





# Reaching new heights

**Green and  
digital transformation  
in line with national  
development**



SHB's vision by 2028 is to become the most efficient bank, the most favored digital bank, the premier retail bank, and the primary provider of financial products and services to strategic private and State corporate customers with a green supply chain, value chain, and ecosystem.



Guided by four strategic pillars, SHB is steadfast in pursuing its ambitious goals for the new era. Among these, modern information technology, digital transformation, and green transformation serve as core drivers. SHB is channeling its resources toward these spearheads, ready to rise alongside the nation in the new era.



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## 1. Assessment of the Board of Directors on SHB's operations

The year 2024 continued to pose numerous challenges for both Vietnam's economy as a whole and the banking sector in particular. Nevertheless, under the sound and timely leadership of the Party, the decisive and flexible governance of the Government, the concerted efforts of the entire political system, and the strong consensus and support from the public and the business community, Vietnam in general, and the banking industry in particular, achieved remarkable socio-economic development outcomes.

As a strategic guiding and decision-making body, in 2024 SHB's Board of Directors proactively introduced timely solutions aligned with market dynamics. These actions served as a strong driving force for the entire system to mobilize resources and accelerate business performance. With a solid financial foundation, clear strategic vision, and the unity, determination, and innovative spirit of all staff members, SHB successfully fulfilled and exceeded its 2024 business targets. This accomplishment reaffirms SHB's position and reputation while laying a robust groundwork for stronger growth in 2025, bringing the Bank closer to its strategic objectives for 2028.

- As of December 31, 2024, SHB's consolidated total assets reached over VND 747 trillion, an increase of 18.6% compared to the end of the previous year. Total consolidated outstanding credit balance amounted to VND 533,984 billion, of which the Bank's standalone credit balance reached VND 522,754 billion, marking a growth of 18.28%. SHB closely aligned its credit growth with the Government's and the State Bank of Vietnam's (SBV) directives, channeling capital into key priority sectors of the economy. The Bank continued to maintain strong liquidity, sound risk management practices, and compliance with safety indicators, all exceeding SBV requirements. The Capital Adequacy Ratio (CAR) stood at over 12% in accordance with Basel II standards, with liquidity risk indicators complied with Basel III standards. SHB also successfully met its Non-Performing Loan (NPL) control target as approved by the Annual General Meeting of Shareholders (AGM).

2024 marked a pivotal year in the Bank's 2024 - 2028 Transformation Strategy.

SHB reported a pre-tax profit of VND 11,569 billion, a 25% increase year-on-year, surpassing the target set by the AGM. The Cost-to-Income Ratio (CIR) was held at an efficient 24.4%, among the lowest in the banking

sector, thanks to ongoing digital transformation and the integration of advanced technologies across operations, services, and products. Return on Equity (ROE) reached 21.4%, reinforcing SHB's position among the industry's top performers in terms of profitability.

- The BOD for the 2022–2027 term consistently monitored all developments in SHB's business operations, providing direction, oversight, and supervision of the Board of Management in implementing the 2024 business plan in accordance with the resolution approved by the AGM.

**The Cost-to-Income Ratio (CIR) was held at an efficient 24.4%, among the lowest in the banking sector, thanks to ongoing digital transformation and the integration of advanced technologies across operations, services, and products.**

- The BOD has effectively fulfilled its role and responsibilities in formulating and issuing a comprehensive internal management framework, establishing a unified and consistent governance mechanism that ensures operational efficiency and robust supervision. This has contributed to safeguarding shareholder interests while harmonizing the interests of stakeholders, including customers, employees, and shareholders. SHB has continued to uphold strong corporate governance practices, adhering strictly to the Law on Enterprises, the Law on Credit Institutions, and the Bank's Charter.

- For 2024 and beyond, the BOD has provided strategic direction to the Executive Board and the entire SHB ecosystem, aiming to realize the Bank's long-term

development objectives built upon four key pillars: (1) Institutional and mechanism reform, (2) People-centricity, (3) Customer-centricity, and (4) IT and digital transformation. In line with this vision, the BOD has directed efforts toward institutional and procedural reforms, streamlining internal regulations, and restructuring the organizational structure at the Head Office while improving human resource development and training initiatives.

- In its continued commitment to protecting shareholder interests, in 2024, SHB successfully completed the first-round cash dividend payment for 2023 at a rate of 5%, alongside a stock dividend issuance of 11%. As a result, the Bank's charter capital rose to VND 40,657 billion. On March 12, 2025, SHB received official confirmation from the State Securities Commission of Vietnam on the successful issuance of an 11% stock dividend.

