



**SAIGON – HANOI
COMMERCIAL JS BANK**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, March 31, 2025

No.: 01/2025/BC-HDQT-DHDCD

**REPORT OF THE BOARD OF DIRECTORS
ON PERFORMANCE RESULTS IN 2024 AND ORIENTATION FOR 2025**

To: GENERAL MEETING OF SHAREHOLDERS

Over the past year, while the global economy experienced growth, its trajectory remained uneven across regions and countries. Inflation worldwide gradually eased, providing room for central banks to adjust monetary policies towards a more accommodative stance. However, financial and commodity markets continued to witness significant volatility due to geopolitical conflicts and strategic competition among major economies.

Against this backdrop, under the timely and decisive leadership of the Party, the dynamic and proactive governance of the Government, the coordinated efforts of the entire political system, and the strong consensus and support from the public and the business community, Vietnam achieved remarkable economic and social development results. The country's GDP growth in 2024 reached 7.09%, surpassing the targeted 6.5–7% range and significantly exceeding the 5.05% growth recorded in 2023, positioning Vietnam as one of the fastest-growing economies in ASEAN.

In the financial and banking sector, the State Bank of Vietnam (SBV) actively and rigorously implemented the directives of the Party and Government, closely monitoring macroeconomic and monetary market developments to execute policies with agility and effectiveness. Through the synchronized deployment of various tools and measures, SBV contributed to macroeconomic stability, effective inflation control, economic recovery, and the sustainable and secure development of the banking system.

Entrusted by the General Meeting of Shareholders (GMS) with a significant mandate, the Board of Directors (BOD) of Saigon – Hanoi Commercial Joint Stock Bank (SHB) remained steadfast in adhering to the strategic directions set by the Party, Government, and SBV. SHB diligently complied with and effectively implemented GMS resolutions, decisively achieving and exceeding its 2024 strategic objectives. Through these efforts, SHB has delivered prosperity to its customers, partners, shareholders, and investors, reinforcing the pivotal role of the private economic sector in driving national development.

I. OPERATION RESULTS OF SHB'S BOARD OF DIRECTORS IN 2024

1. Results of implementing the Resolution of the 2024 General Meeting of Shareholders

1.1. Exceeding 2024 business targets approved by the GMS

As the guiding force behind SHB's strategic direction, the BOD took a proactive and agile approach in 2024, implementing timely and market-aligned solutions to drive momentum across the entire system. This enabled SHB to maximize resources and accelerate business performance. With a solid financial foundation, a clear strategic vision, and an unwavering commitment to innovation, SHB - fueled by the unity, determination, and creativity of its entire workforce - successfully achieved and exceeded its 2024 business targets. These achievements not only reinforced SHB's market position and reputation but also laid a robust foundation for stronger growth in 2025, bringing the bank closer to its strategic goals for 2028.

According to the audited consolidated financial statements as of December 31, 2024:

- SHB's total assets reached VND 747,478 billion, an increase of VND 116,977 billion (equivalent to 18.6% growth) compared to the end of 2023, achieving 106.6% of the 2024 target.
- Total outstanding credit balance reached VND 533,984 billion, an increase of 17.2%, with individual credit growth reaching the maximum allowable limit of 18.28% as per SBV regulations.
- Pre-tax profit amounted to VND 11,569 billion, exceeding the target approved by the General Meeting of Shareholders (GMS) and marking a 25.2% year-over-year increase, equivalent to an additional VND 2,330 billion compared to 2023. Key profitability indicators, including Return on Equity (ROE) and Return on Assets (ROA), continued to show significant improvement.
- The Cost-to-Income Ratio (CIR) stood at 24.5%, placing SHB among the most cost-efficient banks in the industry, thanks to process digitization and the integration of advanced technologies into services and products across the system.
- SHB continued to maintain strong prudential ratio, liquidity, and risk management indicators, exceeding regulatory requirements set by the SBV. The Capital Adequacy Ratio (CAR) remained above 12%, adhering to Basel II standards, while the liquidity risk ratio met Basel III benchmarks. SHB also successfully met its non-performing loan (NPL) control targets as planned by the GMS.

(Detailed business performance results are presented in the Executive Board's 2024 Business Performance Report and 2025 Business Plan, which will be discussed at the General Meeting.)

1.2. Dividend payout and charter capital increase

In line with the 2024 GMS Resolution, SHB successfully completed the 2023 dividend distribution and increased its charter capital by over VND 4,000 billion, with the following key results:

- Cash dividend payment at a rate of 5%: On July 19, 2024, SHB completed the payment of 2023 cash dividends to shareholders.
- Stock dividend payment at a rate of 11% and charter capital increase: On March 12, 2025, SHB received confirmation from the State Securities Commission (SSC) regarding the completion of its stock issuance. SHB is currently in the process of registering additional

listing and updating its new charter capital in its Banking Establishment and Operational License. As a result, SHB's charter capital has increased to VND 40,657,470,020,000.

1.3. Public listing of SHB bonds

The 32nd Annual General Meeting of Shareholders (AGM) in 2024 approved the listing of SHB bonds issued to the public upon the completion of each offering. The AGM also authorized the BOD to oversee implementation and make necessary decisions to ensure the listing process aligns with the approved resolutions and complies with legal regulations.

