

V

CORPORATE GOVERNANCE



Adhering to the motto “Solid partner, flexible solutions” and tailored development strategies for each phase, SHB’s Board of Directors is dedicated to steering the Bank towards effective operations, ensuring prosperity for customers and the community, while also prioritizing the best interests of shareholders and investors.

1. BOARD OF DIRECTORS

The Board of Directors, elected by the General Meeting of Shareholders, is the highest governing body of the Bank, with full authority to make decisions and execute SHB’s rights and obligations as prescribed by law.

1.1. Members and Structure of the Board of Directors for the 2022-2027 Term

The Management and Operations structure of SHB adheres to key legal regulations and corporate governance guidelines issued by State Regulatory Agencies, such as: Decree 155/2020/ND-CP detailing the implementation of the Securities Law; Circular 13/2018/TT-NHNN on the internal control systems of commercial banks and foreign bank branches, along with their amendments; and the Corporate Governance Principles according to best practices issued in August 2019 by the State Securities Commission and the International Financial Corporation (IFC);

The Board of Directors consists of 08 members, including 02 independent members and 03 executive members. Specifically:

No.	Full name	Position	Appointment date (2022-2027 Term)	Shareholding – with voting right (%)
1	Do Quang Hien	Chairman – Non-executive member	April 26, 2022	2.7502
2	Do Quang Vinh	Vice Chairman – Executive member	April 26, 2022	0.0260
3	Do Duc Hai	Vice Chairman – Executive member	April 26, 2022	0.00001
4	Thai Quoc Minh	Member of BOD – Non-executive member	April 26, 2022	
5	Ngo Thu Ha	Member of BOD – Executive member	April 26, 2022	0.0728
6	Pham Viet Dan	Member of BOD – Non-executive member	April 11, 2023	
7	Do Van Sinh	Independent Member of BOD	April 26, 2022	
8	Haroon Anwar Sheikh	Independent Member of BOD	April 11, 2023	

() Summary of the Board of Directors’s Profiles, refer to pages 15-19*

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Changes in the Board of Directors

- Number of members of the Board of Directors: 08 members.
- Number of independent members: 02 members.

In 2023, SHB held its 31st Annual General Meeting of Shareholders, approving the addition of new members to the Board of Directors for the 2022-2027 term and appointed two Vice Chairmen of the Board of Directors, including: Ms. Ngo Thu Ha, Member of BOD cum CEO; Mr. Do Quang Vinh, Vice Chairman cum Deputy CEO; along with Mr. Do Duc Hai, also appointed as Vice Chairman cum Deputy CEO. Additionally, the BOD welcomed Mr. Pham Viet Dan as a new Member of BOD; Mr. Haroon Anwar Sheikh as an Independent Member of BOD.

Following this enhancement, SHB's Board of Directors now includes two Vice Chairmen: Mr. Do Quang Vinh and Mr. Do Duc Hai, and two independent members.

No	Full name	Title
1	Do Quang Hien	Chairman
2	Do Quang Vinh	Vice Chairman
3	Do Duc Hai	Vice Chairman
4	Thai Quoc Minh	Member of BOD
5	Ngo Thu Ha	Member of BOD
6	Pham Viet Dan	Member of BOD
7	Do Van Sinh	Independent Member of BOD
8	Haroon Anwar Sheikh	Independent Member of BOD



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	<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 Central Committee of the Vietnam Fatherland Front; - CEO at T&T Group Joint Stock Company; - President of Hanoi National University Entrepreneur Alumni Club.
2	Do Quang Vinh	Vice Chairman	<ul style="list-style-type: none"> - Chairman of the BOD at Saigon - Hanoi Securities Joint Stock Company (SHS); - Chairman of Saigon - Hanoi Insurance Corporation (BSH); - Chairman of BVIM Fund Management Joint Stock Company; - Director of Financial Investment - T&T Group Joint Stock Company.
3	Do Duc Hai	Vice Chairman	<ul style="list-style-type: none"> - Chairman of the BOD cum Chairman of the Executive Committee of Saigon-Hanoi Laos Single-Member Limited Liability Bank. - Chairman of the BOD and Chairman of the Executive Committee of Saigon-Hanoi Cambodia Limited Liability Bank.
4	Ngo Thu Ha	Member of BOD	None
5	Thai Quoc Minh	Member of BOD	None
6	Pham Viet Dan	Member of BOD	None
7	Do Van Sinh	Independent Member of BOD	None
8	Haroon Anwar Sheikh	Thành viên HĐQT độc lập	None