- With a strong reputation and financial capability, SHB remained a trusted partner of leading international financial institutions in the past year, including IFC, ADB, and WB, with partnership values amounting to hundreds of millions of USD.

Amid a challenging and uncertain domestic and global market landscape, SHB has consistently prioritized the common good and the sustainable development of the nation and community, with social responsibility serving as a guiding principle in all its activities. In 2024, in line with directives from the Government and the State Bank of Vietnam to proactively implement measures that enhance credit access and ease difficulties for production and business activities, SHB – operating under the philosophy of “customer and market-centric” business – rolled out timely, flexible, and effective solutions to support both businesses and individuals. Beyond its business support initiatives, SHB has also actively spread the spirit of compassion across the country. The Bank remained committed to implementing social welfare programs, caring for policy beneficiary families, people with meritorious services to the nation, and those in difficult circumstances.

## 2. Evaluation of the Board of Directors on the activities of the Board of Management

- The Bank is led by a dedicated and experienced management team, comprising reputable experts with decades of experience in investment, business administration, banking, and finance – both domestically and internationally. Under the leadership of this committed and seasoned team, SHB achieved sustainable growth in 2024 and was honored with numerous prestigious awards from both local and international organizations.

- Guided by the timely direction and leadership of the BOD, SHB's BOM successfully implemented the policies, strategies, and resolutions approved by the Annual General Meeting of Shareholders and the BOD. The BOM carried out its responsibilities with a high sense of accountability, managed operations with agility, and provided close guidance to all business units. It also proactively submitted timely proposals and solutions to the BOD, ensuring that every unit within the system operated in a fully monitored, controlled, safe, efficient, and legally compliant manner.



To achieve the long-term strategic goals, the BOD has selected leading global partners and strategic consulting firms to accompany SHB in planning, supervising, and organizing the implementation of the bank's development strategy.



### 3. Plans and orientations of the Board of Directors

Closely aligning with and actively supporting the policies of the Party, the Government, and the State Bank of Vietnam and based on continuous analysis of domestic and international developments along with its strategic orientation and governance focused on efficiency, safety, and sustainable development, SHB has consistently stood by the people and businesses, fostering economic growth alongside social progress. SHB has identified 2025 as a pivotal year of transformation and breakthrough, characterized by strengthening internal capabilities and sustaining effective growth.

Continuing its proud journey of development, SHB enters a new phase with renewed spirit and strength, steadily working toward its 2028 goals: to become the leading bank in terms of efficiency; the favorite digital bank; the best retail bank; and a top-tier provider of capital, financial products, and services to both private and state-owned strategic enterprise clients with integrated supply chains, value chains, ecosystems, and green development models. In its vision up to 2035, SHB aspires to become a modern retail bank, a green bank, and a leading digital bank in the region.

SHB is dedicating its resources into the comprehensive implementation of its transformation strategy based on four foundational pillars: Institutional Reform, People-centricity, Customer-centricity, and Modernized Information Technology and Digital Transformation. This is underpinned by the Bank's steadfast commitment to its six core cultural values: Heart – Faith – Trustworthiness – Knowledge – Wisdom – Greater Height.

The BOD has directed the entire system to implement a governance strategy centered on six key strategic orientations, with a strong focus on:

**1. Centering all operations around customers and market dynamics, firmly upholding the commitment to sustainable growth in alignment with the country's development journey.**

Focusing on optimizing the business model with the ultimate goal of delivering the best value to customers. From product design to service delivery and customer engagement models, every aspect is being streamlined and tailored to the customer journey - differentiated by region, ecosystem, and industry sector.

Guided by the strategic direction of the Government and the State Bank of Vietnam for joint-stock commercial

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banks, and informed by ongoing analysis of domestic and international market trends, SHB is directing its credit growth in alignment with national and local socio-economic development priorities. Key focus areas include clients in infrastructure construction (especially national key transportation projects), energy (particularly renewable and green energy), agriculture and rural development, export-oriented industries, supporting industries, high-tech and environmentally friendly technologies, as well as the tourism and hospitality sectors. The Bank is also actively expanding credit through customer ecosystems and supply chains of strategic partners, while continuing to strengthen relationships with high-performing existing clients.

SHB is actively undergoing a digital transformation, continuously integrating cutting-edge technologies into every stage of the customer journey to deliver the most seamless and rewarding experiences across its suite of products and services. At the same time, the Bank proactively researches and gains deep insights into customer needs, aiming to develop comprehensive, customized solutions, both financial and non-financial, that meet evolving expectations and create lasting value for customers.

