

VIETCREDIT FINANCE  
JOINT STOCK COMPANYSOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness

Number: 231/2025/VietCredit-BC

Hanoi, April 3, 2025

**REPORT OF THE BOARD OF DIRECTORS  
ON ACTIVITIES IN 2024 AND ORIENTATION FOR 2025****A. REPORT OF THE BOARD OF DIRECTORS****I. 2024 PERFORMANCE RESULTS****1. Characteristics, general situation**World economic situation:

The world economic growth in 2024 shows signs of recovery but the pace is still slow. Although world inflation has decreased, it is still higher than the targets of many countries. The international interest rate level remains high but the pressure has decreased thanks to the interest rate cut by the US Federal Reserve (Fed). The global foreign exchange market continues to fluctuate strongly, especially in the run-up to the US presidential election, when international gold prices peaked. These are developments that have had direct and indirect impacts and created great pressure on the management of monetary and exchange rate policies in particular and the Vietnamese economy in general.

Background of domestic banking and financial industry:

2024 is a year when the world economy continues to face many complex and unpredictable fluctuations. With the characteristics of a highly open economy, Vietnam is strongly affected by these fluctuations. In 2024, the Vietnamese economy has improved with recovery growth, however, some internal problems still need more time to overcome. Especially for the banking industry, developments in the real estate and corporate bond markets, along with people's concerns about high gold prices, etc. also have a close impact on banking activities. This poses a great challenge for the domestic banking and financial sector.

**2. Tasks assigned by the General Meeting of Shareholders**

In 2024, the General Meeting of Shareholders (GMS) passed 02 Resolutions at the meeting to assign tasks to the Board of Directors (BOD):

TT	Resolution No.	Day	Main content approved by the General Meeting of Shareholders
1	324/2024/VietCredit-NQ	April 19, 2024	Resolution of the 2024 Annual General Meeting of Shareholders
2	24/2025/VietCredit-NQ	10/01/2025	Resolution of the Extraordinary General Meeting of Shareholders in 2024



### 3. Evaluate and report on the results of the implementation of tasks assigned by the General Meeting of Shareholders.

In 2024, when the economy and the banking and financial sector in general still faced many difficulties and challenges, the Board of Directors (BOD) and the Executive Board (BOD) made efforts and boldly carried out a comprehensive restructuring of the company according to the operating model and development orientation focusing on lending through digital platforms. With the restructuring, the Company has initially achieved some positive results.

#### 3.1. Business performance results in 2024

- **Total assets** recorded **VND 8,163 billion**, up 19.2% compared to 2023, reaching 129% of the 2024 plan assigned by the General Meeting of Shareholders.
- **Total capital mobilization** reached nearly **7,017 billion VND**, an increase of 21.9% compared to 2023, reaching 135% of the 2024 plan assigned by the General Meeting of Shareholders.
- **Outstanding loans** (after W/O) reached **VND 6,300 billion**, up 36.3% compared to 2023, reaching 122% of the 2024 plan assigned by the General Meeting of Shareholders.
- **Pre-tax profit** loss **155 billion VND**, compared to the profit of 51 billion VND according to the 2024 plan assigned by the General Meeting of Shareholders.
- **bad debt ratio (NPL)** after W/O is **5.02%** (the 2024 plan assigned by the General Meeting of Shareholders is not more than 12.9%).

(The content of the business performance report is presented in the Executive Board (BOD)'s Report).

#### 3.2. Amendment and supplement to the Charter

The Board of Directors (BOD) has directed the amendment and supplementation of the charter of Tin Viet Finance Joint Stock Company according to the content of the Proposal to the General Meeting of Shareholders No. 231/2024/VietCredit-TT dated March 28, 2024 and Proposal to the General Meeting of Shareholders No. 945/2024/VietCredit-TT dated December 20, 2024.