On February 28, 2025, SHB completed the public offering of SHB Bonds issued in 2024 - Phase 1 with a total successful issuance value of VND 2,350,619,000,000 at par value. SHB is currently in the process of registering and depositing the bonds with the Vietnam Securities Depository and Clearing Corporation (VSDC) and applying for listing on the Hanoi Stock Exchange (HNX) for the successfully issued bonds.

1.4. Amendments to the Charter and Internal Regulations of SHB

Following the approval of the GMS, SHB has completed the necessary procedures to issue its revised Charter, along with key internal regulations, including the Regulations on the Organization and Operations of the Board of Directors, the Internal Governance Regulations, and the Regulations on the Organization and Operations of the Board of Supervisors, in compliance with legal requirements. Additionally, SHB has publicly disclosed these updates on its official website and submitted the revised Charter to the SBV for reporting as required by law.

1.5. Implementation of the "Business Development Plan for the 2021–2025 Period of Saigon – Hanoi Commercial Joint Stock Bank (Restructuring Plan for 2021–2025 in accordance with Decision No. 689/QĐ-TTg dated June 8, 2022, on the approval of the restructuring plan for the credit institution system in conjunction with bad debt resolution for the 2021–2025 period)" ("the Plan")

Pursuant to Resolution No. 01/NQ-DHDCD dated April 25, 2024, the 2024 AGM approved the Plan and authorized the BOD to oversee and make decisions regarding all matters related to its implementation, amendments, supplements, and refinements, in alignment with regulatory requirements and SHB's actual business operations. The BOD was also tasked with developing, approving, and executing detailed solutions based on the Plan ratified by the AGM.

Following the conclusion of the AGM, SHB promptly submitted the Plan along with Resolution No. 01/NQ-DHDCD dated April 25, 2024 to the SBV for reporting. Additionally, SHB has been rigorously implementing the strategic solutions and key tasks outlined in the Plan, ensuring full compliance and timely submission of regulatory reports as required by the SBV.

2. Key Resolutions approved in previous AGMs and continued implementation in 2025

- ***Divestment of SHB's Stake in Saigon – Hanoi Commercial Joint Stock Bank Finance One Member Limited Liability Company (SHBFC):*** On May 23, 2023, SHB successfully transferred 50% of its equity in SHBFC to Ayudhya Public Bank (Krungsri) of Thailand, a strategic member of the MUFG Group (Japan). In response to Krungsri's proposal to acquire the remaining 50% stake in SHBFC earlier than the agreed timeline in the Joint Venture Agreement signed on August 21, 2021, SHB's BOD approved the sale under Resolution No. 27/2024/NQ-HĐQT dated

November 4, 2024. Currently, SHBFC is completing the necessary procedures to submit its application to the SBV for approval of the legal entity transformation, in compliance with regulatory requirements.

- **Transfer of SHB's Equity in Saigon – Hanoi Bank One Member Limited Liability Company (SHB Laos):** SHB and its investment partner have signed an equity transfer agreement, finalizing the sale of SHB's entire stake in SHB Laos. The application for this transaction has been submitted to the Central Bank of Laos, which has granted in-principle approval. SHB and the investor are now working through the remaining legal procedures in accordance with Lao and Vietnamese regulations. The BOD submits this matter to the AGM for approval and seeks authorization to take all necessary actions to complete the divestment.
- **Transfer of SHB's Equity in Saigon – Hanoi Bank One Member Limited Liability Company (SHB Cambodia):** SHB is in the process of selecting a suitable investment partner to facilitate either the sale of its stake or a strategic transformation of SHB Cambodia's business model.
- **Capital Increase via Share Issuance to Foreign and Strategic Investors:** SHB continues to engage with various foreign investment groups expressing interest in acquiring shares of the bank. The implementation of this capital increase will proceed in accordance with prior AGM resolutions.

3. Reporting, provision and disclosure of information as regulated

SHB has diligently complied with all legal requirements regarding reporting, disclosure, and public information to ensure shareholders and investors have timely and comprehensive access to the bank's operations. The number of SHB shareholders has consistently exceeded 90,000 (as recorded at multiple shareholder record dates in 2024), reflecting strong investor confidence in SHB's stable and sustainable growth.

Disclosure on BOD Members, Board of Supervisors (BOS) Members, CEO, Deputy CEOs, and Major Shareholders (holding 1% or more of SHB's charter capital) as stipulated in Article 49 of the 2024 Law on Credit Institutions: *Detailed information is provided in Appendices 01 and 02 attached to this report.*

Transactions involving SHB, its subsidiaries, and controlled entities (holding more than 50% equity), as well as transactions with Board Members and their related parties: This includes transactions between SHB and companies where Board Members are founders or have held managerial positions in the past 03 years prior to the transaction date as stipulated in Clause 3, Article 280 Decree 155/2020/ND-CP dated December 31, 2020. *Detailed disclosures are available in SHB's 2024 Corporate Governance Report, which has been published on SHB's official website in accordance with regulations.*

4. Private issuance of bonds

On June 25, 2024, the BOD issued Resolution No. 16/2024/NQ-HĐQT, approving the First Private Bond Issuance Plan of 2024. Under this resolution, the BOD authorized the issuance of 4,000 bonds with a total face value of VND 4,000,000,000,000 (Four Trillion VND).

(Detailed information on the private bond issuance documents has been fully disclosed and submitted to the Hanoi Stock Exchange (HNX) in compliance with regulatory requirements).

