



Corporate governance

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The economy is undergoing rapid transformation, driven by urgent demands for a shift in growth models, innovative governance thinking, and the optimization of available resources. In response to this dynamic landscape, SHB's leadership has clearly defined its role and responsibility in setting strategic and management direction according to goals: each leader is envisioned as a catalyst for change, guiding the Bank's comprehensive transformation, ensuring efficient governance, and delivering the highest value to shareholders, investors, customers, partners, and the wider community.

1. Board of Directors

The Board of Directors is the highest governance body of the Bank, with members elected by the General Meeting of Shareholders, having full authority on behalf of SHB to decide and exercise the rights and obligations of SHB in accordance with the provisions of Law.

1.1. Membership and composition of the Board of Directors for the 2022-2027 term

SHB's Management and Operations Structure complies with key legal regulations and corporate governance orientations issued by State Management Agencies, including: Decree 155/2020/ND-CP regulating detailing the implementation of a number of articles of the Securities Law; Circular 13/2018/TT-NHNN on internal control systems of commercial banks, foreign bank branches, and amending and supplementing documents; Corporate Governance Principles according to best practices issued in August 2019 by the State Securities Commission and the International Financial Corporation (IFC);

SHB Board of Directors for the 2022-2027 term consists of:

No.	Full name	Position	Appointment date (Term 2022-2027)	Shareholding – with voting right (%)
1	Do Quang Hien	Chairman of the Board of Directors – Non-executive	April 26, 2022	2.724
2	Do Quang Vinh	Vice Chairman of the Board of Directors - Executive	April 26, 2022	2.768
3	Do Duc Hai	Vice Chairman of the Board of Directors (dismissed since April 25, 2024)	April 11, 2023	0.005
4	Thai Quoc Minh	Member of the Board of Directors – Non-executive	April 26, 2022	0.005
5	Ngo Thu Ha	Member of the Board of Directors – Executive	April 11, 2023	0.078
6	Pham Viet Dan	Member of the Board of Directors – Non-executive	April 11, 2023	0.004
7	Do Van Sinh	Independent member of the Board of Directors	April 26, 2022	0.004
8	Haroon Anwar Sheikh	Independent member of the Board of Directors (dismissed since April 25, 2024)	April 11, 2023	

(*) Background of members of the Board of Directors are detailed on pages 13-16



Change of members of the Board of Directors

Number of members of the Board of Directors: 06 members.

Number of independent members: 01 members.

As SHB's 32nd Annual General Meeting of Shareholders in 2024, the dismissal of two members of the Board of Directors for the 2022–2027 term was approved: Mr. Do Duc Hai, Vice Chairman of the Board cum Deputy CEO of SHB, and Mr. Haroon Anwar Sheikh, Independent Board Member.

No	Full name	Title
1	Do Quang Hien	Chairman of the Board
2	Do Quang Vinh	Vice Chairman of the Board
3	Thai Quoc Minh	Member of the Board of Directors
4	Ngo Thu Ha	Member of the Board of Directors
5	Pham Viet Dan	Member of the Board of Directors
6	Do Van Sinh	Independent Board Member

Titles at other companies held by BOD members for the 2022-2027 term

No.	Full name	Title	Titles at other companies
1	Do Quang Hien	Chairman of the Board	<ul style="list-style-type: none"> Chairman of Hanoi Association of Small and Medium Enterprises; Vice Chairman of Vietnam Association of Small and Medium Enterprises; Member of the Vietnam Fatherland Front Central Committee; Chief Operation Officer, T&G Group Joint Stock Company; Chairman of the Business Alumni Club of Hanoi National University.
2	Do Quang Vinh	Vice Chairman of the Board	<ul style="list-style-type: none"> Chairman of the BOD of Saigon - Hanoi Securities Joint Stock Company (SHS); Chairman of BVIM Fund Management Joint Stock Company.
3	Do Duc Hai	Vice Chairman of the Board (dismissed since April 25, 2024)	<ul style="list-style-type: none"> Chairman of the BOD and Chairman of the Executive Committee of Saigon - Hanoi Bank Laos Limited; Chairman of the BOD and Chairman of the Executive Committee of Saigon - Hanoi Bank Cambodia Limited.
4	Ngo Thu Ha	Member of the Board of Directors	None
5	Thai Quoc Minh	Member of the Board of Directors	None
6	Pham Viet Dan	Member of the Board of Directors	None
7	Do Van Sinh	Independent member of the Board of Directors	None
8	Haroon Anwar Sheikh	Independent member of the Board of Directors (dismissed since April 25, 2024)	None

1.2. Subcommittees of the Board of Directors

In 2024, the Board of Directors reinforced the organizational structure of its key committees, including the Strategy Committee, Human Resources Committee, and Risk Management Committee, as well as other Steering Committees. This enhancement aims to provide timely guidance, strategic oversight, and robust support to the Executive Board in driving and accelerating business performance.

- Strategy Committee;
- Human Resources Committee;
- Risk Management Committee;
- Internal Security Department.

1.3. Activities of the Board of Directors

Meetings of Board of Directors for the 2022-2027 term in 2024

No.	Member of the BOD	Meetings attended	Meeting attendance rate	Reason for absence
1	Do Quang Hien	9/9	100%	
2	Do Quang Vinh	9/9	100%	
3	Thai Quoc Minh	9/9	100%	
4	Do Van Sinh	9/9	100%	
5	Ngo Thu Ha	9/9	100%	
6	Do Duc Hai	6/9	66.7%	On April 25, 2024: The AGM approved the dismissal of the position of Member of the BOD of SHB for the 2022–2027 term.
7	Pham Viet Dan	9/9	100%	
8	Haroon Anwar Sheikh	1/9	11.1%	<ul style="list-style-type: none"> Prior to April 25, 2024: Absences from meetings were accompanied by formal written requests for unpaid leave. On April 25, 2024: The AGM approved the dismissal of the position of Member of the BOD of SHB for the 2022–2027 term.

Supervisory activities of the Board of Directors for the Board of Management

- Management and supervision activities of the Board of Directors over the Board of Management are carried out in accordance with the provisions of Law, SHB Charter, Regulations on Organization and Operation of the BOD and Internal Management Regulations of the Bank. The BOD regularly monitors and inspects the implementation of Resolutions and Decisions passed by the AGM and the BOD
- SHB's BOD applies a comprehensive, consistent, and timely control mechanism by analyzing and evaluating periodic and ad-hoc reports submitted by the BOM, covering all operational activities and specific business functions, to ensure operations closely align with the strategic directions approved by the AGM.
- The BOD's operational plan is closely aligned with SHB's strategic objectives. Accordingly, its supervisory role is proactive and adaptive, providing timely support to the BOM in executing business strategies. In addition, reports from the Board of Supervisors and Internal Audit Division further assist the BOD in identifying and mitigating risks, ensuring compliance with legal requirements and SHB's Charter.
- The BOD's oversight activities affirm that the BOM has effectively adhered to the approved strategic orientation and annual plan, promptly and efficiently executed BOD directives, and successfully carried out SHB's 2024 business strategies.

Through meetings held in 2024, the BOD has issued 29 resolutions, including:

Resolutions of the Board of Directors in 2024

No	Resolution No.	Date	Description	Approval ratio
1	01/NQ-HĐQT	15/01/2024	Approve amendments to credit extension requirements for corporate clients	100%
2	02/NQ-HĐQT	17/01/2024	Approve the extension of guarantee limit for corporate clients	100%
3	03/NQ-HĐQT	23/01/2024	Approve the loan repayment plan of the next tranche of IFC Loan A	100%
4	04/NQ-HĐQT	30/01/2024	Approve the handling of remaining shares under Employee Stock Option Programme (ESOP)	100%
5	05/NQ-HĐQT	21/02/2024	Approve the distribution of remaining shares under Employee Stock Option Programme (ESOP)	100%
6	06/NQ-HĐQT	23/02/2024	Prepare the list of shareholders and organize the 2024 Annual General Meeting of Shareholders	100%
7	07/NQ-HĐQT	28/02/2024	Sign and renew the Banker Blanket Bond and Professional Liability Insurance at SHB for 2024.	100%
8	08/NQ-HĐQT	06/03/2024	Identify the type of deposited securities.	100%
9	09/NQ-HĐQT	08/3/2024	Established the Board of Inspection of Shareholder eligibility at the 32nd Annual General Meeting of Shareholders	100%
10	10/NQ-HĐQT	25/3/2024	Close the list of shareholders eligible to nominate or self-nominate for additional Board of Directors members for the 2022-2027 term.	100%
11	11/NQ-HĐQT	08/5/2024	Assign tasks to Board of Directors members for the 2022-2027 term.	100%
12	12/NQ-HĐQT	10/5/2024	Authority to approve credit extensions.	100%
13	13/2024/NQ-HĐQT	28/5/2024	Approve the signing of contracts between Saigon - Hanoi Commercial Joint Stock Bank and Saigon - Hanoi Securities Joint Stock Company.	100%
14	14/2024/NQ-HĐQT	06/6/2024	Approve the plan to issue publicly traded bonds to increase Tier 2 capital in 2024.	100%