#### 3.3. Remuneration of members of the Board of Directors (BOD) and Board of Supervisors (BOS) in 2024

The 2024 Annual General Meeting of Shareholders approved the total remuneration and dedicated allowances of members of the Board of Directors (BOD) and the Board of Supervisors (BOS) in 2024 with a total amount of VND 5,325,590,000. VND. The actual result of remuneration and allowances in 2024 for members of the Board of Directors (BOD) and the Board of Supervisors (BOS) is VND 4,324,057,142. VND, in which:

- Details of remuneration and allowances for members of the Board of Directors (BOD) and the Board of Supervisors (BOS) in 2024 are presented in detail in the 2024 Audited Financial Statements.



- In addition, in 2024, there will be a bonus payment for members of the Board of Directors (BOD) and the Board of Supervisors (BOS) (using the bonus fund for executives from previous years) of 720,000,000. VND

### 3.4. Change of Head Office location

The General Meeting of Shareholders approved the change of the Company's Head Office location from the 17th Floor, Mipex Tower Building, 229 Tay Son Street, Khuong Thuong Ward, Dong Da District, Hanoi to the 9th Floor, VET Building, 98 Hoang Quoc Viet Street, Nghia Do Ward, Cau Giay District, Hanoi City.

The Board of Directors (BOD) has directed the implementation of procedures to request the State Bank to approve the change of the Company's head office location and has received the approval document from the State Bank on March 17, 2025. The Board of Directors (BOD) is continuing to direct the implementation of related work to complete the request for the State Bank to issue a decision to change the establishment and operation license for the content of the Company's head office address.

### 3.5. Implement the plan to increase charter capital in 2023

The 2024 Annual General Meeting of Shareholders approved the continued implementation of the 2023 charter capital increase plan of Tin Viet Finance Joint Stock Company in 2024, specifically increasing charter capital by issuing shares to existing shareholders and issuing shares under the employee stock option program .

- ***Regarding the content of increasing charter capital by issuing shares to existing shareholders:***
  - + The Company has completed the issuance of an additional 21,041,117 shares, equivalent to 99.9998% of the total number of shares offered, increasing the Company's charter capital to VND 911,783,310,000;
  - + The Company was also issued Decision No. 37/QĐ-TTGSNH2 dated February 10, 2025 by the State Bank of Vietnam amending and supplementing the Establishment and Operation License of VietCredit with the content recording the charter capital as VND 911,783,310,000 ;
  - + The General Meeting of Shareholders authorized the Board of Directors (BOD) to, based on VietCredit's operating situation, adjust the plan for using capital raised from issuance if necessary to suit the actual situation, investment strategy and development orientation of the Company in accordance with legal regulations. Based on legal regulations, the Board of Directors (BOD) has adjusted the plan to use the proceeds from the offering with a value less than 50% of the proceeds from the offering. Specifically, with the proceeds of VND 210,411,170,000, the Board of Directors (BOD) has approved the use to pay the Company's Deposit/Loan Contracts and Deposit Certificates due in September and October 2024 with the realized value of VND 94



billion ( less than 50% of the proceeds from the offering), the remaining amount of VND 116.4 billion is used to supplement working capital for consumer lending activities through the issuance of domestic credit cards (in accordance with the method approved by the General Meeting of Shareholders). The use of proceeds from the offering is expected to be completed in 2024.

- Regarding the content of capital increase by issuing shares under the employee stock option program: Because in 2024, the Company has restructured its human resources to optimize and improve operational efficiency, the Board of Directors (BOD) respectfully reports and requests the General Meeting of Shareholders to approve the cancellation of the plan to increase charter capital in 2023 by issuing shares under the employee stock option program.

### **3.6. Implementing the private stock offering plan**

The 2024 Extraordinary General Meeting of Shareholders approved the plan to offer individual shares with the expected number of shares offered being 20,000,000 shares, corresponding to the total expected offering value at par value of VND 200,000,000,000 to domestic and foreign investors with prestige and financial capacity; professional securities investors with the offering price not lower than the book value of the Company as of June 30, 2024 (based on the audited financial statements for the first 6 months of 2024) or not lower than the par value of the shares, whichever is higher. Currently, the Board of Directors (BOD) is considering a suitable and favorable time to submit a dossier requesting the State Bank to approve the increase in charter capital for VietCredit. The Board of Directors (BOD) will continue to report and update the General Meeting of Shareholders at the next General Meeting of Shareholders.