5. Performance of the Board of Directors

In 2024, the BOD effectively fulfilled its role in strategic direction and leadership, proactively defining clear objectives, making timely and flexible decisions, and swiftly adapting to market fluctuations. This strong leadership created momentum for the entire system to mobilize resources, accelerate growth, and successfully accomplish the tasks entrusted by the General Meeting of Shareholders.

Prioritizing sustainable growth, digital transformation, and innovation, the BOD provided strong oversight and strategic guidance to the Executive Board, ensuring smooth, efficient, and secure operations across the system. With high expertise and extensive experience across various fields, BOD members played a pivotal role in corporate governance and banking supervision, actively contributing practical solutions and fostering strong consensus on key decisions throughout the year. The BOD has consistently emphasized transparency and professionalism in governance, continuously strengthening strategic management capabilities, enhancing corporate credibility, and improving the overall efficiency of SHB's governance framework.

5.1. Corporate governance and supervision by the Board of Directors

In 2024, the BOD constantly strengthened governance and oversight activities, ensuring full compliance with its responsibilities and duties as prescribed by law.

- The BOD effectively directed and organized the 32nd AGM in 2024, ensuring transparency, efficiency, and compliance with regulations.
- Efficient BOD meetings and issuance of Resolutions:

In 2024, the BOD convened 09 in-person meetings and conducted several consultations via written resolutions to address key issues within its authority.

Meetings were conducted efficiently, allowing the BOD and the Executive Board to align business strategies with market conditions, ensuring agility in decision-making while maintaining financial stability, accomplishing targets as assigned by the GMS.

The BOD issued resolutions and decisions in full compliance with legal and internal governance regulations.

- Assignment of responsibilities to individual BOD members: The Chairman of the Board of Directors (BOD) has assigned specific responsibilities to each member, leveraging their expertise, experience, and practical capabilities to enhance governance effectiveness. Each BOD member has been entrusted with overseeing and leading critical business areas, ensuring strategic alignment and operational excellence. Members actively participate in strategic planning, risk management, and market opportunity optimization, enabling SHB to swiftly adapt to dynamic business environments. This structured delegation maximizes individual strengths, fosters accountability and proactive governance, and empowers the BOD to make agile, well-informed strategic decisions. Ultimately, this approach reinforces SHB's comprehensive and sustainable development, driving long-term success.

- Oversight activities of the Board of Directors over the Executive Board:

The governance and oversight activities of the BOD over the Executive Board are carried out in accordance with legal regulations, SHB's Charter, the BOD's Organizational and Operational Regulations, and the Bank's Internal Governance Regulations. The BOD ensures the implementation of resolutions and decisions of the General Meeting of Shareholders and the BOD through rigorous monitoring and supervision.

SHB's BOD has established a comprehensive, continuous, and timely control mechanism by analyzing and evaluating periodic and ad-hoc reports from the Executive Board on all operations and specific business areas, ensuring that the bank's activities align with the strategic directions approved by the GMS.

The BOD's action plan remains closely aligned with the bank's strategic objectives, making its supervisory role proactive and flexible, providing timely support to the Executive Board in executing business strategies. Additionally, reports from the Supervisory Board and Internal Audit Division enable the BOD to proactively identify and mitigate risks, ensuring compliance with legal regulations and SHB's Charter.

The BOD's oversight activities demonstrate that the Executive Board has effectively followed the strategic direction and plans approved by the GMS, promptly and efficiently implementing the BOD's directives and successfully executing SHB's business strategies for 2024.

- Operations of the Committees under the Board of Directors:

Committees/Departments are established by the BOD to perform advisory functions and exercise delegated authority in the governance and oversight of the Bank. These include the Strategy Committee, the Human Resources Committee, the Risk Management Committee, and the Internal Security Department. The establishment of these Committees/Departments is in strict compliance with the regulations of the SBV and applicable laws. Each Committee/Department operates based on its Organizational and Operational Regulations, as issued by the BOD.

Committees and units under the BOD provide timely reports on their areas of responsibility, ensuring that the BOD is fully informed about the Bank's operations. This enables the BOD to make well-informed decisions that align with legal requirements and the resolutions of the General Meeting of Shareholders.

5.2. Activities of independent members of the Board of Directors and their assessment of the Board's performance

- Activities of independent members of the Board of Directors

Independent members of the BOD perform their rights and obligations in strict accordance with SHB's internal regulations and policies, as well as the assignments issued by the BOD/Chairman of the BOD. They execute their duties with diligence and integrity, contributing to SHB's strong business performance in 2024. Over the past year, independent BOD members actively participated in meetings of BOD, the Risk Management Committee, and the Strategy Committee, offering

objective and independent opinions on key matters discussed and approved, including those reviewed through written consultation.

Independent BOD members also ensured the implementation of the Resolutions and Decisions of the General Meeting of Shareholders (GMS) and the task assignments of the BOD. They strictly adhered to reporting and information disclosure requirements in full compliance with applicable laws, successfully fulfilling their roles and responsibilities as assigned by the BOD. Their contributions supported the BOD in making timely and effective decisions for the governance and business operations of the bank.

- Assessment of the BOD's performance by independent members

In 2024, the BOD operated proactively and efficiently, demonstrating a strong sense of responsibility. The BOD issued timely Resolutions and Decisions to ensure the effective execution of the AGM Resolutions.