#### 2. Accelerating digital transformation in business operations and governance

Building on a modern digital foundation encompassing digital governance, digital human resources, and advanced infrastructure, SHB will continue to accelerate its comprehensive digital transformation. By leveraging cutting-edge digital technologies throughout banking operations, SHB aims to deliver highly personalized financial solutions and value-added service packages, thus deepening customer engagement and enhancing business performance.

SHB is undertaking a fundamental transformation to enhance service quality and elevate the customer experience through digital technologies and data utilization. Its strategic partnerships with leading global technology firms, such as SAP, SAP Fioneer, AWS, and Google play a pivotal role in achieving these strategic objectives.

In 2025, SHB's transformation efforts will focus on delivering greater value to customers and enhancing sales efficiency through the following key initiatives:



Implementing tools to optimize sales processes, sales management, and loan management in both retail banking and corporate banking sectors.

Transforming digital channels to offer a more intuitive and seamless online customer experience, while ensuring security and privacy that meet international standards.

Modernizing cash flow management and diversifying payment solutions to provide customers with more flexible, efficient, and secure payment options, enhancing convenience while supporting their business growth.

Branch network optimization to create a more efficient operational environment and improve service quality for customer support.

Bank of the Future (BOF) – A comprehensive strategy for transformation and digitalization in 2025 and beyond.

One of the key pillars of SHB's transformation strategy is the Bank of the Future (BOF) initiative. This transformative program will establish a scalable platform built in collaboration with leading global and Vietnamese banking technology providers, including SAP, SAP Fioneer, AWS, and CMC. BOF is set to redefine SHB's competitive edge and customer service capabilities, delivering significant milestones in 2025 and 2026, including: Enhanced Digital Services; Digitized Customer Journeys; Enhancing Automation; Data-Driven Growth; Core Banking Modernization; Operational Efficiency Enhancement; and Scalable Technology Foundation to support long-term growth and continuous innovation for the Bank.

With its transformation strategy built on four strategic pillars and a strong commitment to investing in digitalization and comprehensive transformation, SHB's decisive execution plan is set to drive breakthrough growth. This will significantly enhance customer satisfaction and solidify SHB's position as a leading financial institution both domestically and regionally.

### **3. Placing “people at the core” – fostering a professional and modern work environment**

The BOD recognizes that people are the strategic pillar determining SHB's competitive edge and sustainable development. Therefore, SHB continuously refines and enhances its human resource strategies and policies, while cultivating a fair, transparent, innovative, and inspiring workplace culture. This ensures employees are motivated to grow and contribute effectively.

In 2025, SHB will continue to focus on training, planning, attracting and nurturing a team with expertise, ethics, “both heart and vision”, ready to change, ready to make breakthroughs, and committed to long-term engagement. At the same time, the Bank is also continuing to focus on training and developing human resources with digital capacity to meet the requirements of the 4.0 industrial revolution and the digital transformation wave in the banking industry. Through in-depth training programs, SHB has built and developed a team of employees capable of operating electronic banking systems, applying Artificial Intelligence (AI), Big Data, and Blockchain technology to the Bank's work processes and services. This not only helps improve work efficiency but also creates more innovative and modern products and services to better serve customers and people in the digital age.

During the strong transformation phase of the entire SHB system, every SHB employee is also a catalyst for change, continuously innovating, improving, and embracing a spirit of creativity and dedication, driving value for themselves, the organization, and the nation.

### **4. Enhancing executive management capabilities and streamlining the organizational structure to be lean, strong, efficient, and effective with clear delegation and decentralization, empowering all levels.**

Continue refining the governance framework in line with international standards, optimizing the executive management system to suit the business strategy, market dynamics, and customer needs.

A lean organizational structure, with well-defined delegation, supervision, and accountability, ensures transparency, agility, and proactive strategic execution. Decision-making processes are expedited, and internal

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controls are operated through a digital data-driven model with early warning mechanisms.

Continue promoting and improving digitalization and automation of internal processes serving the Bank's management, and applying AI in operations and risk management, thereby enhancing efficiency, reducing operating costs, strengthening security and transparency, and delivering superior products and services to customers, all contributing to a strong foundation for the Bank's sustainable development in the digital era.

