SOCIALIST REPUBLIC OF VIET NAM
Independence – Liberty – Happiness

Hanoi, April 3, 2023

REPORT OF THE BOARD OF DIRECTORS ON ITS OPERATION IN 2022 AND ORIENTATION FOR 2023

(To be submitted to the Annual Meeting of Shareholders 2023 for approval)

In 2022, the global economy faced uncertainties such as declining world economic growth and high inflation; Russian-Ukrainian conflict affecting food security, energy, fault global supply chain; China's economic growth deceleration, Vietnam's economy is still considered as a bright spot in the region when achieving the highest growth rate in the past 10 years. However, looking at the reality, that growth is compared with the low base of 2021 and we have to face many difficulties such as a series of problems to be solved after the covid pandemic, the financial - monetary banking, bonds, securities, real estate have many fluctuations and have lost confidence, Vietnamese enterprises did business in the environment with the lowest inflation but the highest interest rates in the world. In that context, the banking industry in general and ABBANK in particular have proposed many solutions to adapt to market fluctuations, ensure operational safety, maintain business stability, accompanied and shared difficulties with customers, strived to grow the retail segment according to the business strategy, continued to effectively handle debt recovery, strengthened strict risk management, saved costs, enforced many policies to attract and retend human resources. With the efforts of all employees, ABBANK continued to be among the highly trusted joint stock commercial banks in the market and has been upgraded by Moody's rating agency in terms of safety indexed and good risk controls. Although the business results did not meet expectations, ABBANK still closely followed the orientation and strategic plan goals 2021 - 2025.

The Board of Directors (BOD) would like to report to the General Meeting of Shareholders (GMS) on the results of the Bank's governance activities in 2022 and the orientation for the 2023 as follows:

I. PERFORMANCE IN 2022

1. Key business indicators of ABBANK

1.1. Financial indicators:

- Total assets: VND 130,065 billion, increasing 8% as compared to 2021, achieved 94% of 2022 planned target.
- Total deposits of market 1: VND 91,994 billion, increasing 14% as compared to 2021, achieved 97% of 2022 planned target.

- Total lending: VND 88,529 billion, increasing 13% to 2021, achieved 96% of 2022 planned target.
- Profit before tax: VND 1,686 billion, achieving 85% of 2021 and 55% of 2022 planned target.
- On balance sheet bad debt: 2.19%, ensuring under 3% according to the State Bank of Viet Nam regulation.

1.2. Subsidiary's business results

- An Binh Bank Asset Exploitation and Debt Management Company (ABBA) achieved a pre-tax profit of VND 59.12 billion dong, increasing 12% to 2021, achieved 101% of 2022 planned target.
- ABBA Security Service One Member Limited Company (ABBAS) - Company indirectly owned by ABBANK through ABBA: achieved a pre-tax profit of VND 3.3 billion, decreasing 4% to 2021, achieved 114% of 2022 planned target.

The BOD would like to submit to the GMS the audited financial statements for the year ended December 31, 2022. Detailed financial statements have been publicly disclosed on ABBANK's website: https://www.abbank.vn/thong-tin/bao-cao-tai-chinh.html and shown in the content of ABBANK Annual Report 2022.

1.3. Overall assessment of business results in 2023

a) Result achieved

- Ensuring stable and safe development, maintaining liquidity and growth in the context of the market with many adverse fluctuations in the past year, especially the issues of corporate bonds at the end of the year affected to the liquidity of the country's whole banking system.
- In general, although the set profit target has not been achieved, the business results in 2022 have reflected the nature and revenue from business derived from the Bank's core activities - this is an important premise for sustainable development.
- Acquired all debts sold to VAMC, completely resolved a number of outstanding old bad debts.
- Continue to increase the charter capital to nearly 10 trillion dong (after the additional 10% dividend is approved by the GSM in 2022, ABBANK's charter capital will reach over VND 10 trillion); spend long-term investment resources in people, technology systems and data to create the foundation for effective and sustainable development, making ABBANK a real organization that creates values for society, brings up convenient and secured values for the customers and benefit for its Shareholders.
- Complete the organizational structure of a number of units such as consolidating the functions and tasks of the Sales and Service Division, establishing the Digital

Banking Division, creating a clearer change in the "Customer-centric" orientation associated with strong implementation of core values throughout the system.