The BOD's activities were well-organized and carried out in compliance with SHB's Charter, the BOD's Organizational and Operational Regulations, the Internal Governance Regulations, and relevant legal provisions. This ensured the BOD's effective leadership and oversight of the Executive Board.

5.3. Strategy implementation

Amidst the rapidly evolving economic landscape, with pressing demands for transforming growth models, innovating governance approaches, and optimizing all available resources, the BOD has prioritized directing the execution of key strategic initiatives. These efforts are closely aligned with SHB's 2028 objectives: to become the most efficient bank, the most preferred digital bank, the leading retail bank, and a top provider of financial products and services for businesses operating within ecosystems, supply chains, and green value chains. Looking ahead to 2035, SHB envisions itself as a modern retail bank, a green bank, and a leading digital bank in the region.

On that foundation, the BOD has directed the execution of a development strategy based on breakthrough orientations:

Establishing clear strategic objectives with a robust monitoring and performance measurement mechanism

- SHB has defined clear and distinctive strategic objectives, tailored to each phase of development while maintaining a long-term vision. The bank's growth strategy is centered on ecosystem, supply chain, value chain of large enterprises, supporting enterprises, satellite enterprises, individual retail customers, prioritizing green finance and circular economy, smart consumer finance, and an open banking model that is deeply integrated into the digital ecosystems of businesses and communities.
- Beyond clear strategic planning, execution is reinforced by a stringent control mechanism and measurable outcomes. The BOD has mandated clear accountability at every leadership level, ensuring agility in responding to market fluctuations while maintaining alignment with SHB's long-term vision.

Streamlining organizational structure for efficiency; Focusing on reforming mechanisms, policies, regulations, and processes through the application of digital technology and digital platforms.

- The BOD has actively driven the restructuring of SHB's organizational system in line with a modern banking model. The structure has been optimized for greater efficiency by reducing intermediary layers, ensuring clear delegation of authority, enhancing interconnectivity, and improving responsiveness to market dynamics.
- The bank continues to refine its goal-oriented governance model, anchored in results, data, and performance. Each unit and management level is assigned specific strategic objectives, fostering a proactive, transparent, and agile execution framework that ensures effective strategy implementation.
- In 2024, SHB prioritized the reform and enhancement of mechanisms, policies, regulations, and processes, transitioning towards digital governance and operations while ensuring full compliance with legal and regulatory requirements set by the State Bank of Vietnam. This transformation aligns with SHB's strategic business objectives, improving operational efficiency, enhancing transparency, and optimizing service delivery for customers and the public. Additionally, these efforts have contributed to reducing operational costs, closely following the direction of the Government and the State Bank.

Driving a comprehensive digital transformation strategy

- Digital transformation is no longer just a support tool but a core pillar of SHB's development strategy. The Board of Directors has approved SHB's comprehensive transformation strategy through 2028 and closely monitors the implementation of digital initiatives spanning infrastructure, services, operations, and customer experience, modern and convenient products. The goal is to establish a deeply integrated model that connects enterprises and consumers within a dynamic digital ecosystem.
- SHB's robust digital transformation efforts have garnered numerous prestigious awards, including: "Outstanding Innovative Banking Product" by the International Data Group (IDG) in collaboration with the Vietnam Banks Association (VNBA); the "Best Digital Experience – Cash Management Platform" and "Best Technology Application for Digital Experience" at the Digital CX Awards 2024; "Best SME Bank in Vietnam" by Euromoney; "Best Domestic SME Collaboration Initiative" and "Best Domestic Financial Initiative with Social Impact" by Asian Banking and Finance (ABF); and the "People's Choice Bank of the Year" at the Better Choice Awards 2024.

People development – Fostering corporate culture

- The Board of Directors continues to drive the enhancement of mechanisms and policies aimed at attracting and developing talent, recognizing human capital as a critical foundation for executing SHB's growth strategy. The key focus is on building a high-caliber workforce with strategic thinking, innovation capabilities, technological proficiency, adaptability, and long-term commitment to the organization.

- SHB has redesigned its policies on KPIs, rewards, training, and competency development to be more personalized, emphasizing actual performance and individual contributions to overarching strategic goals.
- The corporate culture is being nurtured with a strong emphasis on collaborative innovation, fostering an inspiring work environment that values responsibility and encourages creativity among employees.

5.4. Risk management and compliance control

Risk management

- The Board of Directors has set the strategic direction and closely overseen the development of a comprehensive risk management framework, ensuring full compliance with regulatory safety limits while progressively aligning with international best practices. Risk management is identified as a core pillar supporting the execution of SHB's strategic vision as an efficient bank, leading retail bank, digital bank, and green bank.
- SHB has implemented modern risk management standards, including Basel III, the Internal Ratings-Based (IRB) approach, Asset-Liability Management (ALM), Funds Transfer Pricing (FTP), and IFRS 9 accounting standards. Simultaneously, the bank has invested in data infrastructure and advanced analytics tools, enabling real-time risk forecasting and supporting quick, precise decision-making in response to market fluctuations.
- SHB has strengthened proactive monitoring and management of key risk categories such as credit risk, liquidity risk, interest rate risk, and operational risk. This is achieved through an early warning system and periodic reporting mechanisms, ensuring that the capital adequacy ratio (CAR) remains at a high level, meeting or exceeding the standards set by the SBV and Basel III.
- Risk management is deeply integrated into SHB's growth strategy, enhancing competitiveness, operational safety, and sustainable growth in an increasingly dynamic market landscape.