No	Resolution No.	Date	Description	Approval ratio
15	15/2024/NQ-HĐQT	06/6/2024	Approve the signing of the publicly traded bond issuance consulting contract and services between Saigon - Hanoi Commercial Joint Stock Bank and Saigon - Hanoi Securities Joint Stock Company for 2024.	100%
16	16/2024/NQ-HĐQT	25/6/2024	Approve the first tranche of the bond issuance plan for 2024.	100%
17	17/2024/NQ-HĐQT	26/6/2024	Register the change in Charter Capital at the Business Registration Certificate	100%
18	18/2024/NQ-HĐQT	28/6/2024	Approve the registration documents for SHB's public bond offering in 2024.	100%
19	19/2024/NQ-HĐQT	01/7/2024	Approve the last registration date to exercise the right on 2023 cash dividends	100%
20	20/2024/NQ-HĐQT	27/8/2024	Approve the extension of deposit transaction limits to Financial Institutions	100%
21	21/2024/NQ-HĐQT	23/9/2024	Approve the execution of the plan for public offering of SHB bonds in 2024, including the detailed plan for utilizing and repaying the capital raised through the bonds issuance.	100%
22	22/2024/NQ-HĐQT	23/9/2024	Approve the registration dossier for the public offering of SHB bonds in 2024	100%
23	23/2024/NQ-HĐQT	25/9/2024	Amend the SHB Establishment and Operation License to include additional business activities	100%
24	24/2024/NQ-HĐQT	11/10/2024	Amend and adjust the plan to increase charter capital	100%
25	25/2024/NQ-HĐQT	21/10/2024	Approve the issuance of guarantee for corporate customer	100%
26	26/2024/NQ-HĐQT	01/11/2024	Approve the execution of a cooperation agreement with Saigon - Hanoi Securities Joint Stock Company for the launching of securities lending products	100%
27	27/2024/NQ-HĐQT	04/11/2024	Approve the sale/transfer of capital at SHB Finance Company Limited and other related issues	100%
28	28/2024/NQ-HĐQT	21/11/2024	Sign the loan agreement with SMBC and approve the plan for borrowing and utilizing the loan funds	100%
29	29/2024/NQ-HĐQT	16/12/2024	Approve the signing of agreements between Saigon - Hanoi Commercial Joint Stock Bank and Saigon - Hanoi Securities Joint Stock Company	100%

1.4. Activities of non-executive independent directors

Fulfilled the rights and responsibilities of independent members of the Board of Directors in accordance with SHB's internal regulations and the assignment decision of the BOD/Chairman of the BOD, with diligence and integrity, aiming to effectively enhance SHB's business outcomes for 2024.

Attended all meetings of the BOD and the Risk Management Committee and actively contributed opinions as well as through written consultations on issues circulated for comment.

Implemented the resolutions and decisions of the Annual General Meeting of Shareholders and the Decision delegated by the BOD.

Duly reported and disclosed information in accordance with applicable law.

Executed designated responsibilities and a, providing timely and effective support to the BOD in decision-making and management of banking operations.

1.5. Activities of subcommittees in the Board of Directors

The Committees/Departments are advisory bodies established by the BOD to assist in governance and oversight functions of the Bank. These include the Strategy Committee, Human Resources Committee, Risk Management Committee, and the Internal Security Department. Their establishment complies with regulations of the State Bank of Vietnam and other applicable laws. Each operates under its own organizational and operational charter as approved by the BOD.

These Committees and BOD-affiliated units report regularly and promptly on their areas of responsibility, ensuring that the BOD remains fully and comprehensively informed to facilitate effective and lawful decision-making, in line with resolutions passed by the AGM.

1.5.1. Strategy Committee (SC)

The Strategy Committee (SC), a subcommittee under the BOD, advises and supports the BOD in shaping SHB's vision, direction, strategic planning, and oversight of SHB's strategy through transformative initiatives. In 2024, the Strategy Committee continued to fulfill its advisory role in alignment with the BOD's strategic orientation, focus on:

- Advising the BOD in formulating vision and strategic objectives, considering both global and national economic outlooks and drawing lessons from leading banks worldwide;
- Developing and planning growth strategies that leverage SHB's core strengths, while overseeing the Board of Management (BOM) and related departments in executing initiatives related to business strategy development, information technology, and digital transformation, as part of the Bank's innovation and modernization efforts;
- Collaborating with domestic and international consulting firms and recommending appropriate consultancy partners based on strategic fit and project requirements;
- Acting as the central coordination point for evaluating and reporting the implementation of strategy, proposing necessary strategic adjustments when necessary, and promoting the realization of strategic goals;
- Researching and proposing institutional and policy solutions to enhance governance and management effectiveness.



1.5.2. Human Resources Committee (HRC)

The Human Resources Committee, a body directly under the BOD, advises and supports the BOD on personnel matters. Specifically, in 2024, the HRC fulfilled its role by providing advice and support in:

- Reforming mechanisms and policies related to human resources, labor management, compensation, and benefits to improve productivity, motivate employees, and strengthen engagement; Streamlining policies and procedures;
- Leveraging technology and digitalization in human resource management to improve employee experiences, accelerate processing times, and ensure transparency and accessibility;
- Promoting employee performance through awards and competitions, enhancing oversight of labor compliance, and maintaining a fair system of rewards and disciplinary actions;
- Reviewing and evaluating personnel for positions within the BOD's appointment authority, and performing other assignments as delegated by the BOD.

1.5.3. Risk Management Committee (RMC)

The Risk Management Committee (RMC) performs specialized risk governance functions on behalf of the BOD. Implementing the 2024 action plan, the RMC held 04 periodic meetings, 01 meetings on information technology risks, and multiple working sessions with the BOS, the BOM, and the divisions/departments to monitor, evaluate, and advise on risk management measures. Highlights include:

- Proposing and supervising the implementation of information technology risk management solutions; ensuring continuous system operation; and implementing security solutions in compliance with Decision No. 2345/QD-NHNN dated December 18, 2024, of the Governor of the SBV on implementing security solutions for online payment and card payment; and proposing the establishment of a dedicated department to manage system data;
- Advising on the restructuring of the Debt Handling Division and establishment of the Legal and Compliance Division in accordance with Circular No. 13/2018/TT-NHNN dated May 18, 2018, of the Governor of the SBV



on internal control for commercial banks and foreign bank branches;

- Overseeing lending activities to ensure compliance with Circular 06/2023/TT-NHNN issued by the SBV, which regulates lending practices of credit institutions and foreign bank branches to customers;
- Supervising and advising the management of risk-weighted asset using the Internal Ratings-Based (IRB) method;
- Advising and proposing on asset classification and recommending the establishment of a dedicated debt-handling department to comply with Circular No. 31/2024/TT-NHNN dated June 30, 2024, of the Governor of the SBV on asset classification for commercial banks, non-bank credit institutions, and foreign bank branches;
- Approving strategic direction for credit risk-weighted assets in 2024;
- Advising and approving amendments to risk management and credit policies to ensure compliance with the Law on Credit Institutions 2024 and guiding circulars of the SBV;

- Advising on the implementation of environmental and social risk management (ESG), and fulfill risk management obligations with various development financial institutions;

- Supervising and proposing centralized risk management measures for customers with outstanding debt of 5% or more of equity capital, following Circular No. 52/2018/TT-NHNN dated December 31, 2018, of the Governor of the SBV (as amended and supplemented) regulating credit institution ratings.

Looking ahead to 2025, in addition to strengthening its personnel, the RMC will continue to carry out its supervisory role at the senior management level by overseeing comprehensive risk governance across all banking operations. The Committee will also advise on the review, update, and refinement of SHB's risk management policies and internal control systems; support the rollout of risk management projects; and drive implementation aligned with Basel III standards.

1.5.4. Internal Security Department (ISD)

The Internal Security Department (ISD) is a subordinate unit of the BOD, with the function of advising and assisting the BOD in ensuring security and safety across the SHB system and its member units. In 2024, the ISD fulfilled its role by:

- Advising the BOD on developing strategies and policies for safety and security across the banking system: formulating internal security and information security measures for SHB's operations (Advising functional departments on strengthening supervision and control in IT operations; Advising administrative and risk management departments on developing contingency plans to address potential disruptions, including crowd gatherings that disrupt bank operations and armed robberies at SHB's head office);
- Conducting investigations and collecting information to reduce risks and losses: this involved organizing and executing investigations into suspected violations at SHB's head office and branches, as well as actively participating in debt recovery efforts alongside the Debt Settlement Steering Committee. Based on findings, recommendations were submitted to the Chairman of the Board regarding handling measures and strategies to strengthen risk management;
- Overseeing to ensure security across SHB's banking system: this included inspecting and proposing internal and external security solutions at all transaction points; recommending measures to ensure information security and safeguard customer data; coordinating with relevant departments to inspect and supervise regulatory compliance throughout the Bank; and preparing both quarterly and ad hoc reports: Submitting quarterly reports on ISD activities to the Chairman of the BOD. Preparing ad hoc reports including proposed measures and solutions to address specific challenges and maintain operational security.

List of members of the Board of Directors with training certificates in corporate governance:

- SHB has consistently prioritized participation in corporate governance training programs organized by the Stock Exchange and the State Securities Commission

of Vietnam. These programs are designed to update and enhance knowledge in corporate governance in accordance with legal regulations, as well as the best practices both in Vietnam and globally.

- Since 2018, the Bank has organized training courses for 31 executives and managers, including members of the Board of Directors, the Board of Supervisors, the Board of Management, Heads of Departments at the Head Office, officers of the Board of Directors' Office, Company Secretary, and assistants/secretaries to the BOD and the BOM. Participants have successfully completed certified Corporate Governance training programs as required. In addition, members of the Board of Directors and officers of the Board Office have also attended courses on international corporate governance standards, strategic governance, and modern governance architecture, as well as capacity-building conferences for listed companies on the Vietnamese stock market.

- SHB has also implemented a range of programs to enhance the governance and management capabilities of its leadership and management teams across all levels. Senior executives have been nominated to attend training courses, seminars, and workshops organized by the Stock Exchange, the State Securities Commission, regulatory bodies, and reputable domestic and international institutions. These programs are designed to keep pace with regulatory changes in corporate governance, while also strengthening leadership, operational, and organizational management skills. In 2024, SHB launched several key initiatives aimed at strengthening governance and leadership capacity, including a collaboration with the National Economics University and the Vietnam National University - Ho Chi Minh City to implement the "Effective Bank Director" training program for nearly 300 executives holding the titles of Director and Deputy Director of business units.

- In addition, SHB sent 477 employees to participate in various training sessions and workshops covering topics such as legal updates, credit management, banking governance, information technology, and digital transformation.