### **3.7. Implement the debt sale plan in 2024**

Debt sale activities: In 2024, the Company sold overdue debts with a total outstanding debt equivalent to VND 1,259 billion (principal outstanding debt equivalent to VND 747 billion), earning VND 332 billion in revenue.

### **3.8. Amendment and supplement of the Company's Regulations**

The 2024 Extraordinary General Meeting of Shareholders approved amendments and supplements to the Company's Regulations, including: Regulations on Organization and Operation of the Board of Directors (BOD), Regulations on Organization and Operation of the Supervisory Board, and Internal Governance Regulations. Immediately after being approved by the General Meeting of Shareholders, the Board of Directors (BOD) directed the issuance of these Regulations in accordance with regulations.

## **4. Activities of the Board of Directors (BOD)**

### **4.1. General management and direction**

In 2024, the Board of Directors (BOD) held 04 meetings ( 04 regular meetings) and 105 written votes with 109 Resolutions/Decisions to guide and direct VietCredit's operations in each



period, considering and deciding on matters under the Board of Directors (BOD)' authority. The list of Resolutions/Decisions of the Board of Directors (BOD) in 2024 is announced in the Company's 2024 Governance Report and has been disclosed in accordance with regulations.

#### 4.2. Important and outstanding content of the year

- Carry out procedures for dismissal and election of additional members of the Board of Supervisors (BOS) for the 2023-2028 term . In accordance with legal regulations and the Company's Charter, the Board of Directors (BOD) has carried out procedures to request the State Bank of Vietnam to approve and the General Meeting of Shareholders has approved the dismissal and election of additional members of the Board of Supervisors (BOS) for the 2023-2028 term ;
- Establishment of Digital Lending Center (DLC): With the orientation of restructuring the operating model to focus on lending through digital platforms, the Board of Directors (BOD) decided to establish DLC. After 06 months of operation, outstanding digital loans recorded at VND 1,155 billion, accounting for 18.3% of total outstanding loans of the entire portfolio. With the initial results achieved, it shows that the transformation of business orientation is completely correct and the Company is following the set direction. It is expected that in 2025, digital lending activities will continue to be developed by the Company with a variety of products and are expected to achieve breakthrough results.
- Conducting restructuring of the Company's organizational structure: in 2024, the Board of Directors (BOD) directed the restructuring of units and departments in the Company towards streamlining the organizational model and personnel, reducing costs to improve operational efficiency while still ensuring risk management in accordance with the regulations of the State Bank.
- Completing the Company's restructuring plan for the period 2021-2025 . At the request of the Government and the State Bank, the Board of Directors (BOD) has directed the completion of the Restructuring Plan (CCL) for the period 2021 - 2025 with the contents of comprehensive assessment of the financial situation, operations, results achieved, shortcomings and limitations that need to be corrected and overcome up to the time of developing the CCL Plan; identifying difficulties, challenges and trends affecting the Company's operations in the coming time .
- Strengthening the implementation of capital mobilization plans : In the context of an increasingly competitive market in capital mobilization activities, the Board of Directors (BOD) has actively directed to increase access to diverse capital mobilization partners, including mobilization from market 2 and from corporate customers to ensure liquidity at each time as well as ensure a stable source of long-term capital to serve business activities. Specifically, in 2024, the Board of Directors (BOD) approved the issuance of a transaction limit for market 2 with a total limit value of VND 3,600 billion, an increase of VND 800 billion compared to 2023, with total capital mobilization reaching VND 10,785 billion.



**4.3. Activities of Committees and Councils under the Board of Directors (BOD)**

In 2024, the Committees and Councils under the Board of Directors (BOD) fully and promptly performed their functions and tasks as prescribed in the Regulations on the organization and operation of each Committee and Council, in order to help the Board of Directors (BOD) enhance operational efficiency and make decisions related to the Company's key business areas. In which:

- The Risk Management Committee advises the Board of Directors (BOD) in approving appropriate policies and directions in each period related to types of risks (credit risk, liquidity risk, operational risk, etc.), including determining the Company's risk measurement ratios and appetite; developing the Risk Management Framework, processes and regulations; analyzing warnings of potential risks and then proposing solutions to minimize risks.
- The Human Resources Committee advises the Board of Directors (BOD) on issues of structure, personnel scale, salary, remuneration, bonus, and welfare policies appropriate to the Company's business performance in each period, as well as ensuring compliance with legal regulations.