b) Limitations and causes

- The target of 2022 has not been achieved due to market fluctuations, many negative and unstable factors affecting the treasury business segment, in addition, in the past year, there were compensation costs arising because off terminating contract on cooperation in selling life insurance with old partner with whom the cooperation benefit of ABBANK does not be guaranteed. The above factors have reduced the profit before tax of the Bank by more than VND 1,000 billion while there is no effective solution for alternative revenue sources to offset the plan. Some indicators of scale and efficiency are still relatively far from the directional targets of the Mid-term Business Plan 2021-2025.
- Business results in treasury segment, particularly government bonds, due to the sharp increase in market interest rates and limited liquidity, leading to the government bond portfolio being affected.
- There has not been a continuous tranfomation in cooperation with the new insurance business partner when ceasing the contract with the old partner, leading to no fee revenue while paying compensation when terminating the contract.
- Forecasting and planning is still limited. The implementation of digital banking has not yet made a breakthrough and needs to be promoted more strongly.

2. About the Bank's governance

2.1. ABBANK's Board of Directors structure for the 2018 - 2022:

In 2022, the Board of Directors operates with 7 members:

1. Mr Đào Mạnh Kháng – Chairman
2. Mr Vũ Văn Tiền – Vice Chairman
3. Mr Soon Su Long – Member
4. Mr Jason Lim Tsu Yang – Member
5. Mr Nguyễn Danh Lương – Independent Member
6. Mr Lưu Văn Sáu – Independent Member
7. Mrs Iris Fang – Member

Ms. Iris Fang has submitted a resignation letter from her position as Member of the Board of Directors and according to her personal wishes, from October 28, 2022, Ms. Iris Fang did not participate in the BOD activities anymore. The Board of Directors has approved Ms. Iris Fang's application to report to the General Meeting of Shareholders for approval.

2.2. BOD's activities:

- The Board of Directors held face-to-face meetings, through the Microsoft Teams meeting system of ABBANK and voted through the email consultation process

according to the Regulations to approve the decisions of the Board of Directors to decide on many issues. on strategies, policies, regulations on organizational governance, operations, risk management, debt handling in accordance with the provisions of the law, regular direction, closely following business goals and meeting business objectives and requirements of the actual operation of ABBANK.

- Members of the Board of Directors have properly performed their assigned functions and tasks; fully participated in activities of the Board of Directors and affiliated committees. The permanent member has regularly directed and promptly supported the Bank's operations in accordance with strategic and plan orientations, flexibly responding to the impact of the epidemic and market volatility.
- The Board of Directors has carried out its responsibilities for senior supervision and evaluation of the performance of members of the Board of Directors and the Board of Management in accordance with corporate governance standards.
- In 2022, ABBANK's Board of Directors issued many documents and decisions on policies and governance, including important documents such as:

  * Adjusting ABBANK's strategy for the period of 2022 - 2025.

  * Regulations on buying and selling corporate bonds; Regulations on debt trading; Policy Internal assessment of capital adequacy; Policy on provisions for credit risks; Counterparty Risk Management Policy; Market Risk Management Policy; Policy on Assets and Liabilities Management; Policy on Data Governance and Data Quality Management, Risk Appetite in 2022; Planning for distribution of selling points for small and medium-sized enterprises (SMEs)…
- The Board of Directors approved the selection of Ernst & Young Vietnam Co., Ltd. as independent audit unit to audit the financial statements 2022 for ABBANK which was authorized by the GMS;
- The Board of Directors considered and approved the investment and procurement cost plan; approve credit extension transactions under the authority of the Board of Directors, transactions with related parties in accordance with current regulations of law and ABBANK's Charter.
- Other activities of the Board of Directors were carried out through the Committees of the Board of Directors, the Chairman/Vice Chairman and members of the Board of Directors in accordance with the functions and authority assigned by the Board of Directors.

2.3. Risk Management Committee's activities (RMC)

In 2022, the RMC four face-to-face meetings with the participation of Committee members and representatives from the BOM, Risk Management Division, Internal Audit, and relevant functional units upon request. The meetings were attended by the Head of

the Supervisory Board. The contents of discussions and conclusions at the meetings are fully recorded in the minutes of the meeting, together with recommendations (if any).

