOD) and Board of Management (BOM) on measures to strengthen control, minimize risks, and ensure compliance with regulations. Law, ABBANK Charter and other internal regulations through forms such as: Sending recommendations via text, email; give direct opinions at Board of Directors meetings / BoM steering meetings / other meetings when the Supervisory Board attends; Releasing quarterly reports contributes to improving quality, operational efficiency and safe and sustainable growth of ABBANK.

In addition, in 2023, the Supervisory Board has organized and fully implemented its functions and tasks according to the regulations of the State Bank, ABBANK Charter and Regulations on organization and operation of the Supervisory Board. The main contents that have been implemented in 2023 including monitoring compliance with the provisions of law and the Bank's Charter in management and operations; supervising the implementation of Resolutions of the General Meeting of Shareholders; monitor the implementation of recommendations of the SBV Inspectorate, closely follow the implementation of directives and guiding documents of the SBV; carry out appraisal of financial reports...

The members of the Supervisory Board have completed their assigned responsibilities and tasks; fully attended regular and extraordinary meetings of the Supervisory Board, participate in discussions and votes on issues and contents within the functions and tasks of the Supervisory Board.

2. Results of monitoring ABBANK's operations and finances in 2023

In 2023, ABBANK did not achieve the pre-tax profit plan approved by the General Meeting of Shareholders, however, ABBANK's business activities recorded a number of positive results, creating a premise for growth in the next period such as: total assets reached 118.4% of the plan, total outstanding loans reached 105.2% of the plan, bad debt ratio 2.17%, the number of customers in both groups of individual customers and small and medium enterprise customers increased compared to the same period last year, the number of transactions on digital channels increased by 73% compared to 2022...

The Supervisory Board directed Internal Audit to review semi-annual and annual financial reports to promptly report the Bank's business results as well as organize audits of

the Accounting Division and Finance Department. The Supervisory Board meetings reviewed the Balance Sheet, Business Results Report and indicators to ensure safety in business operations. Supervision results showed that in terms of key financial and accounting aspects, the Bank has complied with accounting regulations/standards; comply with the provisions of the Law on Credit Institutions and the guiding circulars of the State Bank; the business results reflect reality.

Basically, during the operation process, ABBANK complied with the provisions of law as well as the instructions of the State Bank in mobilization, lending, payment service development...; complied with regulations and legal documents of relevant ministries, departments and branches; seriously implemented the Prime Minister's direction in Decision No. 689/QĐ-TTg dated June 8, 2022 on Approving the Project "Restructuring the system of credit institutions associated with handling bad debts in the first phase" for the period 2021 - 2025" and Decision No. 1382/QĐ-NHNN dated August 2, 2022 of the State Bank of Vietnam on Promulgating the Action Plan of the Banking Industry to implement the Project "Restructuring the banking system of credit institutions associated with bad debt handling in the period 2021 - 2025".

According to regulations, the Supervisory Board had evaluated the 2023 financial statements (independently audited) of ABBANK, the results are as follows:

- The consolidated financial statements for 2023 fully reflected the business operations and financial situation of ABBANK and its subsidiaries, presented according to the State Bank's reporting templates on financial reporting regime. for credit institutions, in accordance with Vietnamese Accounting Standards and current State regulations.
- The 2023 consolidated financial statements have honestly and reasonably reflected the key aspects of the financial situation of ABBANK and its subsidiaries as of December 31, 2023.
- Basic indicators of capital and assets as of December 31, 2023 and ABBANK's business results in 2023 are as follows:

1. Total assets:	VND 162,099 billion
2. Owner's equity:	VND 13,479 billion
3. Total profit before tax:	VND 584 billion
4. Corporate income tax:	VND 130.5 billion
5. Profit after tax:	VND 453.5 billion
In which, the bank's own profit:	VND 513 billion

3. Monitor the implementation of the Resolution of the General Meeting of Shareholders

In 2023, the Board of Directors and Board of Management have proactively proposed solutions to respond to the practical situation, drastically implementing measures to promote business in an economic environment that was still difficult and hard to predict, however, the pre-tax profit target did not meet the plan approved by the General Meeting of Shareholders, and the issuance of shares under the Employee Option Program (ESOP Program) according to the Resolution of the General Meeting of Shareholders has not been carried out. In the report of the Board of Directors, the reasons for not being implemented or not meeting the requirements approved by the General Meeting of Shareholders were explained. The Supervisory Board found that the explanations in the Board of Directors' report submitted to the General Meeting of Shareholders were realistic, reasonable and based on considering the best interests of the Bank. Relating to other contents in the 2023 General Meeting of Shareholders Resolution, ABBANK has fully and seriously implemented it, ensuring compliance with the provisions of law.