Compliance control

- SHB is committed to full compliance with legal regulations while progressively aligning with international standards to ensure that all business activities adhere to the State Bank of Vietnam's regulations and relevant legal frameworks. The BOD has clearly defined its risk appetite and control limits, forming the foundation for enhancing internal governance and establishing a robust legal framework for business operations. Additionally, the BOD ensures the prioritization of resources, personnel, and infrastructure to effectively implement compliance control, ensuring that the entire system operates within safe boundaries while managing legal, compliance, and ethical risks effectively.
- Beyond internal policies and procedural frameworks, SHB places strong emphasis on fostering a compliance-driven culture as a core organizational competency. The BOD has mandated that compliance principles be deeply embedded into training programs, performance evaluations, KPIs,

and incentive structures at both individual and organizational levels. This integration ensures the development of a transparent, standardized, and compliance-centric work environment.

- The bank proactively reviews, updates, and digitizes internal control processes, leveraging technology to enhance compliance operations. The bank has implemented centralized compliance management systems, automated reporting, and AI-driven anomaly detection tools, significantly improving early risk identification and enhancing adaptability to evolving regulatory requirements. This is particularly crucial in addressing data protection mandates (Decree 13), anti-money laundering (AML) obligations, and stringent ESG compliance requirements.

Bad loan management and settlement

- In 2024, closely following the policy of the Government and the State Bank to drastically and effectively implement the Project "Restructuring the system of credit institutions associated with bad debt settlement in the period 2021-2025", from the beginning of the year, the Board of Directors has directed to promote the handling and recovery of bad loans, improve credit quality, prevent and limit the emergence of new bad loans.
- With strong and drastic measures, SHB has completely handled most of the bad loans, helping to reduce costs and increase profits, increasing operational efficiency for SHB

Anti-corruption and internal fraud prevention

- To strengthen anti-corruption, and prevention of negativity and crime (ACPNC), the BOD has established a Steering Committee for ACPNC, led directly by the Chairman of the BOD. This committee is responsible for directing and overseeing ACPNC-related initiatives across SHB's entire system. Beyond ensuring full compliance with legal regulations on anti-corruption and fraud prevention, the BOD has directed and guided the development and enhancement of regulations and policies on internal fraud prevention and management. Additionally, the BOD has issued reward and disciplinary policies to shape employee behavior and establish specific sanctions for violations.

Anti-Money Laundering (AML)

- SHB is at the forefront of implementing a comprehensive anti-money laundering (AML) framework, ensuring full compliance with the Anti-Money Laundering Law and regulatory requirements. In addition to incorporating customer identification and risk classification criteria, SHB has deployed one of the most advanced transaction monitoring systems in the banking sector. Beyond standard AML risk indicators, SHB has proactively expanded its detection capabilities by integrating additional scenarios and screening criteria based on guidelines and directives from the SBV. This system enables real-time alerts on suspicious transactions, allowing for timely intervention—whether by adjusting customer interactions or reporting to relevant authorities in accordance with regulations.

ESG Implementation (Environmental, Social, and Governance)

- ESG at SHB is not just a commitment to environmental and social responsibility, it is a strategic driver for enhancing competitiveness, attracting international investors, and fostering sustainable

market growth. Aligning with the Vietnamese Government's roadmap for greenhouse gas emission control and the COP26 commitments, SHB stands as a pioneer in green banking and sustainable finance. Over the years, SHB has established itself as a trusted partner of major global financial institutions such as the World Bank, IFC, and ADB, channeling credit into clean energy projects, green initiatives, SMEs, and women-led enterprises. The bank has also integrated environmental and social risk assessments into its credit scoring and investment decision-making processes, ensuring that financing decisions are not only economically sound but also environmentally responsible and socially impactful.

- Among Vietnamese enterprises, SHB has earned high acclaim from leading institutions and investors for its ESG-driven business practices. In 2024, Finance Asia honored SHB for the second consecutive year with the "Best Bank for ESG Impact in Vietnam" award. Additionally, for two years in a row, SHB was the only bank in the Asia-Pacific region recognized by Global Finance as the "Best Bank for Sustainable Finance."

6. Compensation and operation budgets of the Board of Directors and the Board of Supervisors

In 2024, members of the BOD and the Board of Supervisors (BOS) received remuneration and benefits based on their performance and the bank's business results, ensuring that the utilization of the remuneration fund and operating budget remained within the limits approved by the General Meeting of Shareholders for 2024. This allocation was in full compliance with SHB's Charter, internal regulations, and applicable legal provisions. The remuneration and operating budget for the BOD and BOS have been reported and disclosed in SHB's audited 2024 Financial Statements, which are attached to the GMS documents. For 2025, the proposed total Remuneration Fund Budget for the BOD and BOS is set at 0.6% of SHB's consolidated after-tax profit for the year. We respectfully submit this proposal for approval by the GMS.

(Detailed remuneration for the BOD and BOS is disclosed in the audited consolidated financial statements for 2024.)