2. Board of Supervisors

The Board of Supervisors (BOS) is a body elected by the AGM, responsible for controlling and evaluating the compliance with internal regulations, legal provisions, Charter and implementation of policies and resolutions passed by the General Meeting of Shareholders and the Board of Directors; Carrying out internal audits of SHB's business activities and financial statements.

2.1. Members and composition of the Board of Supervisors

No	Full name	Position	Shareholding (%)
1	Pham Hoa Binh	Head of the Board	0.006%
2	Le Thanh Cam	Full time member	0.002%
3	Vu Xuan Thuy Son	Full time member	0.002%

Brief backgrounds of members of the Board of Supervisory can be referred to on page 19

2.2. Operations of the Board of Supervisors

In 2024, operations of SHB's Board of Supervisors (BOS) were carried out in strict adherence to the responsibilities and authorities outlined by the Law, Charter, and internal regulations of SHB. These actions aligned with the annual and periodical plans and directions set by the BOS, ensuring the comprehensive fulfillment of their duties. Additionally, the BOS undertook supplementary tasks as directed by the BOD and CEO of SHB.

In 2024, the BOS held four regular meetings (scheduled during the second week of the first month of each quarter), focusing on reviewing the prior quarter's performance and setting directions for the upcoming quarter. All meetings achieved 100% attendance and unanimous approval on discussed matters.

With consensus reached in these meetings, the BOS successfully fulfilled its annual and quarterly work plans and strategic objectives for 2024. Key completed tasks include:

(1) Supervised the management and operational activities of SHB's Board of Directors and CEO, ensuring compliance with legal provisions and SHB's Charter.

The BOS conducted comprehensive and regular supervision of the BOD and the CEO in accordance with current legal regulations and the SHB Charter. Key focus areas included: (i) Strategic directions and directives from the BOD to the CEO and other units within their authority; (ii) Execution by the CEO of BOD directives, compliance with laws and SHB's regulations, and the CEO's governance and oversight functions.

The BOS also monitored: The timely issuance, amendment, or supplementation of internal policies, regulations, and operational procedures (within delegated authority) in accordance with laws and SHB's internal rules; The approval and implementation of investment projects, fixed asset transactions, contracts, and other transactions under the authority of the AGM and the BOD; Shareholding ratios of 1% or more of SHB's charter capital, including those held by BOD members, BOS members, the CEO, and related parties; Compliance with regulatory limits to ensure operational safety, as stipulated in Chapter VII of the Law on Credit Institutions No. 32/2024/QH15, effective from July 1, 2024.

(2) Issued internal regulations of the BOS and Internal Audit during the period to ensure compliance with the regulations of the State Bank, the Charter and other current regulations of SHB, specifically:

The Regulation on the Organization and Operation of the Board of Supervisors (BOS) of SHB was issued and approved by the General Meeting of Shareholders in accordance with the Law on Credit Institutions No. 32/2024/QH15. In addition, the BOS reviewed current documents related to SHB's Internal Audit (IA) activities and directed the Internal Audit Division to propose revisions and supplements to internal regulatory documents on IA. These include: the Regulation on the Organization and Operation of the IA Division, the Internal Audit Procedures, the IA Handbook, the Regulation on Monitoring and Verifying the Implementation of Recommendations from the BOS and IA Division, the Regulation on Criteria for Determining Materiality, Risk Levels, and Audit Frequency, ensuring alignment with applicable laws and SHB's internal regulations over each period.

(3) Ensured performance of the internal audit function of the BOS:

- Through directing the Internal Audit Division to carry out both scheduled and ad-hoc audits (at the request of the Banking Supervisory Agency, branches of the SBV in provinces/cities, or upon requests from the BOS, the BOD, or the CEO), the BOS ensured that internal audit activities are conducted independently, regularly, and comprehensively across all SHB units.
- The BOS also instructed the Internal Audit Division to perform remote monitoring of SHB units in accordance with the Internal Audit Procedures, as well as to supervise operational safety indicators as prescribed by the SBV. Information technology has been leveraged to develop methods, techniques and tools for effective oversight and internal audit operations.
- The BOS oversaw the follow-up and resolution of issues identified through audits, directed the Internal Audit Division to participate in handling complaints and denunciations, ensuring the timely and complete submission of periodic reports as required by the SBV and SHB's internal regulations.
- Special attention was given to professional development and training for internal audit personnel, ensuring that the Internal Audit Division is adequately staffed and that its members are well-qualified to meet operational demands.

(4) Fulfilled other functions and responsibilities of Internal Audit in accordance with SHB's Charter, internal regulations, and applicable laws.

(5) Ensured full and accurate appraisal of SHB's 2023 Financial statements and interim Financial statement for the first 6 months of 2024 according to the provisions of law and SHB.

(6) Checked accounting books, other documents and management operations of SHB and promptly notified the BOD when detecting violations by Bank managers.

(7) Maintained effective coordination and working relationships with the BOD, CEO, AGM, the SBV, and other external authorities, in accordance with applicable laws, SHB's Charter, internal governance regulations, and the Regulations on the Organization and Operation of the BOS, as updated from time to time.

3. Transactions, remuneration and benefits of the Board of Directors, Board of Management and Board of Supervisors

3.1. Salary, bonus, remuneration, benefits

Unit: VND Million

	2024
Board of Directors	11,719
Board of Supervisors	4,620
Board of Management	28,373

3.2. Share transactions of internal shareholders

Transactions of SHB shares by SHB insiders and related persons

No.	Performed by	Relationship with insiders	Shares owned at beginning of the period		Shares owned at end of the period		Reason (buying, selling, transfer, bonus,...)
			Number of shares	Share ownership percentage	Number of shares	Share ownership percentage	
1	Do Quang Hien	Chairman of the BOD	99,539,881	2.750%	99,787,412	2.724%	ESOP
2	Do Quang Vinh	Vice Chairman of the BOD and DCEO; Son	939,722	0.026%	101,388,408	2.768%	- ESOP - Share purchase
3	Ngo Thu Ha	Member of the BOD and CEO	2,634,761	0.073%	2,854,347	0.078%	ESOP
4	Do Van Sinh	Independent member of the BOD	-	-	140,729	0.004%	ESOP
5	Thai Quoc Minh	Member of the BOD	-	-	176,665	0.005%	ESOP
6	Pham Viet Dan	Member of the BOD	-	-	140,729	0.004%	ESOP
7	Pham Hoa Binh	Head of the BOS	199,712	0.006%	219,712	0.006%	ESOP
8	Le Thanh Cam	Member of the BOS	-	-	80,000	0.002%	ESOP
9	Vu Xuan Thuy Son	Member of the BOS	-	-	80,000	0.002%	ESOP

V. Corporate Governance

No.	Performed by	Relationship with insiders	Shares owned at beginning of the period		Shares owned at end of the period		Reason (buying, selling, transfer, bonus,...)
			Number of shares	Share ownership percentage	Number of shares	Share ownership percentage	
10	Le Dang Khoa	DCEO	-	-	176,270	0.005%	ESOP
11	Do Duc Hai	DCEO	181	0.000%	177,849	0.005%	ESOP
12	Nguyen Huy Tai	DCEO	-	-	176,270	0.005%	ESOP
13	Ninh Thi Lan Phuong	DCEO	131,533	0.004%	293,103	0.008%	ESOP
14	Ngo Thi Van	Chief accountant	-	-	30,000	0.001%	ESOP
15	Pham Bich Lien	Person in charge of corporate governance	-	-	69,199	0.002%	ESOP
16	Do Thi Minh Nguyet	Related person of Mr. Do Quang Hien – Chairman of the BOD	25,733,094	0.711%	-	-	Share sale
17	T&T Group JSC.	Related entity	361,888,485	9.999%	287,388,485	7.846%	Share sale
18	Vu Thi Hoa	Related person of Mr. Nguyen Huy Tai - DCEO	600	0.00002%	-	-	Share sale

Transactions between the company and related persons of the company; or between the company and major shareholders, insiders, or related persons of insiders

No.	Name of institution	Relationship	Business Registration Certificate number, date of issue, place of issue	Head office address/Contact address	Time of transaction with SHB	BOD Resolution No.	Description
1	Saigon - Hanoi Insurance Joint Stock Corporation	Related person of BOD member	0103085460	86 Ba Trieu, Hang Bai Ward, Hoan Kiem, Hanoi	17/01/2024	02/NQ-HDQT dated 17/01/2024	Granting of Guarantee Limit for Corporate Clients Guarantee Limit: VND 200 billion
2	Saigon - Hanoi Insurance Joint Stock Corporation	Related person of BOD member	0103085460	86 Ba Trieu, Hang Bai Ward, Hoan Kiem, Hanoi	17/01/2024	07/NQ-HDQT dated 28/02/2024	Signing and renewal of Comprehensive Fraud Risk Insurance and Professional Liability Insurance service contracts at SHB in 2024
3	Saigon - Hanoi Securities Joint Stock Company	Related person of BOD member	0102524651	Unit 1-5, Unimex Hanoi Building, No. 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem, Hanoi	28/05/2024	13/2024/NQ-HDQT dated 28/05/2024	Signing of contracts between SHB and Saigon - Hanoi Securities Joint Stock Company
4	Saigon - Hanoi Securities Joint Stock Company	Related person of BOD member	0102524651	Unit 1-5, Unimex Hanoi Building, No. 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem, Hanoi	06/06/2024	15/2024/NQ-HDQT dated 06/06/2024	Signing of the bond issuance consultancy agreement and related public offering services for SHB bonds
5	Saigon - Hanoi Bank Finance Company Limited	Affiliate	0107779290	Level 6 Gelex Building, No. 52 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi	27/08/2024	20/2024/NQ-HDQT	Granting of deposit transaction limits for institutional clients Total approved limit: VND 3,750 billion
6	T&T Group Joint Stock Company	Major shareholder; Related party of a member of the Board of Directors	0100233223	31-33 Ngo Quyen Street, Hang Bai Ward, Hoan Kiem District, Hanoi	21/10/2024	25/2024/NQ-HDQT dated 21/10/2024	Granting of guarantees for corporate clients Total guarantee amount issued: VND 18,789,618,720