4. Regarding the performance of the Board of Directors, General Director and supervision results for the Board of Directors, General Director and other executives of ABBANK

4.1. Regarding the performance of the Board of Directors and the results of supervision of the Board of Directors

In 2023, the Board of Directors held four regular meetings in accordance with regulations. In addition, the Board of Directors also voted via email to decide on issues of business strategy, policies, and regulations on organizational governance, operations, risk management, debt handling and guiding documents under the authority of the Board of Directors to comply with legal regulations on organizational governance and ensure operational safety, risk control, as well as goal orientation, business plan for 2023 and key tasks in operating ABBANK's operations.

Through briefings, business meetings, thematic meetings and activities of Committees under the Board of Directors, the Board of Directors has directed and supervised the General Director in managing the Bank's operations such as: business activities, construction and implementation of key projects of the Bank, human resource management to ensure human resources for business activities, orientation to implement proactive and integrated risk management to ensure safe and effective business and compliance with legal regulations...

4.2. Regarding the performance of the General Director (CEO) and the results of supervision of the General Director and other executives of ABBANK

In 2023, Ms. Le Thi Bich Phuong resigned from the position of Acting General Director due to personal reasons, the Board of Directors approved the selection of Mr. Pham Duy Hieu - Member of ABBANK Human Resources Committee to take on the position of Acting General Director from August 10, 2023. Because Mr. Pham Duy Hieu once held the position of General Director of ABBANK, he has an understanding of the system, thereby quickly adapting to operating and implementing business promotion programs, creating positive effects worldwide system.

On a monthly basis, the General Director presided over whole bank briefings, business meetings, thematic meetings, etc. and provides guidance mainly focusing on promoting business activities, controlling credit quality, risk management, debt handling and issues related to the Bank's business and operations.

The Board of Management (BOM) has developed and issued internal regulations for professional activities, ensuring there is a control and risk management mechanism associated with each business process. ABBANK has maintained targets on limits and safety ratios in banking operations in accordance with the regulations of the State Bank of Vietnam (including targets on minimum capital adequacy ratio and solvency ratio, capital utilization coefficient/mobilized capital source, capital contribution limit, share purchase limit, credit extension limit...); continue to restructure and rearrange the operating apparatus according to McKinsey consulting in accordance with the actual situation with the goal of optimizing operational efficiency and improving the quality of risk management; continue to implement projects to upgrade technology systems to improve the quality of banking services and provide timely, complete, accurate management information, supporting the Bank's digital transformation process.

5. Regarding the implementation of the supervisory function of senior management for Internal Audit (Internal Audit)

The Supervisory Board performed the function of monitoring Internal Audit in accordance with the provisions of Circular 13/2018/TT-NHNN, ABBANK Charter, Regulations on organization and operation of the Supervisory Board; approved the annual internal audit plan, supervised the implementation of the audit plan approved by the Supervisory Board; approved the organizational structure and personnel of the Internal Audit.

The Supervisory Board regularly hold meetings with Internal Audit leaders to evaluate issues recorded through audit activities and identify key risk issues; directed and oriented internal audit work; required internal audit staff to comply with professional ethical standards and internal audit procedures; grasped difficulties and obstacles to promptly resolve them; periodically evaluated Internal Audit activities to continuously improve the quality and efficiency of internal audit activities, ensuring comprehensiveness and professionalism in internal audit activities. The Supervisory Board supervised the Internal Audit to fully implement the audits according to the 2023 plan approved by the Supervisory Board and reported to the State Bank. The 2023 audit plan was built based on risk-oriented principles that consider many aspects to ensure coverage of key risks in the Bank's key activities, departments and processes.

5.1. Supervise Internal Audit to implement tasks according to the 2023 plan

As of December 31, 2023, Internal Audit completed 100% of the yearly plan. The annual audit plan ensured risk-oriented and comprehensive principles, all activities, processes and departments of ABBANK must be audited; departments, activities and processes with high levels of materiality and risk must be audited at least once a year according to internal regulations; considered updating Internal Audit's risks during the year and adjust the plan to suit the Bank's actual operations and legal and regulatory requirements from time to time.