1.2. Committees under the Board of Directors

Committees/Departments/Centers are organizational units instituted by the Board of Directors to undertake designated tasks and exercise authority in advising for the Board of Directors in bank governance and monitoring, including:

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

1.3. Activities of the Board of Directors

Board of Directors Meetings for the 2022-2027 Term in 2023

No.	Member of the BOD	Meetings attended	Meeting attendance rate
1	Do Quang Hien	08/08	100%
2	Do Quang Vinh	08/08	100%
3	Thai Quoc Minh	08/08	100%
4	Do Van Sinh	08/08	100%
5	Ngo Thu Ha	06/08	100%
6	Do Duc Hai	06/08	100%
7	Pham Viet Dan	06/08	100%
8	Haroon Anwar Sheikh	06/08	100%

Board of Directors' Supervision of the Board of Management

- The Board of Directors' governance and supervision of the Board of Management are conducted in accordance with the Law, SHB Charter, Regulations on Organization and Operation, and the Bank's internal governance regulations.
- The Board of Directors for the 2022-2027 term, elected at the General Meeting of Shareholders on April 20, 2022, initially consisted of six members. They have fully performed their duties and successfully organized the 31st Annual General Meeting of Shareholders in 2023. On April 11, 2023, the General Meeting of Shareholders approved adding four members, including one independent member, and approved the dismissal of two members. The Board of Directors now consists of eight members, including two independent members.
- The Board of Directors has assigned specific tasks to each member, enhancing operational efficiency by aligning responsibilities with each member's experience and expertise.
- In 2023, the Board of Directors held eight direct meetings and collected written opinions on matters within its authority to ensure timely and effective responses. Expanded meetings with the Board of Management were also held to guide business activities and achieve the targets set by the General Meeting of Shareholders.
- The Board of Directors regularly supervises the Bank's activities through periodic and ad-hoc reports from the Board of Management, the Board of Supervisors, and the Internal Audit Division. This ensures effective governance and promotes safe and sustainable development. The Board of Directors has issued Resolutions and Decisions in compliance with the Law and SHB regulations.
- Committees and units under the BOD regularly report on their responsibilities, providing comprehensive information about the Bank's activities and ensuring compliance with legal regulations and the General Meeting of Shareholders' Resolutions.
- Board of Directors has set the direction for 2023 and the following years, focusing on four main pillars: Institutional reform, encompassing policies, regulations, and processes; People-centricity; Customer and Market-centricity; and IT platforms modernization and digital transformation.

Through meetings in 2023, the BOD has issued 35 resolutions, namely:

Resolutions of the Board of Directors in 2023

No	Resolution No.	Date	Details
1	01/NQ-HDQT	06/01/2023	Registered for change of charter capital at the Business registration certificate
2	02/NQ-HDQT	10/02/2023	Prepared the list of shareholders and convene the Annual General Meeting of Shareholders in 2023
3	03/NQ-HDQT	20/02/2023	Approved the plan to convert the legal structure of SHB Finance Single-Member LLC, according to the amended and supplemented provisions
4	04/NQ-HDQT	20/02/2023	Officially appointed members of the Members' Council and BOS at SHB Finance Single-Member LLC for the 2022-2025 term
5	05/NQ-HDQT	01/03/2023	Agreed on nominating personnel to supplement and replace members of the Board of Directors for the 2022-2027 term
6	06/NQ-HDQT	01/03/2023	Established the Inspection Committee at the 31st Annual General Meeting of Shareholders
7	07/NQ-HDQT	09/03/2023	Signed the general terms agreement and loan contract with the International Finance Corporation (IFC) and approved the plan for borrowing and utilizing the loan
8	08/NQ-HDQT	10/03/2023	Agreed on nominating additional personnel to elect as members of the Board of Directors for the 2022-2027 term
9	09/NQ-HDQT	15/03/2023	Agreed on nominating personnel to supplement and replace members of the Board of Directors for the 2022-2027 term
10	10/NQ-HDQT	16/03/2023	Signed and executed the comprehensive fraud risk insurance and professional liability insurance service contract at SHB
11	11/NQ-HDQT	11/04/2023	Elected the position of Vice Chairman of the Board of Directors of SHB for the 2022-2027 term
12	11.1/NQ HDQT	11/04/2023	Assigned tasks to the members of the Board of Directors of SHB for the 2022-2027 term
13	12/NQ-HDQT	25/04/2023	Remuneration offered to Mr. Pham Viet Dan – Member of the Board of Directors for the 2022-2027 term
14	12.1/NQ-HDQT	12/05/2023	Approved the plan to issue shares under the Employee Stock Ownership Plan (ESOP) of SHB for 2023
15	13/NQ-HDQT	31/05/2023	Adjusted of depository securities type
16	14/NQ-HDQT	06/06/2023	Changed the personnel of the Board of Members for the 2022-2025 term of SHB Finance Single-Member LLC
17	15/NQ-HDQT	15/06/2023	Signed the Issuing Bank contract under the GTFP program with IFC

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No	Resolution No.	Date	Details
18	16/NQ-HĐQT	20/06/2023	Implemented the plan to issue shares for dividend payment in 2022 and the plan to handle odd-lot shares (if any)
19	17/NQ-HĐQT	03/07/2023	Approved the last registration date for shareholders to finalize the list for dividend entitlement in shares for the year 2022.
20	18/NQ-HĐQT	14/07/2023	Registered the change of SHB legal representative
21	19/NQ-HĐQT	11/08/2023	Approved the signing of the agreement to implement the Mastercard collection and disbursement service and to open SBLC for customers
22	20/NQ-HĐQT	16/08/2023	Identified the type of depository securities
23	21/NQ-HĐQT	15/09/2023	Registered the change of charter capital in the Business Registration Certificate
24	22/NQ-HĐQT	20/09/2023	Nominated personnel from SHB Bank to participate in the Committees under the Board of Members of SHB Finance Company Limited (SHBFC)
25	23/NQ-HĐQT	03/10/2023	Approved the registration of bond transactions on the individual corporate bond trading system
26	24/NQ-HĐQT	04/10/2023	Approved the implementation of the plan to issue shares under the Employee Stock Ownership Plan (ESOP) of SHB for 2023
27	25/NQ-HĐQT	04/10/2023	Approved the plan to ensure that the share issuance complies with foreign ownership ratio regulations
28	26/NQ-HĐQT	04/10/2023	Signed a cooperation agreement for data provision
29	27/NQ-HĐQT	31/10/2023	Signed and amended agreements with the IFC and the OPEC Fund, approved the loan agreement with the OPEC Fund, and approved the borrowing and utilization plan
30	28/NQ-HĐQT	14/11/2023	Approved the credit limit for Corporate Banking
31	29/NQ-HĐQT	18/11/2023	Authorized the CEO to develop promulgate the assignment/delegation/authorization mechanism for SHB Board of Management
32	30/NQ-HĐQT	06/12/2023	Approved the credit limit for Corporate Banking
33	31/NQ-HĐQT	25/12/2023	Approved the service contract related to the private bond issuance in 2023
34	32/NQ-HĐQT	26/12/2023	Approved the plan to issue private bonds in 2023
35	33/NQ-HĐQT	29/12/2023	Approved the non-paid leave for Mr. Haroon Anwar Sheikh - Independent member of the Board of Directors

1.4. Activities of Non-executive Independent Members of Board of Directors

Fulfilling the duties and responsibilities of independent members of the Board of Directors in accordance with SHB's internal regulations and according to the assignment decision of the Board of Directors/Chairman of the Board of Directors with diligence and integrity, to effectively enhance SHB's business success in 2023.