II. SHB'S OPERATION ORIENTATION IN 2025

In 2025, the global economy is projected to maintain its recovery momentum; however, growth prospects still face numerous risks and challenges. In this context, Vietnam continues to be highly regarded by international organizations and is forecasted to achieve significant breakthroughs, driven by a strong rebound in domestic consumption, accelerated public investment disbursement, improved private sector investment, and continued inflows of FDI and exports, leveraging Vietnam's trade advantages and economic positioning. Resolution 192/2025/QH15 of the National Assembly has set key development targets for 2025, including GDP growth of 8% or more, a GDP size projected to exceed USD 500 billion, and GDP per capita estimated to surpass USD 5,000. The average Consumer Price Index (CPI) growth rate is expected to range from 4.5% to 5%. The State Bank of Vietnam will continue to implement a flexible, prudent, and effective monetary policy to ensure macroeconomic

stability, control inflation, stabilize exchange rates, and maintain adequate liquidity for the financial system.

Closely aligning with and actively supporting the policies of the Party, the Government, and regulatory bodies and on the basis of regular research and analysis of domestic and international situations and strategic orientation, strategic management towards efficiency, safe and sustainable development, SHB remains committed to accompanying individuals and businesses in driving economic growth alongside social development. SHB has identified 2025 as a breakthrough year of transformation, marked by a bold evolution that strengthens internal capabilities while sustaining growth momentum in a sustainable and efficient manner.

Building on its proud journey of growth, SHB is embracing a new mindset and renewed strength, steadily realizing its vision for 2028: to become the most efficient bank, the most preferred digital bank, and the leading retail bank. At the same time, SHB aims to be a top-tier provider of capital, financial products, and services for strategic private and state-owned enterprises, supporting supply chains, value chains, ecosystems, and sustainable development. Looking ahead to 2035, SHB aspires to be a leading modern retail bank, a green bank, and a top digital bank in the region.

The Bank is directing its resources towards executing a robust and holistic Transformation Strategy centered on four pillars: Institutional Reform, People-centricity, Customer-centricity, and Modernized information technology and digital transformation. It remains committed to upholding the six core cultural values: "Heart - Faith - Trustworthiness - Knowledge - Wisdom – Greater heights".

The BOD directs the entire system to implement centralized governance with a strong focus on the following 06 key strategic directions:

1. **Placing customers and the market at the core of all activities, SHB remains steadfast in its commitment to sustainable development in parallel with the nation's progress.**
- The bank is focused on optimizing its business model to deliver the best possible value to customers. From product design and service operations to customer engagement models, every aspect is tailored along the customer journey, segmented by region, ecosystem, and industry.
- In alignment with the Government's and the State Bank's directives for commercial joint-stock banks and research on strategic orientations, update on domestic and foreign market trends, SHB focuses on developing credit policies that align with national and local socio-economic growth strategies. The bank prioritizes lending to key sectors, including construction and infrastructure, especially transportation projects serving national priorities, renewable and green energy, rural and agricultural development, exports, supporting industries, high-tech and environmentally friendly technologies, as well as hospitality and tourism. Additionally, SHB continues to expand credit offerings through strategic customer ecosystems and supply chains while maintaining and strengthening relationships with existing high-performing clients.
- SHB has been and continues to diversify its suite of tailored financial solutions, offering exclusive incentives while integrating cutting-edge technology to enhance the customer experience.

Additionally, the bank takes a proactive approach in researching and understanding customer needs, driving innovation to provide comprehensive financial and non-financial solutions.

2. Continuing to accelerate digital transformation in business operations and management

- SHB leverages a modern technology platform with significant investments in digital management, digital human resources and infrastructure. The bank is committed to advancing its comprehensive digital transformation, integrating the latest digital technologies into banking operations to deliver the most tailored financial solutions. By enhancing its ability to personalize offerings and financial packages, SHB aims to create additional value for customers, which serves as a foundation for expanding its customer base and improving business efficiency.
- SHB is undertaking a fundamental transformation to enhance service quality and elevate the customer experience through digital technology and data utilization. Its strategic partnerships with leading global technology firms, including SAP, SAP Pioneer, AWS, and Google, play a pivotal role in achieving these strategic objectives.
- In 2025, SHB's transformation efforts will focus on delivering added value to customers and enhancing sales efficiency through the following key initiatives:
 - Implementing tools to improve sales processes, sales management, and loan management in both retail banking and corporate banking sectors.
 - Transforming digital channels for a seamless customer experience, more intuitive online experience while ensuring international-standard security and privacy.
 - Modernizing Cash Flow Management and Diversifying Payment Solutions to provide customers with more flexible, efficient, and secure payment options, enhancing convenience while supporting their business growth.
 - Branch Network Optimization to create a more efficient operational environment and improve service quality for customer support.
 - **Bank of the Future (BOF) – A comprehensive transformation and digitalization strategy for 2025 and beyond.**

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

With a transformation strategy built on four key pillars and a customer-centric approach, SHB is committed to substantial investments in digitalization and transformation. Backed by a decisive execution plan, this strategy will drive SHB's breakthrough growth, enhance customer satisfaction, and solidify its position as a leading financial institution both domestically and regionally.