Through audit activities, Internal Audit issued a report and the Board of Management / Headquarters Divisions / Business Units recorded recommendations and proposed corrective measures. The Supervisory Board also monitored the implementation of the Supervisory Board's recommendations to the Internal Audit.

Internal Audit independently and objectively reviewed and evaluated the appropriateness, completeness, effectiveness and efficiency of the internal control system, pointed out necessary changes to the internal control system to handle manage and overcome existing problems; well organized the work of monitoring the implementation of recommendations and reporting on the results of recommendation implementation, ensuring that existing problems and errors are fully and promptly resolved.

The work of strengthening human resources and improving the quality of Internal Audit operations has always been focused by the Supervisory Board. Professional training at the Internal Audit was maintained regularly with training forms appropriate to the actual situation; the Supervisory Board directed the internal audit to deploy and widely apply software to manage inspection and audit activities, and increase the use of modern audit tools and techniques; accelerate the digital transformation process in internal audit activities, to improve the quality and efficiency of internal audit work, and proceed to meet the requirements of a modern risk management model.

Continuously improve internal audit policies and regulations to meet legal requirements and ABBANK's internal management goals.

5.2. Review and evaluate the effectiveness of the Internal Audit and the performance results of the Head of Internal Audit.

All Internal Audits are assessed for quality according to the Quality Assurance and Operational Efficiency Improvement Process of Internal Audit issued by the Supervisory Board. The quality assessment results have reflected the effectiveness of Internal Audit. The performance results of the Internal Audit are the results of the implementation of the duties of the Head of Internal Audit. In 2023, the Supervisory Board assessed that Internal Audit has fulfilled its responsibilities according to regulations. However, Internal Audit needs to constantly improve its professional capacity to complete its tasks well.

5.3. Handle and overcome shortcomings and limitations of internal audit according to the requests and recommendations of the State Bank, independent audit organizations and other authorities.

In 2023, there was no requests or recommendations from the State Bank, independent audit organizations and other authorities for Internal Audit.

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

Pursuant to the provisions of the Internal Regulations on ABBANK governance, the Head of the Supervisory Board fully participated in the regular meetings of the Board of Directors and attended all BOM steering meetings. All members of the Supervisory Board received all Resolutions, Decisions, Directives of the Board of Directors and monthly briefing conclusions as well as direction of business activities of the Board of Directors. Members of the Supervisory Board can discuss work directly and specifically with units within the Bank as well as with the Board of Management and Board of Directors.

The Board of Directors and the Board of Management have directed the units to seriously implement and periodically report on the results of implementing the recommendations of the State Bank and the Supervisory Board. The coordination between the Supervisory Board and the Board of Directors and Board of Management is carried out in accordance with the provisions of law, ABBANK's Charter and internal regulations of ABBANK.

The Supervisory Board has fully reported the results of supervision to shareholders at the annual General Meeting of Shareholders according to the provisions of ABBANK's Charter.

7. Prepare, maintain and update a list of related persons of members of the Board of Directors, members of the Supervisory Board, General Director, shareholders owning at least 5% of ABBANK's voting shares:

The Supervisory Board regularly monitored and promptly updated the list of major shareholders, members of the Board of Directors, members of the Supervisory Board, General Director, executives, Chief Accountant and related people according to regulations, specifically: in 2023, ABBANK had a change in the personnel of the Board of Directors and Supervisory Board due to the end of the term and the General Meeting of Shareholders approved the election of personnel for the new term 2023 - 2027 and changed the Acting General Director of ABBANK. These changes were updated by the Supervisory Board fully according to regulations.

8. Evaluation of transactions between the Bank, subsidiaries and Board Members, General Director, other executives of ABBANK and related people

Transactions between ABBANK and related persons in 2023 have been submitted to the Board of Directors for approval in accordance with the provisions of law, ABBANK's Charter and fully disclosed according to regulations on information disclosure. on the stock market. Summary of transactions with related parties is shown in the 2023 Audited Financial Report and on ABBANK's website: www.abbank.vn.

9. Credit grants to subjects specified in Clause 1, Article 127 of the Law on Credit Institutions

ABBANK complied with regulations on granting credit to 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).