Attending all Board of Directors meetings, Risk Management Committee meetings, and provided comprehensive opinions on matters discussed in meetings and those approved through written consultation.

Implementing the resolutions and decisions of the 31st Annual General Meeting of Shareholders for the 2022-2027 term, as well as the BOD's delegated decisions.

Submitting reports and disclosed information as required by law.

Completing the tasks and responsibilities assigned by the Board of Directors, effectively supporting the BOD in making timely decisions for managing banking business operations

1.5. Activities of Committees under the Board of Directors

The Board of Directors has established various Committees, Departments, and Councils to effectively direct and oversee the Board of Management's execution of business activities. In 2023, SHB's Board of Directors instituted the Strategic Partnership Development Committee and restructured the Strategy, Risk Management, and Human Resources Committees.

Currently, SHB's Committees under the Board of Directors include the Strategy Committee, Human Resources Committee, Risk Management Committee, and Internal Security Department. These entities serve to advise and assist the BOD. These Committees ensure compliance with regulations from the State Bank of Vietnam and the law, operating under specific organizational and operational regulations issued by the Board of Directors.

1.5.1. Strategy Committee

The Strategy Committee, an entity under the Board of Directors, provides advisory support in establishing vision, direction, strategic planning, and overseeing the execution of SHB's strategy through various transformation initiatives. Specifically, in 2023, the Strategy Committee performed advisory and support functions for the Board of Directors in the following areas:

Formulating a strategic vision, devised drivers for growth, and guided business expansion based on SHB's strengths and the prevailing trends observed in modern, advanced banking institutions regionally and globally.

Offering strategic guidance that factored in economic and business forecasts alongside an assessment of the current global business landscape.

Outlining strategies for international collaboration concerning capital resources, investments, M&A, partnership and alliance establishment, as well as international networking, which encompassed dealings with international financial entities, investors, and strategic consultancy firms on strategic issues.

Overseeing the organization and prioritization of SHB's strategic initiatives proposed by BCG – the strategic consulting firm. Ensured that strategic implementation aligned with the organization's developmental requirements, adhering to the customer and market-centricity approach.

Directing and monitored the the execution of SHB's strategy and international cooperation plans. Assessed investment effectiveness, capital structure, capital raising plans, asset portfolio structure, liquidity, and other issues impacting the Bank's strategic development.

1.5.2. Human Resources Committee

The Human Resources Committee operates under the Board of Directors (BOD), providing advisory and assistance services to the BOD in executing its responsibilities and authorities regarding organizational and personnel affairs. Specifically, in 2023, the HR Committee performed the following advisory and support roles for the BOD:

Advising the BOD on institutional reforms, policies concerning human resources, salaries, bonuses, remunerations, organizational structure, rewards, and disciplinary measures.

Participating in the evaluation of candidates nominated for BOD membership positions to be elected at the 31st Annual General Meeting of Shareholders in 2023, in accordance with legal and SHB regulations.

Assisting the BOD in approving and issuing decisions as per the BOD's requirements and regulations.

Advising the BOD on reviewing, evaluating, and assigning personnel for positions under the BOD's management authority and managing the BOD's organizational and personnel tasks. Performing other duties assigned by the BOD/Chairman of the BOD related to the activities of the BOD, the Board of Supervisors, and units under the BOD and the Board of Supervisors.