V. Corporate Governance

No.	Name of institution	Relation-ship	Business Registration Certificate number, date of issue, place of issue	Head office address/Contact address	Time of transaction with SHB	BOD Resolution No.	Description
7	Saigon - Hanoi Securities Joint Stock Company	Related person of BOD member	0102524651	Unit 1-5, Unimex Hanoi Building, No. 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem, Hanoi	01/11/2024	26/2024/NQ-HDQT dated 01/11/2024	Signing a cooperation agreement to launch securities lending products with Saigon - Hanoi Securities Joint Stock Company
8	Saigon - Hanoi Bank Finance Company Limited	Affiliate	0107779290	Level 6 Gelex Building, No. 52 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi	04/11/2024	27/2024/NQ-HDQT dated 04/11/2024	Sale/transfer of SHB's remaining capital in SHB Finance Company Limited
9	Saigon - Hanoi Securities Joint Stock Company	Related person of BOD member	0102524651	Unit 1-5, Unimex Hanoi Building, No. 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem, Hanoi	16/12/2024	29/2024/NQ-HDQT dated 16/12/2024	Signing of contracts between SHB and Saigon - Hanoi Securities Joint Stock Company. The contract value is less than 20% of SHB's charter capital as recorded in the latest audited financial statements.

Transactions between the company and any company where members of the BOD, the BOS, the CEO, and other managers have been or are currently founders or members of the BOD, or Executive Directors (CEOs) within the past three (03) years.

No.	Name of individual/institution	Relationship with SHB	Business Registration Certificate number, date of issue, place of issue	Head office address/Contact address	Type of trans-action	Time of trans-action	Description
1	T&T Group Joint Stock Company	Founded by Mr. Do Quang Hien (founding shareholder) Mr. Do Vinh Quang, Vice Chairman of the BOD (related party of a SHB Board member)	0100233223 Date of issue: 15/08/2023 Place of issue: Hanoi Department of Planning and Investment	31-33 Ngo Quyen Street, Hang Bai Ward, Hoan Kiem District, Hanoi	Deposits at SHB	2024	Number and value of transactions under deposit contracts with SHB are not disclosed due to confidentiality obligations
2	Saigon - Hanoi Securities Joint Stock Company (SHS)	Mr. Do Quang Vinh is Chairman of the BOD	0102524651 Date of issue: 15/11/2007 Place of issue: Hanoi Department of Planning and Investment	Floors 1–5, Unimex Hanoi Building, No. 41 Ngo Quyen Street, Hang Bai Ward, Hoan Kiem District, Hanoi	Deposits at SHB	2024	Number and value of transactions under deposit contracts with SHB are not disclosed due to confidentiality obligations
3	SHB Finance One-Member Limited Liability Company ("SHB FC")	Mr. Do Quang Vinh is former Chairman/ Standing Vice Chairman of the Members' Council	0107779290 Date of issue: 27/03/2017 Place of issue: Hanoi Department of Planning and Investment	6th Floor, Gelex Tower, 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung	Deposits at SHB	2024	Number and value of transactions under deposit contracts with SHB are not disclosed due to confidentiality obligations
4	SHB Finance One-Member Limited Liability Company ("SHB FC")	Mr. Do Quang Vinh is former Chairman/ Standing Vice Chairman of the Members' Council	0107779290 Date of issue: 27/03/2017 Place of issue: Hanoi Department of Planning and Investment	6th Floor, Gelex Tower, 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi	SHB deposits at SHB FC	2024	Number and value of transactions under deposit contracts at SHBFC are not disclosed due to confidentiality obligations



SHB firmly believes that robust corporate governance practices are essential for ensuring sustainable business development, fostering trust, and maximizing shareholder benefits.

4. Evaluate the implementation of corporate governance regulations

The Board of Directors, Board of Management, and Board of Supervisors of SHB have diligently implemented corporate governance regulations in accordance with the law. SHB prepares its corporate governance report as stipulated in Circular No. 96/2020/TT-BTC dated November 16, 2020. While adhering strictly to Vietnamese corporate governance laws and regulations applicable to listed companies, SHB continuously enhances its governance practices by benchmarking against leading regional and global standards such as the “ASEAN Corporate Governance Scorecard” and the “Corporate Governance Principles according to best practices” guidebook issued by the State Securities Commission and the International Finance Corporation (IFC) in August 2019.

In its efforts to bolster governance practices, SHB has implemented notable enhancements, surpassing previous benchmarks by meeting a greater number of criteria outlined in the ASEAN Corporate Governance Scorecard. This serves as a roadmap for elevating management standards and practices, mitigating risks, and advancing the Bank’s sustainability agenda. Among these improvements, SHB consistently upholds five fundamental corporate governance principles: safeguarding shareholders’ rights, ensuring equitable treatment of shareholders, engaging with stakeholders, maintaining transparent information disclosure, and upholding the responsibilities of the Board of Directors.

4.1. Overall assessment on corporate governance

(i) SHB ensures shareholders’ rights and equitable treatment

■ Ensuring shareholders’ rights

- Shareholders are empowered to partake in approving and ratifying SHB’s Charter and the issuance of shares, as well as in electing the Board of Directors and Supervisors. They also have the authority to endorse meeting agendas during the Annual General Meeting of Shareholders.

- Shareholders utilize the General Meeting documents available on the website to cast their votes on pertinent matters, submitting them to SHB ahead of the scheduled General Meeting date. These shareholder votes are deemed valid and are included in the tally of votes for, against, or expressing no opinion during the General Meeting count.

- Ensure dividend payment to shareholders within 30 days from the date the Board of Directors issues a Resolution on dividend payment and within 06 months from the date of the annual General Meeting of Shareholders.

- Publish Meeting Notices and General Meeting of Shareholders Documents on the Bank’s website; Furnish sufficient grounds, information, and clarifications regarding the matters presented for approval at the Annual General Meeting of Shareholders.

- Full disclosure of information about Board of Directors candidates, dividend payment policy in the Annual General Meeting of Shareholders documents and the Annual Report.

- Shareholders have the right to nominate and elect members of the Board of Directors regardless of whether they are major shareholders or minority shareholders.

- Participation in the Annual General Meeting of Shareholders by the Board of Directors, Board of Management, Board of Supervisors and shareholders.

■ Providing transparent information, ensuring shareholder rights

- As a publicly listed entity with a substantial shareholder base, SHB consistently prioritizes transparency in information dissemination. It proactively releases comprehensive and timely periodic/

extraordinary updates, adhering to specified deadlines across various platforms such as its bilingual website, electronic portals of Stock Exchanges, State Securities Commission, and Vietnam Securities Depository and Clearing Corporation. In 2023, SHB diligently fulfilled its disclosure obligations as per regulations, covering financial statements, corporate governance reports, annual reports, and details regarding the Annual General Meeting of Shareholders, including soliciting written opinions from shareholders. Additionally, it provided information on increasing charter capital through issuing shares to pay dividends.

- SHB facilitates shareholders' swift access to information regarding the Bank's business performance during the Annual General Meeting of Shareholders. Upon reviewing the presented reports and presentations, shareholders are entitled to directly pose questions and offer recommendations to SHB's Board of Directors prior to voting on crucial matters pertaining to the Bank's operations. All documents relevant to the Annual General Meeting of Shareholders are comprehensively available on the SHB website, ensuring transparency of information for all shareholders and the broader investor community to access without constraint.

- Furthermore, SHB proactively assists and addresses investors' inquiries and information requests via indirect channels, including email, telephone, and the website.

- *Dividend policy*

- SHB maintains a resilient dividend policy that provides substantial returns for investors, founded on a harmonious alignment of shareholders' interests and balanced resource allocation to ensure SHB's development. The Bank's average dividend payout ratio over the last five years stands at 13.9%. In 2023, the dividend payment for the first round was 5% in cash and for the second round was 11% in shares.

(ii) SHB ensures the role of relevant parties

- SHB communicates and enacts social security policies within the communities surrounding its transaction points, alongside initiatives to enhance health, safety, welfare, and training programs for employees.

- Provides contact information on the Bank's website and in the Annual Report to enable relevant parties such as customers, partners, shareholders,... can easily access for problem resolution.

- Develops, promulgates and published internal and website procedures for complaints about illegal behavior such as publishing the Code of Conduct and Professional Ethics, Anti-Corruption Regulations to orient corporate culture.

- Develops and implements processes and procedures for selecting suppliers and contractors.

- Adopts a reward policy tied to unit performance.

(iii) SHB fully conducts information transparency and disclosure

- *Disseminating information extensively through mass media*

Furthermore, SHB consistently disseminates timely, comprehensive, transparent, and official information to investors and shareholders through various domestic and international newspapers, television stations, and news sites with extensive coverage via mass media.

Specifically, SHB prioritizes extensive communication of strategic information that significantly affects the interests of investors and shareholders. This includes information pertaining to events before, during, and after the Annual General Meeting of Shareholders, dividend payments, capital increase, business performance, prospects, strategic direction, collaboration signings, credit ratings, awards, and more. This emphasis serves to reinforce SHB's credibility and standing in the industry.

SHB guarantees timely and transparent publication of the Annual Report in both Vietnamese and English on its website. This includes details about shareholders, the Bank's ownership structure, subsidiary system, and other financial and non-financial data.

Organizes press conference and press releases on business results and operational strategies;

- *Promoting investor relations*

In 2024, SHB engaged in meetings and collaborations with numerous foreign investors, including banks, investment funds, and prominent credit institutions worldwide. These interactions facilitated the exchange of insights, exploration of mutual strengths, and creation of opportunities for cooperation and growth, fostering an expanded platform for collaboration and development.