**4.4. Supervision of the Executive Board (BOD)**

The Board of Directors (BOD)' supervision of the Executive Board (BOD) is carried out in accordance with the Company's Internal Governance Regulations.

- Every quarter, the Board of Directors (BOD) organizes an assessment of the business performance, evaluates the performance of assigned tasks of each member of the Board of Directors (BOD) in the supervision work as well as updates and reviews reports from the Executive Board (BOD) (BOD) on all aspects of the Company's operations; reports on the implementation of the Resolutions of the General Meeting of Shareholders, Resolutions and Decisions of the Board of Directors (BOD); reports on a number of topics as requested by the Board of Directors (BOD).
- In addition, the Board of Directors (BOD)' supervision of the Executive Board (BOD)'s activities is also demonstrated through the review of monthly reports prepared by the Internal Audit Department.
- In general, in 2024, the Board of Directors (BOD)' supervision and direction of the Company's operations were carried out in accordance with the orientation and objectives set for each period. In directing and operating business activities, the Board of Directors (BOD) complied with the provisions of the Law on Credit Institutions, the Company's Charter and the Resolutions of the Board of Directors (BOD).

**4.5. Report on transactions of related parties of the Company with the Company:** announced in the Company's 2024 Governance Report and has been disclosed as prescribed.



## II. ORIENTATION OF ACTIVITIES IN 2025

In 2025, the world economy is forecast to face many variables. Inflation is controlled, central banks gradually loosen monetary policy, creating conditions for economic growth. However, trade tensions and geopolitical fluctuations will continue to be major challenges. Domestically, it is forecasted that there will be opportunities and advantages, difficulties and challenges intertwined. In that context, the Board of Directors (BOD) will focus on a number of key orientations including:

### 1. *Flexible operation in accordance with market developments*

Regularly monitor closely the developments and situation of the domestic economy as well as the macro policies of the Government and the State Bank to operate proactively, flexibly and make breakthroughs.

### 2. *Capital, credit*

- Complete the charter capital increase plan according to the plan approved by the 2024 Extraordinary General Meeting of Shareholders in 2025.
- Continue to expand and diversify customer base, products, and capital mobilization methods, including through digital channels, to ensure that we are always ready to adhere to the credit growth plan ;
- Implement credit granting activities closely following the proposed growth plan, while ensuring safety, efficiency, controlling credit quality, and controlling bad debt ratio.

### 3. *Focus on promoting digital transformation*

In 2025, the focus will continue to be on promoting comprehensive digital transformation and applying technology throughout all products, services as well as risk management, identifying this as a core factor for sustainable development, upgrading technology platforms and optimizing customer experience.

### 4. *Main tasks and objectives*

Based on the above 2024 operational orientation, the Board of Directors (BOD) sets out the following main tasks and goals for 2025:

Unit: million VND

Target	Perform year 2024	Plan 2025	Growth 2025/2024 (%)
Total Assets	8,163,104	12,505,735	53.20%
Total capital mobilized	7,016,853	10,975,455	56.42%
Customer loan balance	6,299,656	11,790,827	87.17%
Total profit before tax	(155,668)	300,000	
Bad debt ratio	5.02%	8.5%	

The Board of Directors (BOD) would like to sincerely thank the shareholders for their support and trust in the Company's operations in general and the Board of Directors (BOD)' operations in particular in the past time. With the efforts and determination of the Board of Directors (BOD)

and all employees, the Company will focus its resources and strive to complete the tasks assigned by the General Meeting of Shareholders in 2025. We hope that shareholders will continue to stick with, accompany and support the Company in the coming time.

Thank you very much!

**TM. BOARD OF DIRECTORS  
CHAIRPERSON**

**Recipient:**

- Member of Board of Directors (BOD),  
Supervisory Board;
- Archived at Office of Board of Directors  
(BOD), Supervisory Board



**Nguyen Duc Phuong**