3. Placing "people at the core" – fostering a professional and modern work environment

- The Board of Directors recognizes that people are the strategic pillar determining SHB's competitive edge and sustainable development. SHB continuously refines and enhances its human resource strategies and policies, while cultivating a workplace culture that is fair, transparent, innovative, and inspiring. This ensures employees are motivated to grow and contribute effectively.
- In 2025, SHB will continue to focus on training, planning, attracting and developing a team with expertise, ethics, "both heart and vision", ready to change, ready to make breakthroughs and committed to long-term engagement. At the same time, the Bank is also continuing to focus on training and developing human resources with digital capacity to meet the requirements of the 4.0 industrial revolution and the digital transformation trend in the banking industry. Through in-depth training programs, SHB has built and developed a team of employees capable of operating electronic banking systems, applying AI, Big Data, Blockchain technology to the bank's work processes and services. This not only helps improve work efficiency but also creates more innovative and modern products and services to better serve customers and people in the digital age.
- During the strong transformation phase of the entire SHB system, every SHB employee is also a catalyst for change, continuously innovating, improving, and embracing a spirit of creativity and dedication, driving value for themselves, the organization, and the nation.

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

- SHB continues to refine its governance framework in alignment with international standards, optimizing the executive management system to suit the business strategy, market dynamics, and customer needs while strengthening risk management capabilities for safe and sustainable development.
- A lean organizational structure with well-defined delegation, supervision, and accountability ensures transparency, agility, and proactive strategic execution. Decision-making processes are expedited, and internal controls are operated through a digital data-driven model with early warning mechanisms.
- Continue to promote and improve digitalization, automation of internal processes serving the bank's management, application of artificial intelligence in operations and risk management, thereby helping SHB improve efficiency, reduce operating costs, further enhance security and transparency, and bring customers the best products and services, contributing to creating a strong foundation for the bank's sustainable development

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

- **Continue to focus on promoting and improving risk management capacity according to modern, effective and sustainable international standards.**

SHB has been and will be focusing on promoting and improving risk management capacity according to modern, effective and sustainable international standards. SHB has continued to improve and enhance its comprehensive risk management system: applying modern models and tools to assess, measure and control risks; maintaining liquidity risk standards according to Basel III standards and applying advanced Basel II credit risk measurement model. With continuous improvements in technology, management processes, personnel training and building a risk management culture, SHB aims to build an operating environment with a clear risk control culture identity, having a practical and positive impact on all activities, which is an important foundation for the bank to develop safely, sustainably and effectively... thereby contributing to serving customers better and more effectively and contributing more and more to the stable development of the economy.

- **Improve the effectiveness of compliance management**

SHB builds a comprehensive compliance management system to ensure that all bank activities comply with the requirements of the regulators, in accordance with legal regulations and meet international standards. SHB continues to enhance and digitize compliance control and monitoring tools across the system and to each unit, ensuring that all transactions and activities are transparent and in compliance with regulations.

- **Focus on preventing corruption, waste and miss-conduct**

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


- **Bad loans collection**

In 2025, SHB will promote and focus on minimizing the bad loan ratio, ensuring financial stability, maintaining credit risk levels under control through the following solutions: Continuing to improve credit quality control measures and risk prevention from the early stages; Proactively advising customers on debt restructuring measures in accordance with the law; Increasing the effectiveness of loan collection activities, developing specific bad loan collection policies; Improving models and implementation processes to ensure transparency and compliance with the law; Investing in technology, deploying modern loan management software

6. Anticipating future trends and pioneering breakthrough solutions to stay ahead

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

- Adhere to the Government's orientation in the development of science, technology, innovation and digital transformation, to bring the country to develop strongly in the new era - the era of prosperity. With a vision of strong development in the future, SHB will continue to invest in advanced technology solutions to optimize processes, bring outstanding experiences to customers and create modern, convenient and safe digital banking services.
 - The bank prioritizes strengthening its financial foundation to remain resilient amid market fluctuations and evolving economic landscapes.
 - SHB actively fosters strategic partnerships with leading global technology corporations, international financial institutions, and reputable organizations worldwide. These collaborations not only enhance SHB's competitive advantage in the present but also unlock new growth opportunities for the future.
 - SHB continuously monitors, analyzes, and adapts to macroeconomic, political, and social shifts in Vietnam and globally. By staying ahead of market dynamics, the bank develops agile strategies and solutions, ensuring resilience and responsiveness. Additionally, SHB is dedicated to introducing innovative products and services aligned with emerging trends and evolving customer needs.
- 7. Continuing to contribute to national prosperity, social welfare, and support for the poor and those in difficult circumstances.**
- Throughout its development journey, SHB has consistently played a pivotal role in fostering economic growth, creating value, and spreading positive impact. Every business activity is conducted with a balanced approach, aligning the interests of the bank, customers, and the community.
 - Originating from the Heart, throughout more than 30 years of construction and development, SHB has always put the Heart first and considered it the guiding principle for all activities. Along with business, in 2025, SHB commits to continue participating in social security activities, for the community, programs launched by the Party and the State. At the same time, SHB will continue to contribute and fulfill its responsibility to the community through investment activities in many areas such as education development, nurturing, child protection, health care support and environmental protection activities.
 - SHB will continue to promote the spirit of solidarity, confidence, self-reliance, national pride, determination to innovate, create and develop based on the 4 pillars of the Bank. In which, always determine to take people as the centricity, constantly innovate, create, continuously learn, and renew thinking.
 - At the same time, SHB will continue to actively connect societal resources, ignite national spirit, and generate even greater value for customers, investors, shareholders, and the broader community. By doing so, SHB contributes to the nation's prosperity and helps propel the country into a new era of growth - an era of national resurgence and advancement.