The RMC has clearly demonstrated its role of advising and assisting the Board of Directors in risk management for ABBANK, including the following activities:

- Providing opinions and verifying the draft policies and regulations developed by the Board of Management (BOM) for completion before submitting to the Board of Directors for approval.
- Supervising the BOM in the implementation of policies and strategies approved by the Board of Directors.
- Supervising the activities of the Councils under the BOM.
- Supervising the implementation and application of results of the Bank's strategic projects.
- Supervising the CEO in the operation to ensure compliance and warn and handle the shortcomings in risk management.
- Commenting on the adjustment of the adjusted contents of the medium-term business plan for the period of 2023 - 2025 in the medium-term business plan for the period of 2022 - 2025 of ABBANK and the risk management plans in line with reality before submitting to the Board of Directors for approval.
- Develop and implement the medium-term work plan of RMC for the period of 2023 -2025 in line with the implementation of ABBANK's adjusted medium-term business plan for the period of 2023 - 2025

2.4. Human Resources Committee's activities

The main activities of the Human Resources Committee (HRC) in 2022 include:

- Advising and advising the BOD on issues related to personnel, salary, remuneration, bonus and other remuneration policies of ABBANK. The Committee has supported the search and assessment of candidates for key positions of the Bank, actively and proactively assessed, considered, and proposed to the BOD on recruitment, appointment, dismissal, and transfer of high-level staff under the decentralization of authority;
- The HRC commented on improving the organizational structure of the Bank and the functions and tasks of the Divisions, Head Office units, and business units.
- Advising the BOD in training and developing human resources, building working environment and improving remuneration for employees.
- Continuing to advise the BOD in directing, evaluating and perfecting the Salary-Based Mechanism for implementation in order to improve labor productivity and efficiency for ABBANK and at the same time ensure the reasonableness and fairness for employees.

- Providing opinions and advising the BOD on evaluating the performance of the BOM, key units and staff at ABBANK.
- Members of the HRC participated as speakers for Cultural Conference Programs organized by ABBANK and participated in many programs and events in the series of ABBANK's Cultural Journey events in order to position and communicate throughout the system to understand ABBANK's core values and transform them into corporate culture characteristics and spread the image of ABBANK's own brand values.
- The HRC provided opinions and advised the BOD to approve the Human Resources Strategy and action plan for the period of 2022 - 2025 to meet the requirements of the system in order to achieve the medium-term business plan approved by the Board of Directors.
- In addition, the HRC advised the BOD to approve regulations and policies related to human resource management such as: Regulations on Personnel Management, Regulations on Labor Contracts, Regulations on Recruitment of the Company, Regulation on training employees…

2.5. Strategy Committee's activities

As the members of the Board of Directors are also members of the Strategy Committee, in 2022, a number of activities are consulting, advising, exchanging, working and directing the BOM and related functional units of ABBANK related to strategic issues carried out by members of the Board of Directors within the scope of functions and duties of the Strategy Committee, including the following activities:

- Reviewing and adjusting ABBANK's strategic goals and transformation for the period 2022-2025;
- Directing the implementation of important projects of the Bank such as:
  o Information technology development strategy consulted by partner McKinsey and detailed strategic projects for the period 2021-2025 of ABBANK.
  o Multi-channel business platform for 2 segments of Consumer Banking and Wholesale Banking.
  o Digital banking marketing solution on multi-channel platform.
  o Optimization of credit operation processes.
  o Align business models and network and data safety projects.

2.6. Activities of the Digital Banking and Transformation Committee

In 2022, the Digital Banking and Transformation Committee (DTC) held meetings to discuss with Divisions, Units and related partners to advice the Board of Directors in related issues to promote the transformation and business activities of the Bank.

The DTC made specific recommendations to the Board of Management and related Divisions and Units to accelerate the implementation of the work in the transition period according to the Customer-centric strategy, which includes a number of important recommendations as follows:

- Adjusting the organizational structure of ABBANK;
- Building business plan and implement 2022 KPI, ensuring that the Divisions/Units to collaborate, develop, and complete the set goals;
- Establishing Strategy and Development Division, Digital Banking Division, Product Council and adjusting organizational structure, functions and tasks of related Divisions/Units;
- Implement strategic initiatives of organizational culture combined with internal communication to promote the building of corporate culture throughout the system;
- Facing the objective fluctuations of the market and the economy, the DTC made recommendations to the Board of Directors in the implementation of business activities to ensure safe and effective banking operations;
- The DTC also closely monitored the implementation of strategic initiatives and made recommendations to remove difficulties in the implementation of the Bank's projects to help speeding up the implementation of the Bank's initiatives of strategic planning to optimize costs and resources and ensure the right orientation, vision and strategy of the Bank.