The aforementioned activities have been instrumental in fostering professionalism and transparency in the

dissemination of information, as well as in fortifying relationships with investors. Consequently, this has bolstered investors' trust, thereby augmenting SHB's brand positioning within the market.

In the future, SHB will enhance its efforts to disseminate shared information and newsletters to investors, aiming to continuously elevate professionalism and bolster credibility in the stock market. This endeavor aligns with the goal of achieving sustainable development and fostering long-term value creation for shareholders.

(iv) SHB continuously enhances responsibilities of the Board of Directors

- The roles and responsibilities of members of SHB's Board of Directors and regulations on corporate governance are detailed in SHB's Charter and corporate governance regulations.
- The Board of Directors has organized meetings in 2024 and disclosed each member's meeting attendance in the Annual Report.
- The Bank has set up committees under the Board of Directors, conducted assessments of both the Board members and the committees, and disclosed these evaluations in the Annual Report.

4.2 Plan to enhance SHB's corporate governance efficiency

With the aim of progressively aligning with regional and global corporate governance standards, SHB will persist in enhancing its corporate governance practices in the following ways in the foreseeable future:

- *Improving standards related to information disclosure and transparency:*
 - Continue to refine and disseminate the Regulations on stock market information disclosure, ensuring thoroughness, rigor, and adherence to the guidelines outlined in Circular 96/2020/TT-BTC issued by the Ministry of Finance. This includes aligning with pertinent laws and regulations governing information disclosure;
 - Make continuous efforts to enhance adherence to the standards outlined in existing regulations and international norms, with the aim of delivering

comprehensive information to both domestic and international shareholders and investors.

■ *Strengthening the responsibilities of the Board of Directors:*

- Develop succession plans, orientation and training programs for new and current Board members to ensure that SHB's next leadership team has the necessary experience and skills to undertake the task;
 - Develop a specific roadmap to approach the requirement on the ratio of independent directors in the Board of Directors according to best governance practices and Vietnamese legal regulations;
 - Increase the participation of independent members in Committees under the Board of Directors to improve the operational efficiency of the Committees in advising and assisting the Board of Directors; Strengthen the independence of Committees under the Board of Directors;
 - Hold additional Board of Directors meetings besides regular ones to discuss key issues related to business orientation and major solutions.
- *Persisting in consolidating and fortifying the functions of Internal Audit, Risk Management, and Compliance within SHB's internal governance structure, aiming to achieve:*
 - (i) Ensuring the effective and precise operation of the risk management and internal control system;
 - (ii) Playing a pivotal role in enhancing corporate governance practices and;
 - (iii) Are lines of defense safeguarding investment capital and fostering the creation of long-term sustainable value for shareholders.

4.3. Detailed assessment of SHB's corporate governance practices according to the ASEAN regional corporate governance scorecard

No.	Criteria	Evaluation ground	SHB's Compliance
A	Shareholders' rights		
A.1	Basic shareholder rights		
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days?	In 2024, SHB successfully completed the first round of cash dividend payments at a rate of 5% to existing shareholders and received approval from the SBV to issue nearly 403 million shares for the second round of 2023 dividend payments, equivalent to a rate of 11%	Complied
A2	Right to participate in decisions concerning fundamental corporate changes.		
	Do shareholders have the right to participate in:		
A2.1	Amendments to the company's constitution?	Provided for in the Charter and Internal Regulations on Bank Governance	Complied
A2.2	The authorization of additional shares?	Approved by the Annual General Meeting of Shareholders in accordance with the law	Complied
A2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	Approved by the Annual General Meeting of Shareholders in accordance with the law	Complied
A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.		
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/ commissioners?	The agenda of the Annual General Meeting of Shareholders shows this content	Complied
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/ commissioners?	Shareholders exercise rights in compliance with the provisions of law and the Charter of the Bank	Complied

V. Corporate Governance

No.	Criteria	Evaluation ground	SHB's Compliance
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Provided for in Article 29 Rights of shareholders, SHB's Charter	Complied
A.3.4	Does the company disclose the voting procedures used before the start of the meeting?	Provided for and disclosed on SHB's website before holding the Annual General Meeting of Shareholders (in accordance with regulations)	Complied
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	All questions and answers of shareholders are included in the minutes of the AGM and approved at the meeting	Complied
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	Shown in the minutes of the 2024 AGM	Complied
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	Shown in the minutes of the 2024 AGM	Complied
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	Disclosed on SHB's website	Complied
A.3.9	Does the company allow voting in absentia?	Absent shareholders may authorize another person to attend and vote at the meeting	Complied
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Stated in the Regulations of the AGM	Complied
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	SHB disclosed this and sought approval at the AGM	Complied
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	The minutes of the meeting and Resolution of the 2024 AGM are published on SHB's public portal in accordance with regulations	Complied
A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?	Disclosed on SHB's website	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	Each item in the draft Resolution includes a detailed proposal/report attached	Complied
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	All questions and answers are included in the minutes of the AGM and approved during the meeting	Complied
A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner.		
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	SHB complies with the law to ensure the publicity, transparency, and reasonableness of merger and acquisition transaction prices, thereby ensuring the maximum benefits of SHB and its shareholders	Complied
A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.		
A.5.1	Does the company disclose its practices to encourage shareholders to engage the company beyond AGM?	Provided for in SHB's Charter	Complied
B	Equal treatment to shareholders		
B.1	Shares and voting rights		
B.1.1	Do the company's ordinary or common shares have one vote for one share?	Provided for in SHB's Charter	Complied
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	The company has only one class of common stock	Complied
B.2	Notice of AGM		
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	SHB does not bundle many contents in the same resolution	Complied

V. Corporate Governance

No.	Criteria	Evaluation ground	SHB's Compliance
B.2.2	Is the company's notice of the most recent AGM / circulars fully translated into English and published on the same date as the local-language version?	Notice and documents of SHB's AGM are fully translated into English and published on the same day as the Vietnamese version on SHB's website	Complied
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	SHB publishes biographies of candidates for elected/re-elected on the Bank's website	Complied
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	Shown in the reports submitted to the 2024 AGM	Complied
B.2.5	Were the proxy documents made easily available?	Announced on the website and sent directly to shareholders by post along with the meeting invitation letter	Complied
B.3	Insider trading and abusive self-dealing should be prohibited.		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees from benefiting from knowledge that is not generally available to the market?	Shown in SHB's charter	Complied
B.3.2	Are directors/commissioners required to report their dealings in company shares within 3 business days?	Members of the BOD must disclose information before and after trading shares in accordance with regulations	Complied
B.4	Related party transactions by directors and key executives.		
B.4.1	Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest?	RPTs are reviewed and reported to the BOD or the AGM for approval before being carried out, in accordance with SHB's Charter	Complied
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	SHB provides specific provisions in its Charter and in the Regulations on the Organization and Operation of the BOD	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	SHB specifies detailed provisions in its Lending Regulations, in compliance with the credit restriction cases stipulated in Article 134 of the Law on Credit Institutions	Complied
B.5	Protecting minority shareholders from abusive actions		
B.5.1	Does the company disclose that RPTs are conducted fairly and at arms' length?	SHB disclosures according to the law	Complied
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	Voting conducted according to the law	Complied
C	Rights of stakeholders		
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
	Does the company disclose policies and practices that address:		
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	SHB fully promulgates Customer's Complaint Handling Policy and Procedure; publishes hotlines, email addresses on the website, publications, leaflets, e-banking applications, etc.	Complied
C.1.2	Supplier/contractor selection procedures?	Published on SHB's website	Complied
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or consistent with promoting sustainable development?	SHB disclosed in its Annual Report, Section Sustainable Development	Complied
C.1.4	The company's efforts to interact with the communities in which it operates?	SHB disclosed in its Annual Report	Complied
C.1.5	The company's anti-corruption programmes and procedures?	SHB published and implemented the Regulations on Prevention of Operational Risks and Anti-Money Laundering as disclosed in the Annual Report (Section 1.6) and other internal regulations	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
C.1.6	How are creditors' rights safeguarded?	SHB fully promulgates Customer's Complaint Handling Policy and Procedure; Publication of hotlines, email addresses on the web, publications, leaflets, e-banking applications, etc.	Complied
C.1.7	Does the company have a separate report/section that discusses its efforts on environmental, economic and social issues?	SHB disclosed in its Annual Report	Complied
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.		
C.2.1	Does the company provide contact details via the company's website or Annual Report for stakeholders (e.g. customers, suppliers, general public) to voice their concerns and/or complaints regarding possible violation of their rights?	SHB published a hotline and contact phone number on its website and in the Annual Report	Complied
C.3	Mechanisms for employee participation should be permitted to develop.		
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	SHB disclosed in its Annual Report	Complied
C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	SHB disclosed in its Annual Report	Complied
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	SHB disclosed in its Annual Report and internal documents. A policy for issuing shares under the employee selection program is in place	Complied
C.4	Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.		