##### **5. Continue to strengthen risk management capacity and monitor compliance with advanced standards**

*Continue focusing on promoting and improving risk management capacity according to modern, effective, and sustainable international standards:*

SHB has been focusing on promoting and improving its risk management capacity in line with modern, effective, and sustainable international standards. The Bank continues to enhance its comprehensive risk management system by applying modern models and tools to assess, measure and control risks; maintaining liquidity risk management aligned with Basel III standards and implementing advanced Basel II credit risk measurement models. With ongoing improvements in technology, management processes, personnel training, and building a risk management culture, SHB aims to build an operating environment with a clear risk control culture identity that positively impacts all activities – a crucial foundation for the Bank's safe, sustainable, and effective development thereby better serving customers and contributing more significantly to the stable development of the economy.

*Improve the effectiveness of compliance management:*

SHB is building a comprehensive compliance management system to ensure that all bank activities comply with the requirements of the regulators, align with legal regulations, and meet international standards. The Bank continues to enhance and digitize compliance control and monitoring tools across the system and to each unit, ensuring all transactions and activities are transparent and fully compliant.

*Focus on preventing corruption, waste, and misconduct:*

SHB identifies the prevention of corruption, waste, and misconduct as a core, regular, continuous, and long-term priority, demonstrating its commitment to maintaining a transparent, fair, and effective working environment. The Bank established a strict monitoring system to detect acts of corruption, misconduct, and waste. Any violations will be thoroughly investigated and handled in accordance with the provisions of law and the Bank's internal policies. SHB remains focused on organizing training courses for staff on issues related to corruption, misconduct, and waste, while raising awareness about their harmful effects. This is one of the Bank's important strategies to affirm the reputation and value of "Taking Heart as the Root" of SHB people, increasing the trust of customers, partners and society, while ensuring the sustainable development of SHB.

*Strengthening loan management and resolution:*

In 2025, SHB will intensify its focus on minimizing non-performing loan (NPL) ratios to ensure financial stability and keep credit risk within controlled levels through the following measures: Continuously improving credit quality control and early-stage risk prevention mechanisms; Proactively advising and implementing loan restructuring solutions in accordance with legal regulations; Enhancing the efficiency of loan handling activities and developing specialized loan settlement policies; Refining models and processes to ensure transparency and legal compliance; Investing in technology and deploying modern loan management software to enable timely detection, prevention, and oversight of loan resolution activities, ensuring transparency, safety, and efficiency.

## 6. Anticipating future trends and pioneering scientific and digital solutions for breakthrough:

In all investment and development activities, SHB is committed to both meeting present demands and proactively preparing for future opportunities.

Adhere to the Government's orientation in the development of science, technology, innovation, and digital transformation to drive strong national development in the new era – the era of prosperity. With a vision of strong development in the future, SHB will continue to invest in advanced technology solutions to optimize processes, delivering outstanding experiences to customers and offering modern, convenient and secure digital banking services. The Bank also prioritizes strengthening its financial foundation to remain resilient amid market fluctuations and evolving economic landscapes.

SHB actively fosters strategic partnerships with leading global technology corporations, international financial institutions, and reputable organizations worldwide. These collaborations not only enhance SHB's competitive advantage in the present but also unlock new growth opportunities for the future.

SHB continually monitors, analyzes, and adapts to macroeconomic, political, and social shifts in Vietnam and globally. By staying ahead of market dynamics, the Bank develops agile strategies and solutions, ensuring resilience and responsiveness. Additionally, SHB is dedicated to introducing innovative products and services aligned with emerging trends and evolving customer needs.

## 7. Continuing to contribute to national prosperity, social welfare, and support for the poor and vulnerable

Throughout its development journey, SHB has consistently played a pivotal role in fostering economic growth, creating value, and spreading positive impact. Every business activity is conducted with a balanced approach, aligning the interests of the Bank, customers, and the community.

Originating from the Heart, throughout more than 30 years of construction and development, SHB has always put the Heart first and considered it the guiding principle for all activities. In 2025, alongside its core business, SHB commits to continuing its participation in social security programs for the community, launched by the Party and the State. At the same time, SHB will continue to contribute and fulfill its responsibility to the community through investment activities in various areas such as education development, nurturing, child protection, health care support, and environmental protection.

SHB will continue promoting the spirit of solidarity, confidence, self-reliance, national pride, and determination to innovate, create, and develop based on the 4 pillars of the Bank. The Bank remains committed to putting people at the center, constantly innovating, creating, continuously learning, and renewing thinking. At the same time, SHB will continue to actively connect societal resources, ignite national spirit and generate even greater value for customers, investors, shareholders, and the broader community. By doing so, SHB contributes to national prosperity and helps propel the country into a new era of growth - an era of national resurgence.