3. About transactions with related persons:

In 2022, transactions between ABBANK and related persons were submitted to the Board of Directors for approval according to their authority in accordance with the law and ABBANK's Charter. Summary of transactions with related parties are shown in the audited financial statements of 2022 and published on ABBANK's website: www.abbank.vn.

4. Results of monitoring the General Director and the Board of Management:

The Board of Directors performs the role of supervising the activities of the General Director (CEO) and the BOM by participating in periodic meetings with the Board of Management such as: business meetings, briefings, etc. In addition, the BOD also supervised activities of the BOM through the Reports of Internal Audit / Supervisory Board, Reports of the RMC, periodic reports of the BOM at BOD meetings and reports upon request.

4.1. Regarding the completion of financial targets assigned by the GMS, the BOD: The General Director directed and operated the Bank's activities in accordance with its functions and duties; assigned tasks to BOM members reasonably and made timely adjustments; proposed business solutions, overcomed limitations, controled operating

safety ratios and liquidity in the context of fluctuations in the economic situation as well as the money market. The overall results of some important targets of the Bank reached approximately the target level, although the profit before tax target assigned by the GSM has not yet been achieved, it has created a good foundation for growth in the coming period. The BOM has promoted the implementation of a regional business management model and the operation of the Sales and Service Division to support business units to improve their role as profit centers, reduced the number of loss-making business units. Credit quality was under control and debt settlement was well implemented.

4.2. Regarding the management: In the difficult conditions after the epidemic and the continuous unfavorable fluctuations of the domestic and foreign markets, the Board of Management took the initiative to flexibly adjust operations according to the locality, stabilize the business, ensure ensure safety and focus on customer care.

5. Regarding the result of increasing charter capital of the Bank

According to the content reported to the GMS on April 20, 2022, based on the provisions of law, the Resolution of the GMS and the approval documents of the management agency, on the February 11th, 2022 ABBANK implemented the issuance of shares to increase charter capital from owners' equity (dividing bonus shares) at the rate of 35%. Accordingly, ABBANK's charter capital in 2022 has increased from VND6,969,998,530,000 to VND9,409,470,820,000.

In addition, based on the Resolution of the GMS dated April 20, 2022, ABBANK submitted and approved by the State Bank of ABBANK to increase its charter capital by a maximum of VND990,947,080,000 in the form of: (i) maximum issuance: 94,094,708 shares to pay dividends from retained earnings in 2021; (ii) issue up to 5,000,000 shares to employees under the employee selection program. Currently, ABBANK has sent the report on the issue of shares to pay dividends to the State Securities Commission (SSC) and will issue shares to pay dividends immediately after receiving the written confirmation of the issuance documents from the SSC.

The scale of charter capital was increased in the past year in line with operational capacity, meeting the demand for sufficient capital to ensure compliance with SBV regulations and international standards on risk management and meet the criteria of independent rating agencies.

II. ORIENTATION FOR 2023'S ACTIVITIES

The set of business plan targets for 2023 is based on the medium-term growth plan to 2025 with 5 specific objectives:

- Top 8 in terms of ROE in the ranking of joint stock commercial banks;
- Income from retail (Consumer and SME) accounts for 70% of total net income from market 1, domestic and international service fee collection at least 20% of total net income;
- Attracting and reaching 2 million retail customers with active transactions;
- On average, each customer holds at least 3 products;
- Modern corporate governance according to international standards.

Business strategy and action orientation were presented in the report of the General Director. Here are the main indicators:

1. Business targets in 2023

- Total assets: VND 136,816 billion, increasing by 5% of 2022.
- Total deposits: VND 93,508 billion, increasing by 2% of 2022
- Total lending: VND 97,382 billion, increasing by 10% of 2022 (adjusted to credit room approved by SBV at different periods).
- Profit before tax: VND 2,826 billion, increasing by 68% of 2022.

ABBANK's key tasks in 2023 and medium-term strategic orientation until the end of 2025 are customer satisfaction, ensuring assets quality, proactively respond to risky situations apply standards of social environment and good governance in business for sustainable growth; proactively respond to risky situations such as crises, wars, epidemics and natural disasters; promote the bad debt recovery capacity achieved in recent years, fulfill financial targets, improve the Bank's reputation and brand.