No.	Criteria	Evaluation ground	SHB's Compliance
C.4.1	Does the company have a whistleblowing policy including procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or Annual Report?	SHB announced and implemented the Operational Risk and Anti-Money Laundering policy as shown in its Annual Report (Section 1.6) and other internal documents Hotline is published on the website	Complied
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	Shown in the Code of Conduct, labor rules and other internal documents. Specific procedures and policies to protect whistleblowers have been developed	Complied
D	Information disclosure and transparency		
D.1	Transparent ownership structure		
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners holding 5% shareholding or more?	SHB submits periodic reports in accordance with the regulations of the State Bank, the SSC and VNX	Complied
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	SHB submits periodic reports in accordance with the regulations of the State Bank, the SSC and VNX	Complied
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	SHB submits periodic reports in accordance with the regulations of the State Bank, the SSC and VNX	Complied
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	SHB submits periodic reports in accordance with the regulations of the State Bank, the SSC and VNX	Complied
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	SHB submits periodic reports in accordance with the regulations of the State Bank, the SSC and VNX	Complied
D.2	Quality of Annual Report		
D.2.1	Corporate Objectives	SHB discloses details in its Annual Report	Complied
D.2.2	Financial Performance indicators	SHB discloses details in its Annual Report	Complied

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No.	Criteria	Evaluation ground	SHB's Compliance
D.2.3	Non-Financial Performance indicators	SHB discloses details in its Annual Report	Complied
D.2.4	Dividend Policy	SHB discloses details in its Annual Report	Complied
D.2.5	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners	SHB discloses details in its Annual Report	Complied
D.2.6	Attendance details of each director/commissioner in all directors/commissioners meetings held during the year	SHB discloses details in its Annual Report	Complied
D.2.7	Total remuneration of each member of the board of directors/commissioners	Discloses in the Annual Report; however, only the total remuneration of the BOD, the BOS and the BOM is disclosed separately	Partial compliance
D.2.8	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	Fully disclosed in Annual Report – Section Corporate Governance	Complied
D.3	Disclosure of related party transactions (RPT)		
D.3.1	Does the company disclose its policy covering the review and approval of material RPTs?	Disclosed in Annual Report – Financial Statements/Related Party Transactions	Complied
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	Disclosed in Annual Report – Financial Statements/Related Party Transactions	Complied
D.4	Directors and commissioners dealings in shares of the company		
D.4.1	Does the company disclose trading in the company's shares by insiders?	Disclosed on SHB's website and the Stock Exchange	Complied
D.5	External auditor and Auditor Report		
D.5.2	Does the non-audit fee exceed the audit fees?	SHB incurred no fees for non-audit services	
D.6	Medium of communications		
D.6.1	Quarterly reporting	SHB fully discloses it on the Bank's website in accordance with regulations	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
D.6.2	Company website	SHB fully discloses it on the Bank's website in accordance with regulations	Complied
D.6.3	Analysts' briefing	SHB proactively provides information for analysis reports and expert commentary	Complied
D.6.4	Media briefings/press conferences	SHB issues periodic press releases on the mass media	Complied
D.7	Timely filing/release of annual/financial reports		
D.7.1	Is the audited annual financial report/statement released within 120 days from the financial year end?	Fully discloses information on the Bank's website in accordance with regulations	Complied
D.7.2	Is the annual report released within 120 days from the financial year end?	Fully discloses information on the Bank's website in accordance with regulations	Complied
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?		Complied
D.8	Company website		
D.8.1	Financial statements/reports (latest quarterly)	Fully discloses information on the Bank's website in accordance with regulations	Complied
D.8.2	Materials provided in briefings to analysts and media	Updated frequently	Complied
D.8.3	Downloadable Annual Report	Fully disclosures on the Bank's website and available for download	Complied
D.8.4	Notice of AGM and/or EGM	Fully disclosures of information on the Bank's website	Complied
D.8.5	Minutes of AGM and/or EGM	Fully disclosures of information on the Bank's website	Complied
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)	Fully disclosures on the Bank's website and available for download	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
D.9	Investor relations		
D.9.1	Does the company disclose the contact details (e.g., telephone, fax, and email) of the officer/office responsible for investor relations?	Disclosed on SHB's website.	Complied
E	Board duties and responsibilities		
E.1	Clearly defined board responsibilities and corporate governance policies		
E.1.1	Does the company disclose its corporate governance policy/board charter?	Fully disclosures of information on the Bank's website	Complied
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	Fully disclosures of information on the Bank's website	Complied
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	Fully disclosed in the Charter of the Bank; Annual Report and Bank Governance Report	Complied
E.1.4	Does the company have a vision and mission statement?	SHB fully disclosed in the Annual Report, at the General Meeting of Shareholders and through internal publications	Complied
E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	The role of the BOD is shown in the Annual Report - Section Corporate Governance	Complied
E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	The roles and activities of the BOD members are shown in the Annual Report - Section Corporate Governance	Complied
E.2	Board structure		
E.2.1	Are the details of the code of ethics or conduct disclosed?	Publicly disclosed throughout the SHB system	Complied
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the codes?	Shown in the Charter, internal regulations on governance, publicly announced on the Company's website	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	Shown in the Labor Regulations, the internal regulations on governance are publicly disclosed throughout the SHB system	Complied
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years each for its independent directors/commissioners?	SHB complies with the provisions of law on conditions of independence of independent BOD members	Complied
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	SHB has provisions in the Charter and Regulations on organization and operation of the BOD	Complied
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	Not applicable	Complied
E.2.8	Does the company have a Nominating Committee (NC)?	SHB's Human Resources Committee was established under the Board of Directors	Complied
E.2.9	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	Disclosed in the Annual Report	Complied
E.2.10	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	Disclosed in the Annual Report	Complied
E.2.11	Does the company have an Audit Committee?	SHB has a Board of Supervisors (BOS). Operating under the model of Annual General Meeting of Shareholders, Board of Directors, Board of Supervisors, CEO	Complied
E.2.12	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	The Board of Supervisors operates independently, supervises the activities of the Board of Directors and the BOM	Complied
E.2.13	Is the chairman of the Audit Committee an independent director/commissioner?	The Head of the BOS operates independently of the Board of Directors	Complied

V. Corporate Governance

No.	Criteria	Evaluation ground	SHB's Compliance
E.2.14	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Disclosed in Annual Report, Charter of SHB, internal regulations...	Complied
E.2.15	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	All members are ensured to have professional experience	Complied
E.2.16	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?	Disclosed in the Annual Report	Complied
E.2.17	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	Disclosed in SHB's Charter	Complied
E.3 Board Processes			
E.3.1	Are the board of directors meeting scheduled before the start of the financial year?	The BOD of SHB meets periodically and ad hoc in accordance with the law and internal regulations of SHB, with at least 04 regular meetings/year	Complied
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	In 2024, the BOD convened 09 direct meetings, as disclosed in the Annual Report	Complied
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	Disclosed in the Annual Report	Complied
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	Provided for in the Charter and Regulations on organization and operation of the Board of Directors	Complied
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?		Complied
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	SHB has stated this requirement in the Charter and consistently complies with it	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	SHB appoints the person in charge of corporate governance who performs the duties of the company secretary to ensure that governance is conducted effectively	Complied
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	SHB guarantees the requirements	Complied
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	Disclosed in the Charter, Organizational Regulations of the BOD	Complied
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	Disclosed in the Charter, Internal Regulations of SHB	Complied
E.3.11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each?	The term of the BOD of SHB is 5 years, as stipulated in the Charter, Internal Governance Regulations of SHB	Complied
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long-term incentives and performance measures) for its executive directors and CEO?	Disclosed in SHB's Charter and Annual Report	Complied
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	Disclosed in SHB's Charter and Annual Report	Complied
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	The Annual General Meeting of Shareholders approves the remuneration norms and the BOD specifies detailed regulations	Complied
E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executive directors with long-term interests of the company, such as claw back provision and deferred bonuses?	Disclosed in SHB's Charter	Complied
E.3.16	Does the company have a separate internal audit function?	SHB has an Internal Audit Division operating under the Board of Supervisory	Complied
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Disclosed in SHB's Charter and Annual Report	Complied

V. Corporate Governance

No.	Criteria	Evaluation ground	SHB's Compliance
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	The appointment and dismissal of the Internal Auditor fall under the authority of the Board of Supervisory	Complied
E.3.19	Does the company disclose the internal control procedures/ risk management systems it has in place?	Disclosed in the Annual Report – Section Risk	Complied
E.3.20	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Disclosed in Annual Report – Section Corporate Governance	Complied
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	Disclosed in the Annual Report – Section Risk	Complied
E.3.22	Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	Disclosed in Annual Report	Complied
E.4	People on the Board		
E.4.1	Do different persons assume the roles of chairman and CEO?	SHB has a separate Chairman and CEO	Complied
E.4.2	Is the chairman an independent director/ commissioner?	The Chairman of the BOD is a non-executive member	Complied
E.4.3	Has any director been the company CEO/executive in the last two years?	None	Complied
E.4.4	Are the role and responsibilities of the chairman disclosed?	Disclosed in the Charter	Complied
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	SHB has 01 independent BOD member with experience in finance, insurance, and banking	Complied
E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	All members of the BOD have experience in finance and banking	Complied

No.	Criteria	Evaluation ground	SHB's Compliance
E.5	Board Performance		
E.5.1	Does the company have orientation programmes for new directors/commissioners?	SHB has a learning program for each professional position and is currently reviewing and updating additional programs for members of the BOD	Complied
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	SHB has a learning program for each professional position and is currently reviewing and updating additional programs for all members of the BOD	Complied
E.5.3	Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?		Complied
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Reflected in SHB's internal governance regulations and Annual Report	Complied
E.5.5	Is an annual performance assessment conducted of the board of directors/commissioners?	Reflected in SHB's internal governance regulations and published on SHB's website	Complied
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	Reflected in SHB's internal governance regulations and published on SHB's website	Complied
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	Disclosed in SHB's Annual Report	Complied

5. Risk management

Amid ongoing market challenges and uncertainties, SHB remains steadfastly committed to strengthening risk management practices to ensure operational resilience and contribute to economic stability and growth. Risk management at SHB is continuously enhanced and comprehensively implemented, forming a solid foundation for the Bank to innovate and drive breakthroughs in an evolving landscape.

SHB conducts annual reviews and assessments of key activities and critical risks to evaluate the overall risk profile. Based on these assessments, SHB measures risk levels and determines the Bank’s risk capacity. This process underpins the development of SHB’s risk appetite, management strategies, and internal control systems to manage critical risks and ensure adequate capital to cover potential losses.