Respectfully submitted to the General Meeting of Shareholders for approval of the Board of Directors' reports on the business results of 2024 and the operational orientation for 2025. 

Wishing you health, happiness and success.

PP. BOARD OF DIRECTORS
CHAIRMAN OF THE BOARD



Đỗ Quang Hiến

Appendix 01 - Attached to Report No. 01/2025/BC-HDQT-DHDCD dated March 31, 2025
Disclosure of information related to Board of Directors members, Board of Supervisors members, CEO and DCEOs

No.	Business name	Business registration number	Head office address	Relationship with SHB insiders
1	T&T Group Joint Stock Company	0100233223	No. 31-33 Ngo Quyen, Hang Bai Ward, Hoan Kiem, Hanoi	Mr. Do Quang Hien - Chairman of SHB BOD is a shareholder owning over 5% of charter capital.
2	Saigon - Hanoi Securities Joint Stock Company	0102524651	Floor 1-5 Unimex Hanoi Building, No. 41 Ngo Quyen, Hang Bai Ward, Hoan Kiem District, Hanoi City	Mr. Do Quang Vinh - Vice Chairman of SHB BOD is Chairman of the BOD; Mr. Le Dang Khoa - Deputy CEO of SHB is a Member of the BOD.
3	BVIM Fund Management Joint Stock Company	0101897033	18th Floor, VCCI Building, No. 9 Dao Duy Anh, Dong Da, Hanoi	Mr. Do Quang Vinh - Vice Chairman of SHB BOD is Chairman of the BOD
4	Lilama Real Estate Joint Stock Company	0102345525	2nd Floor, No. 124, Minh Khai Street, Minh Khai Ward, Hai Ba Trung District, Hanoi City, Vietnam	Mr. Le Dang Khoa - DCEO of SHB is Chairman of the BOD
5	Textbook Printing Joint Stock Company in Hanoi City	0101493707	Group 60, Dong Anh Town, Dong Anh District, Hanoi City, Vietnam	Mr. Le Dang Khoa - DCEO of SHB is a member of the BOD.
6	Debt Management and Asset Exploitation Company Limited of Saigon - Hanoi Commercial Joint Stock Bank	0103811666	14th Floor, Building 169 Nguyen Ngoc Vu, Trung Hoa Ward, Cau Giay District, Hanoi City	Ms. Ninh Thi Lan Phuong - DCEO of SHB is Chairwoman of the BOD
7	Saigon-Hanoi Lao Bank Limited	679058243900	No. 16, Phonesynuan Road, Sysattanak Ward, Vientiane Capital, Laos	Mr. Do Duc Hai - DCEO of SHB is Chairman of the BOD
8	Saigon-Hanoi Public Bank Cambodia Limited	L001-100181201	No. 707 Monivong Avenue, Phnom Penh, Cambodia	Mr. Do Duc Hai - DCEO of SHB is Chairman of the BOD

Appendix 02 - Attached to Report No. 01/2025/BC-HDQT-DHDCD dated March 31, 2025
Shareholders owning 1% or more of charter capital and related persons provided by shareholders

No.	Full name of shareholder	Personal identification number/Business registration number	Date of issue	Place of issue	Number of shares owned	Ownership ratio
1	T&T Group Joint Stock Company	0100233223	15/08/2023	Department of Planning and Investment of Hanoi City	319.001.218	7,846%
	Related person:					
-	Saigon - Hanoi Securities Joint Stock Company	0102524651	15/01/2007	Department of Planning and Investment of Hanoi City	59.479.134	1,463%
-	Do Quang Hien	001062048690	12/05/2022	Department of Administrative Police on Social Order	110.764.027	2,724%
-	Do Thi Thu Ha	001159016279	07/10/2019	Department of Administrative Police on Social Order	82.630.844	2,032%
-	Do Quang Vinh	001089000968	04/11/2021	Department of Administrative Police on Social Order	112.535.582	2,768%
-	Do Vinh Quang	001095038890	11/10/2021	Department of Administrative Police on Social Order	119.049.981	2,928%
-	Other related persons				13.193.741	0,325%
2	Handicraft Import Export Joint Stock Company	0100107356	11/17/2022	Department of Planning and Investment of Hanoi city	99.360.211	2,444%
3	Vo Phi Hai	046078014725	22/12/2021	Department of Administrative Police on Social Order	144.941.589	3,565%
4	Cao Thai Hung	079066003447	10/02/2022	Department of Administrative Police on Social Order	115.143.974	2,832%
5	Tran Thanh Chau	075066000378	04/04/2021	Department of Administrative Police on Social Order	60.076.851	1,478%
6	Luu Minh Tung	089079020110	29/11/2021	Department of Administrative Police on Social Order	55.271.275	1,359%

No.	Full name of shareholder	Personal identification number/Business registration number	Date of issue	Place of issue	Number of shares owned	Ownership ratio
7	Pham Dang Quan	038074008888	07/08/2022	Department of Administrative Police on Social Order	126.458.254	3,110%
8	Dinh Thi Lan	094181003978	14/06/2022	Department of Administrative Police on Social Order	84.388.911	2,076%
9	Bui Hoang Anh	079086016153	24/02/2020	Department of Administrative Police on Social Order	45.989.356	1,131%