10. Remuneration, operating expenses and other benefits of the Supervisory Board

Remunerations and operating expenses of the Supervisory Board are summarized in the 2023 Remuneration and Operating Expenses Report of the Board of Directors and Supervisory Board and presented by the Board of Directors. Remuneration and expenses were implemented in accordance with the limits approved by the General Meeting of Shareholders and in accordance with relevant provisions of law and ABBANK's Charter.

II. ORIENTATION AND OPERATION PLAN OF THE SUPERVISORY BOARD IN 2024

With the Bank's operating situation and strong digital transformation trend, the Supervisory Board's operating orientation for 2024 is as follows:

- Supervise the organization and implementation of directives of the Government, Prime Minister, and State Bank of Vietnam on key tasks of the banking industry in 2024;
- Continue to supervise the implementation of the Bank restructuring project associated with bad debt handling in the period 2021-2025;
- Seriously implement the SBV's instructions to the Supervisory Board and Internal Audit;
- Continue to strengthen and consolidate internal inspection and audit work, in order to promptly and comprehensively identify and control key risks in banking

- operations, focusing on investing resources to control key risks of network security and information security;
- Continue to strengthen measures to monitor the implementation of recommendations of inspection, examination and audit teams, in order to overcome existing problems and errors, ensuring the Bank's operations are safe and effective;
 - Innovate and apply information technology in work to improve the effectiveness of supervision and auditing in the general trend of digital transformation of the Bank.

Accordingly, based on the functions and tasks prescribed by law, the Charter, Regulations on organization and operation of the Supervisory Board and the Bank's business plan, the Supervisory Board reports its 2024 operating plan as follows:

- Carry out internal monitoring functions in management and administration activities in compliance with the provisions of law and ABBANK's Charter;
- Perform senior management supervision functions for Internal Audit;
- Supervise the implementation of the 2024 General Meeting of Shareholders Resolution;
- Appraise periodic financial reports according to regulations;
- Direct the organization and effective implementation of the 2024 audit plan;
- Review and edit the Operation Regulations of the Supervisory Board of An Binh Commercial Joint Stock Bank to fully update the amended content in the Law on Credit Institutions No. 32/2024/QH15 effective from July 1, 2024.
- Other tasks as prescribed.

III. PROPOSALS AND RECOMMENDATIONS OF THE SUPERVISORY BOARD

1. Proposal for the Board of Directors and Board of Management:

On the basis of monitoring activities and for ABBANK to meet its stable growth target, the Supervisory Board recommends to the Board of Directors and Board of Management a number of key contents as follows:

- The Board of Directors and the Board of Management continue to direct the promotion of credit growth according to the direction of the Government and the State Bank of Vietnam to contribute to economic growth on the basis of controlling credit quality.
- Research and adjust credit processes towards simplifying procedures, shortening loan application processing time for customers and ensuring risk control.

- Enhance bad debt recovery and limit bad debt arising.
- Accelerate implementation progress and closely monitor information technology development projects to ensure safety and security; Strengthen the application of information technology in providing banking services, in operation and management; risk analysis and prevention; focus on risk management solutions in developing modern service delivery channels and applying digital technology; strengthen anti-money laundering measures.
- Further strengthen propaganda and training to continue to improve culture and awareness of compliance with professional regulations and codes of ethics.
- Complete and implement the Strategic Renewal Project for the period 2024 - 2028 according to the consulting from McKinsey, 2024 is a pivotal year in strengthening the foundation and creating a basis for effective and sustainable growth in the future.

2. The Board of Supervisors proposes to the General Meeting of Shareholders to approve:

- Approved ABBANK's 2023 financial statements, which were independently audited by Ernst & Young Vietnam Co., Ltd. and appraised by the Supervisory Board.
- Propose the General Meeting of Shareholders to authorize the Board of Directors to select one of four internationally reputable auditing units, including: PWC Auditing Company; Deloitte Vietnam Company; Ernst & Young Vietnam Co., Ltd. or KPMG Vietnam Co., Ltd. as the independent auditor auditing the 2024 and 2025 Financial Statements for ABBANK.

Respectfully submitted to the General Meeting of Shareholders for approval.

We wish all shareholders health, happiness and success. Wishing the conference great success!

**ON BEHALF OF THE SUPERVISORY BOARD
CHIEF**

(Signed)

Nguyễn Thị Hạnh Tâm