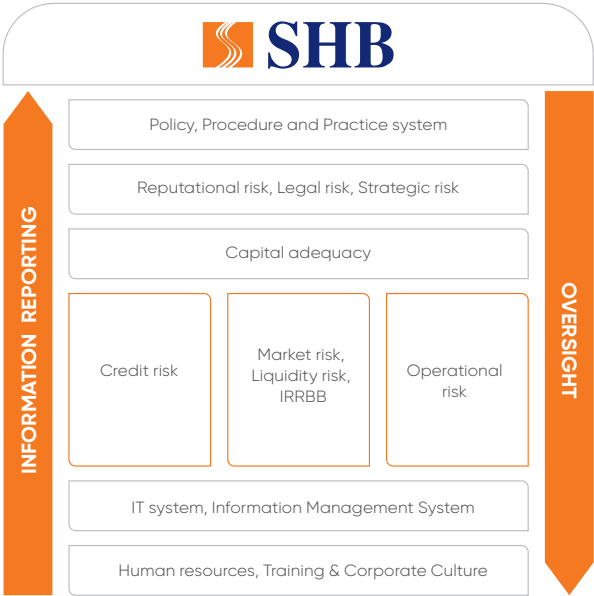
5.1. Risk management framework at SHB

SHB has established a risk management framework to ensure a complete system of policies, regulations, procedures, and guidelines to operate in line with its business strategy and risk management objectives. Material risks are identified, measured, and controlled while maintaining a satisfactory capital adequacy ratio commensurate with the Bank’s risk profile, ensuring its capacity to withstand unexpected market fluctuations.

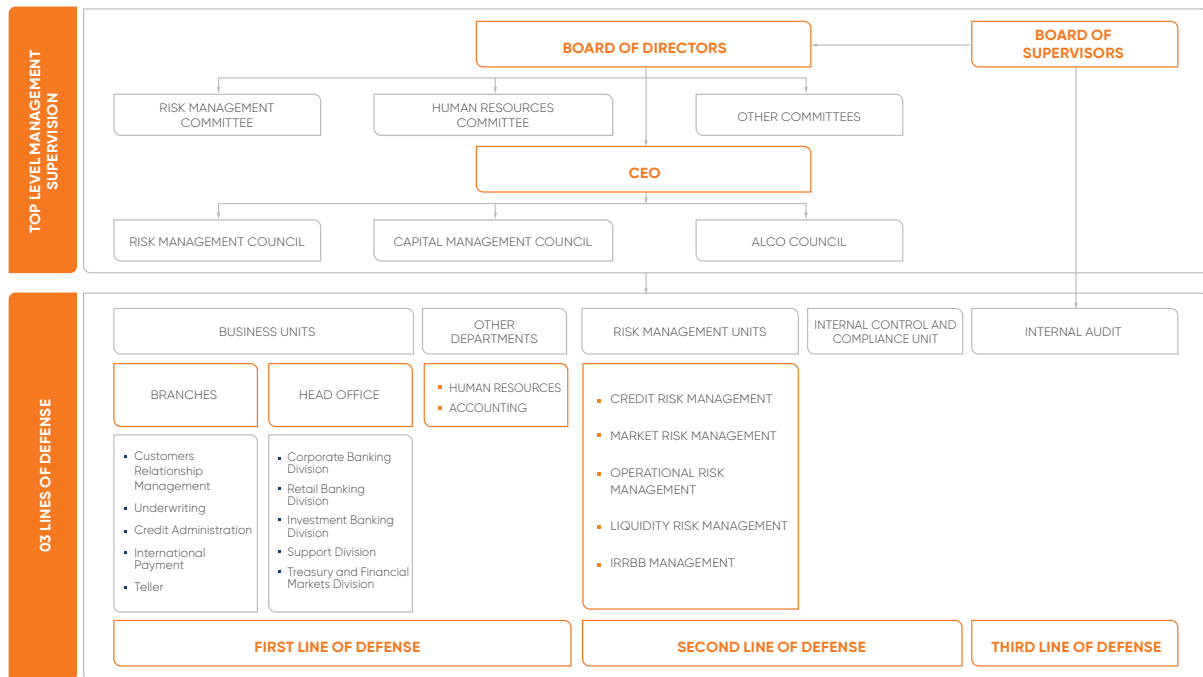
In 2024, SHB implemented its Environmental and Social Risk Management System (ESMS), fully integrated into the credit approval process with a clear structure. This ensures compliance with legal regulations and meets international standards.

To further strengthen the effectiveness of its risk governance framework, SHB has developed a robust information system and a comprehensive management reporting system to deliver timely and accurate insights into the Bank’s risk exposure. These systems not only support ongoing risk monitoring across business operations but also enable assessments of the impact of risks on the Bank’s asset portfolio and provide forecasting tools for business performance and asset quality, thereby facilitating well-informed and effective business decisions.

In parallel, SHB places strong emphasis on risk management training and communication through targeted training programs, thematic workshops, and internal communication initiatives. These efforts serve as the foundation for building a risk-aware culture across the organization, ensuring that all employees clearly understand and apply risk management principles in all business activities, thereby enhancing governance capabilities and supporting SHB’s sustainable growth.



5.2. Risk management structure



SHB adopts the three lines of defense model to enhance risk management capabilities across the Bank, in which:

The first line of defense is responsible for identifying, controlling, and implementing risk reduction measures. The second line of defense controls and monitors legal and compliance-related risks. The third line of defense is executed by the Internal Audit Division to monitor and evaluate the effectiveness and adequacy of the first and second line of defense. Furthermore, SHB has established a full range of Committees/Councils to assist the Board of Directors and CEO in performing supervisory function at the top level management.

SHB has established and strengthened a comprehensive framework of documents and risk management policies to effectively oversee risks, ensuring operational safety in alignment with legal requirements, directives from the State Bank of Vietnam, and SHB's risk management objectives. This framework adheres to current regulations while consistently guiding risk management practices in accordance with international standards and best practices. In 2023, SHB finalized the development and implementation of enhanced liquidity risk management measurement tools conforming to Basel III standards. These tools incorporate Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) indicators for internal monitoring and supervision, subsequently undergoing review and authentication by a big 4 international independent audit firm.

In addition, to maintain sufficient capital for material risks, SHB regularly implements measures to optimize Risk-Weighted Assets (RWA) and improve the Bank's equity capital, thereby surpassing the minimum capital adequacy ratio of 8% as prescribed in Circular 41/2016/TT-NHNN and consistently maintaining a ratio above 10%. This measure ensures a capital buffer to support the Bank's sustainable and effective growth. SHB's capital adequacy ratio is maintained above the Bank's target ratio in both normal and adverse conditions. This ensures a robust capital buffer that supports the Bank's business operations and enables sustainable, efficient growth.

5.3. Material risks management

5.3.1 Credit risk

Credit risk refers to the possibility of financial loss in banking operations caused by clients failing or being unable to fulfill their commitments.

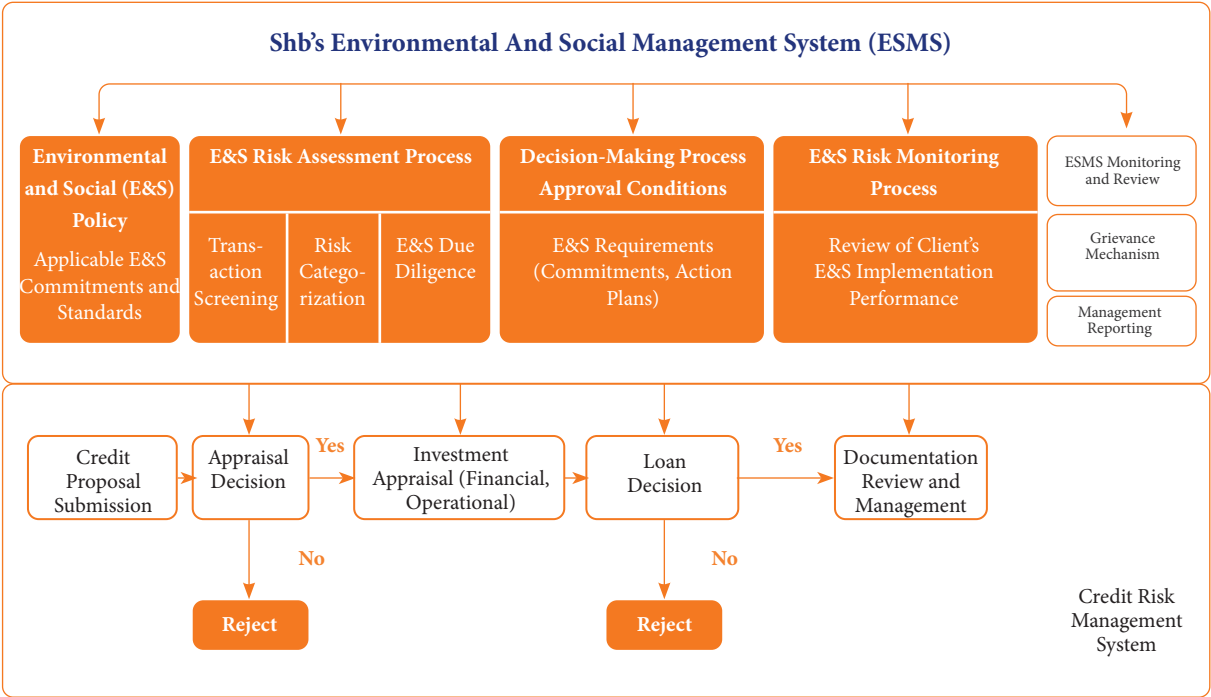
To effectively manage and control credit risk, a system of credit risk management policies has been developed in line with the following principles: (i) Establish an appropriate credit risk management environment; (ii) Carry out the credit granting procedure with close coordination among involved departments; (iii) Identify, measure, and monitor risks in each tier of the three lines of defense to ensure adequate control over credit risk.

SHB also conducts credit risk assessments under both normal operating conditions and adverse market scenarios. In the event of unfavorable market developments, SHB employs scenario analysis to forecast credit growth rates and loan quality. Based on these projections, the Bank proactively develops provisioning plans and implements appropriate control, monitoring, and mitigation measures to manage and reduce non-performing loans in a timely and effective manner.