2. Governance and business direction

In 2023, the Board of Directors will regularly direct, supervise and support the Executive Board and the entire system to focus their efforts on the following priority contents:

2.1. Strongly promote the process of digital transformation, doing business on the digital platform and expand the digital ecosystem, to meet the requirements of business development and the needs of customers; Take advantage of the support of experience and experts from major shareholder Maybank, attract and build a team of professional personnel to meet development needs in order to create a breakthrough in the provision of digital banking services.

2.2. Successfully transformed the customer-centric business model through reorganizing the network system and organizing management, operation and improving operational efficiency from Business Units, business segment.

2.3. Review, adjust, update synchronously the Mid-term Plan 2021-2025 and orientation for the next years afterward, closely following the Bank reality and retail customer-centric strategy. With the vision and in order to realize the strategic targets and

aspiration to become an effective retail bank with a market capitalization increased many times compared to the present, it is necessary to prepare the foundations and the commitment from the Board of Directors, from Shareholders; and at the same time, need to accumulate from annual profit in the next 3 - 5 years to increase equity, and may issue shares draw new capital when necessary to reach the desired bank size; spend long-term investment resources in people, technology systems and data to develop ABBANK effectively and sustainably under the "Customer-centric" orientation, turning ABBANK into a real organization creates values for society, bring up convenient and secured values for the Customers and benefit for the Shareholders.

2.4. Implement active and proactive risk management; ensure liquidity safety; improve credit quality; well control and handling of bad debts.

2.5. Ensure sufficient human resources for business activities. Implement the remuneration policy: fair, worthy of the contribution, enthusiasm and responsibility of employees, and at the same time replace personnel with poor peformance.

2.6. Building up a corporate culture associated with the Bank's core values.

2.7. Fully and seriously implement the directions and orientations of the State Bank for the operation of credit institutions in 2023.

3. Construction and implementation of the restructuring scheme associated with bad debt settlement

Implementing the direction of the Prime Minister in Decision No. 689/QD-Ttg dated June 8, 2022 on the approval of the Project "Restructuring the system of credit institutions associated with bad debt settlement in the period of 2021 – 2025" and Decision No. 1382/QD-NHNN dated August 2, 2022 of the State Bank of Vietnam on Promulgating the Action Plan of the Banking sector to implement the Project "Restructuring the banking system". credit institutions associated with bad debt settlement in the period of 2021 - 2025", ABBANK is developing the restructuring scheme associated with bad debt settlement in the 2021-2025 period, based on ABBANK's strategic and practical orientations and the requirements and direction of the State Bank.

III. PROPOSAL

1. The Board of Directors respectfully requests the General Meeting of Shareholders to approve:

1.1. Audited financial statements for 2022 of ABBANK; Report on its activities in 2022 and operation orientation in 2023 of the Board of Directors as above contents.

1.2. Listing ABB shares at Ho Chi Minh City Stock Exchange when market conditions are favorable according to the specific decision of the Board of Directors.

2. In order to proactively and promptly solve arising problems (if any) during the period between the two General Meetings of Shareholders, the Board of Directors would like to submit to the General Meeting of Shareholders for approval the authorization/assignment for the Board of Directors to decide on the following matters and/or to cary out following tasks:

2.1. Decide to add more business lines in line with ABBANK's strategic retail business orientation; carry out procedures and dossiers for updating and supplementing business lines in accordance with law.

2.2. Review and adjust the business plan to suit the actual situation and the direction of the state management agency.

2.3. Decide to implement listing ABB shares on the Ho Chi Minh City Stock Exchange. The Board of Directors is entitled to:

- Decide the time to list ABB shares (transfer from UpCOM).
- Carry out necessary documents and procedures to list ABB shares.
- Decide other arising issues related to the implementation of listing ABB shares.

2.4. Continue to implement and complete the work of issuing shares to pay dividends approved by the General Meeting of Shareholders at the 2022 annual meeting; Decide to issue shares under the Employee Selection Program (ESOP Program) under the plan to increase ABBANK's charter capital was approved in accordance with the Resolution of the General Meeting of Shareholders in 2022 when necessary and appropriate to the Bank's needs.

2.5. Approving the plan to restructure ABBANK in association with bad debt settlement in the 2021-2025 period in order to implement and conform to the requirements and direction of the Prime Minister and the State Bank of Vietnam; amend, supplement and adjust the Plan when necessary.

We propose the General Meeting of Shareholders to approve and assign the Board of Directors to direct and organize the implementation.

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN
(Signed)
Dao Manh Khang