1.5.3. Risk Management Committee

The Risk Management Committee operates under the authority of the Board of Directors, providing advisory support to facilitate the BOD's strategic implementation and high-level oversight of risk management policies. Specifically, in 2023, the Risk Management Committee fulfilled the following advisory and support functions for the BOD:

- Executing personnel optimization aligned with the directives and assigned tasks of the BOD for the term 2022-2027.
- Advising the BOD and recommending to the Board of Management for the review, adjustment, and issuance of: Risk appetite, Credit direction for 2023, Delegation of authority for credit approval, Guarantee policies, Buying and selling debt regulations; Environmental and social risk management frameworks in credit operations at SHB; Internal credit rating models A-card and B-card for individual clients; evaluating and implementing strategies to address non-performing loans; revising the Internal Capital Adequacy Assessment Process (ICAAP) framework; lending policies; Asset-backed securities regulations.
- Advising the BOD on personnel restructuring and revising the organizational operating guidelines of Boards, Committees under the BOD; establishing the Credit Management Division; adjusting and enhancing the organizational structure and operations of the Legal Department.
- Developing plans and implementing specialized monitoring and risk management strategies for critical risks and significant risk events.

1.5.4. Internal Security Department

The Internal Security Department operates under the authority of the Board of Directors, advising and supporting the BOD in ensuring security across the entire SHB system and its subsidiaries in 2023:

- Developing banking system safety and security strategies and policies; Implementing internal security and information security measures; Creating contingency plans for potential protests and armed incidents at SHB locations; Coordinating with oversight units to review and enhance internal procedures and regulations; Advising the Chairman of the BOD on advanced security measures used by global financial institutions.
- Implementing security measures at Bank transaction sites; Investigating and proposing solutions for information and customer data security; Coordinating with relevant units to ensure compliance with Banking regulations.
- Organizing investigations conducting investigations and gathering information on banking operations to minimize risks and losses: Investigating internal misconduct allegations and proposing actions to the Chairman of the BOD; Collaborating with the Credit Recovery Committee on debt recovery strategies.



1.6. List of Board of Directors members with corporate governance training certifications:

The Bank regularly sends its Managers and Leaders to attend training courses, seminars, and workshops on Corporate Governance organized by the Vietnam Stock Exchange, the State Securities Commission, and reputable domestic and international organizations. This initiative aims to enhance their understanding of corporate governance, bolster banking management and operational expertise in line with global best practices, and drive the implementation of banking modernization projects, incorporate cutting-edge digital technologies and ensure swift adaptation to legal amendments. Specifically:

- Between 2018 and 2023, SHB has sent 39 individuals, encompassing Members of the Board of Directors, Board of Supervisors, Board of Management, HO Unit Directors, Officers from the Board of Directors Office, Corporate Governance Officer and Company Secretary, as well as Assistants and Secretaries to the Board of Directors/Board of Management, among others, to participate in comprehensive training programs and receive certifications in Corporate Governance. These programs were organized by the State Securities Commission and reputable institutions. Additionally, Members of the Board of Directors and personnel from the Board of Directors Office also engaged in training sessions focusing on modern management system architecture conforming to international standards, as well as the conference dedicated to enhancing the Corporate Governance proficiency of listed enterprises on Vietnam's stock market.

- The Bank regularly organizes internal training programs to equip management and leadership skills for management team. From 2022 to 2023, SHB made substantial investments in training programs to bolster the management and leadership capabilities of leaders and managers across all tiers of the organization. These initiatives included the Capacity Building program - SHB Talent Lead Management & Leadership, which targeted 27 senior managers at the Head Office, a series of Bank Transformation Training Workshops attended by over 351 managers, and platform management skills training completed by 245 managers. From these training programs, in addition to improving and developing management capacity, the Bank also discovers and cultivates key personnel to implement strategic goals.

2. BOARD OF SUPERVISORS

Board of Supervisors (BOS) is a unit elected by the General Meeting of Shareholders, responsible for overseeing and evaluating the compliance with internal regulations, legal provisions, Charter and implementation of policies and resolutions of the General Meeting of Shareholders and the Board of Directors; Conducting internal audit of SHB's business activities and financial statements.