5.3.2 Environmental and social risks

Green credit represents a global trend within the financial industry, particularly relevant to Vietnam’s finance and banking sector. It aims to achieve a balanced and harmonious development that fosters green growth and sustainability, promoting harmony between the economy and the environment. Acknowledging the significance of green credit, SHB is increasingly prioritizing green credit growth while integrating social and environmental risk management practices into credit extension activities.

SHB’s Environmental and Social Management System (ESMS) has been established with a clear structure and is fully integrated into the credit approval process. The diagram below illustrates the key steps in managing environmental and social risks – from policy formulation, appraisal, and approval to post-disbursement monitoring – ensuring that such risks are effectively identified, controlled, and managed throughout the entire credit lifecycle.



In 2024, SHB launched a series of key initiatives to strengthen environmental and social risk management and promote the development of green credit:

- **Updated Environmental and Social Risk Management Framework:** SHB has finalized and upgraded its environmental and social risk management regulations, applying them across the entire credit portfolio, including corporate clients, small and medium-sized enterprises (SMEs), and individual customers. ESG (Environmental, Social, and Governance) criteria have also been integrated into the credit appraisal, assessment, and investment decision-making processes to ensure alignment with international standards.
- **Deployment of Technology for Environmental and Social Risk Assessments:** SHB has adopted specialized tools to assess environmental and social risks throughout the entire credit process.
- **International Collaboration and Enhanced ESG Standards:** SHB continues to collaborate closely with the World Bank (WB), International Finance Corporation (IFC), Asian Development Bank (ADB), and others. The Bank has updated and implemented new environmental and social standards aligned with the requirements of the State Bank of Vietnam and international best practices.
- **Capacity Building and Awareness Raising:** SHB has focused on training and internal communications to improve the environmental and social risk management capacity of its staff. Training content includes ESG criteria, risk assessment methodologies, and action plans for risk mitigation.
- **Implementation of Key ESG Initiatives:** Notable projects include the launch of an Environmental and Social Risk Management System for trade finance, supporting import-export enterprises in meeting ESG standards, and the development of a similar system for lending to SME clients.

With strong support from international organizations and a firm commitment from SHB's leadership, the Bank continues to affirm its pioneering role in environmental and social risk management and the development of green finance in Vietnam, contributing toward a more sustainable financial future.



5.3.3 Operational risk

The risk arising from incomplete or faulty internal processes, human factors, errors, system failures, or external factors causing financial losses or non-financial negative impacts to SHB (including legal risks) is defined as operational risk.

SHB has fully implemented the operational risk management framework to align with Circular 13/2018/TT-NHNN requirements and international standards.

In 2024, SHB intensified efforts to strengthen its operational risk management (ORM) culture across all business units. The Bank established designated focal points for ORM at each branch and business center and continued internal training and knowledge-sharing activities on risk management directly within these units. SHB prioritized allocating resources to conduct comprehensive risk assessments and evaluate the effectiveness of key controls, aiming to proactively identify and mitigate operational risks associated with core products, processes, and projects.

SHB also accelerated the evaluation of outsourced operational risks and third-party risks, with a particular focus on IT outsourcing activities, to ensure compliance with legal regulations and to safeguard the security and integrity of the Bank's IT systems.

In parallel, business continuity management remained a key focus area in 2024. SHB reviewed and updated general policies and Business Continuity Plans (BCPs) for critical business and head office units. The Bank conducted business continuity response tests at over 100 transaction points and several key head office departments to ensure timely and uninterrupted banking operations, customer transactions, and internal processes in the face of potential disruptions.

5.3.4 Information technology risk

Information Technology (IT) risk is the possibility of loss when performing activities related to information systems. IT risks relate to management and use of hardware, software, communications, system interfaces, operations, and people.

At SHB, IT operations are organized and managed based on the ITIL (Information Technology Infrastructure Library) framework. The Bank strictly complies with most of the security and safety regulations issued by the State Bank of Vietnam (SBV), while also adhering to international security standards to ensure the robustness of its internal IT systems, including ISO 27001:2013, PCI DSS, 3D Secure, and the SWIFT Customer Security Controls Framework (CSCF).

In 2024, SHB continued accelerating the adoption of cloud technologies to enhance customer experience, deliver 24/7 services, and mitigate IT-related risks. Notably, the Bank allocated substantial resources to conduct risk assessments for several Level-3 critical systems, focusing strongly on IT risk assessments for the online banking platform. This initiative ensures service availability and robust security for SHB's digital services.

Furthermore, SHB has been actively refining and updating its existing IT risk assessment policies and procedures. The Bank conducted in-depth risk evaluations for key IT systems and critical technology projects, strengthening its ability to control and manage risks within the ever-evolving technological landscape.

5.3.5 Market Risk

Market risk refers to the potential for adverse fluctuations in interest rates, exchange rates, stock prices, and commodity prices within the market. SHB confronts two primary types of market risk: interest rate risk and exchange rate risk. The Bank has established and fortified a comprehensive system of policy documents, regulations, and processes for managing market risk. These guidelines delineate the steps involved in identifying, measuring, monitoring/controlling, and reporting on market risks, as well as outlining the responsibilities of relevant units in market risk management.

In conjunction with the centralized management of interest rate and exchange rate risk at the Head Office, SHB has instituted a comprehensive framework of market risk limits for management. These include status/portfolio limits, teller limits, loss/stop-loss limits, and sensitivity limits. Market risk limits undergo periodic reviews, at least annually, or ad hoc in response to significant market fluctuations. Measurement of market risk is conducted utilizing methods and systems such as Open Position, PV01 sensitivity, and profit and loss assessment based on market value (MtM), along with VaR risk assessment. These measurement methods and tools are subject to regular review and refinement to accurately gauge risks, aligning with market conditions and SHB's business landscape in each respective period.




```

nblocks*sizeof(gid_t *) GFP_USER);
if (!group_info)return NULL;

group_info->ngroups = gidsetsize;
group_info->nblocks = nblocks;
atomic_set(&group_info->usage, 1);
if (gidsetsize <= NGROUPS_SMALL)

group_info->nblocksEQ3 = group_info->nsmall_blocks;
else {
    for (i = 0; i < nblocks; i++) {
        info init_group = { .usage = ATOMIC_INIT(0) };
        info *groups_alloc(int gidsetsize);
        struct group_info *group_info; int nblocks; int i;
        nblocks = (gidsetsize +
            NGROUPS_PER_BLOCK - 1) / NGROUPS_PER_BLOCK;
        /* Make sure we always allocate an integer number of
            block pointers */nblocks = nblocks * 3;
        group_info = kmalloc(sizeof(*group_info) +

```



5.3.6 Liquidity risk

Liquidity risk refers to the inability to meet debt obligations when due, or meeting them at a cost higher than the market average.

SHB advocates diversifying mobilized capital sources and mobilization terms to enhance liability stability, thereby maintaining a reasonable balance between assets and liabilities and ensuring sufficient highly liquid assets. Mobilization plans are built and monitored safely and effectively in each period, based on each unit's business plan and the overall strategy of the entire bank, ensuring liquidity under both normal conditions and during crises.

SHB has established and implemented liquidity risk limits, including: maximum net cash flow, solvency ratio, LDR ratio, and the ratio of short-term capital to medium and long-term loans. Daily measurement and monitoring of liquidity risks are conducted. In the 2024-2025 period, SHB continues to implement the Asset and Liability Management (ALM) project, which includes upgrading and refining its liquidity risk management framework, policies, and methodologies. This initiative aims to enhance balance sheet management efficiency and proactively mitigate and prevent liquidity risks for the Bank.

5.3.7 Bank book interest rate risk

Bank book interest rate risk arises when adverse fluctuations of interest rates negatively affect the Bank's income, asset value, liability value, and off-balance sheet commitment value. To mitigate this risk, SHB maintains a prudent balance in the term structure/revaluation period between assets and liabilities. This is achieved by applying appropriate base interest rate policies to determine loan interest rates, thus curtailing potential interest rate risks like repricing risk and basis risk.

SHB issues and applies bank book interest rate risk limits tailored to the scale and complexity of its business operations and risk tolerance. These include limits on interest rate gap and net interest income (NII). The Bank assesses interest rate risk for both VND and foreign currencies, valued at 5% or more of total assets, using methodologies and indicators such as interest rate gap sensitivity, evaluation of the impact of interest rate fluctuations on NII, and economic value of equity (EVE). Additionally, SHB calculates the required capital for bank book interest rate risk management using the Delta EVE method, in line with Basel III guidelines. As part of the ALM project implementation in 2024-2025, SHB is also continuing to upgrade and refine its policy



framework and methodologies for managing bank book interest rate risk.

5.3.8 Anti-money laundering

SHB has established support measures to foster collaboration with international banks, constructing frameworks to adhere to both domestic and international regulations in combating money laundering. This effort aligns with global standards, facilitating partnerships with international banks. This consequently strengthens the correspondent banking system and amplifies revenue from international payment transactions. Implemented control measures include maintaining and regularly updating lists of countries and sectors/currencies under embargo by each nation. Additionally, there are warnings and recommendations regarding bank partnerships deemed high-risk or non-compliant with anti-money laundering and counter-terrorist financing requirements.

SHB has augmented its monitoring of customer transactions to identify any suspicious or unlawful activities. Employing an automated system, SHB oversees customer transactions according to predefined scenarios. This system automatically scrutinizes all customer transactions, flagging those displaying signs

of suspicion or potential legal violations. Any alerts are diligently investigated and promptly reported to relevant government authorities. In 2024, SHB cooperated with the police to apprehend a wanted individual who attempted to conduct a transaction at one of SHB's branches. Furthermore, SHB extensively educates its employees on various methods of legal infringement to mitigate risks to both customers and the Bank itself.