2.1. Members and Structure of the Board of Supervisors

No	Full name	Position	Shareholding (%)
1	Pham Hoa Binh	Head of BOS	0.0055 %
2	Le Thanh Cam	Full-time Member of BOS	-
3	Vu Xuan Thuy Son	Full-time Member of BOS	-

Summary of the Board of Supervisors's Profiles, refer to pages 19

2.2. Activities of the Board of Supervisors

In 2023, operations of SHB's Board of Supervisors 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 Board of Supervisors, ensuring comprehensive fulfillment of their duties. Additionally, the Board of Supervisors undertook supplementary tasks as directed by the Board of Directors and CEO of SHB.

In 2023, the BOS convened four regular meetings, achieving a 100% attendance and a 100% voting rate, addressing the following topics:

- **BOS meeting on January 9, 2023:** Assessing the performance of Quarter IV-2022 and orientation for Quarter I-2023 of the BOS
- **BOS meeting on April 10, 2023:** Assessing the performance of Quarter I-2023 and orientation Quarter II-2023 of the BOS
- **BOS meeting on July 10, 2023:** Assessing the performance of Quarter II-2023 and orientation for Quarter III-2023 of the BOS
- **BOS meeting on October 9, 2023:** Assessing the performance of Quarter III-2023 and orientation for Quarter IV-2023 of the BOS

With the aim of ensuring consistency across meeting discussions, the Board of Supervisors has successfully executed the tasks outlined for 2023 and each quarterly period. Notably, the key tasks accomplished 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.
- (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:
 - Regulation on professional ethical standards of members of BOS issued together with Decision No. 34/2023/QD-BKS dated April 10, 2023;
 - Internal audit process issued together with Decision 06/2023/QD-BKS dated January 18, 2023 and Decision No. 66/2023/QD-BKS dated August 18, 2023 amending a number of schedules in the Internal audit process;
 - Regulations on monitoring and inspection of the implementation of recommendations of the BOS and Internal Audit Division issued together with the Decision 09/2023/QD-BKS dated February 2, 2023;

- Decision 18/2023/QD-BKS dated February 20, 2023 on amending and supplementing the Regulations on organization and operation of the Internal Audit Division issued together with Decision No. 58/2022/QD-BKS dated June 28, 2022;
- Regulations on handling violations in Internal Audit activities issued together with the Decision 23.1/2023/QD-BKS dated February 23, 2023;
- Internal Audit Handbook issued together with Decision 27.1/2023/QD-BKS dated March 15, 2023.

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

- By overseeing the operations of the Internal Audit Division with both planned and unannounced inspections and audits, the Board of Supervisors has ensured that internal auditing functions are performed autonomously, consistently, and comprehensively across all activities within each business unit of SHB.
- The BOS instructed the Internal Audit Division to conduct remote oversight of SHB unit operations in accordance with the Internal Audit process guidelines and to monitor prudential indicators as per the State Bank of Vietnam regulations. They also mandated the utilization of information technology to develop monitoring methodologies, techniques, and tools.
- Carried out monitoring and supervision of rectification and handling of shortcomings discovered through the audit process; Directed the Internal Audit Division to participate in resolving complaints and denunciations; Directed the thorough and timely implementation of periodic reports according to regulations of the State Bank of Vietnam and internal regulations of SHB.
- Focused on training to enhance the professional qualifications of Internal Audit officers and staff, ensuring that Internal Audit operations meet both quantitative and qualitative standards.
- Performed other functions and tasks of Internal Audit according to the provisions of the Charter, other regulations of SHB and relevant laws.

(4) Ensured full and accurate appraisal of SHB's 2022 financial statements and interim financial statement for the first 6 months of 2023 according to the provisions of law and SHB.

(5) Checked accounting books, other documents and management operations of SHB and promptly notify the Board of Directors when detecting violations by Bank managers.

(6) Timely updated the list of major shareholders and related people of members of the BOD, members of the BOS, CEO, institutional shareholders and other individual shareholders of SHB participating in share capital contributions according to provisions of law and SHB's Charter.

(7) Efficiently collaborated with the Independent Auditor, State Auditor, Government Inspectorate, and State Bank Inspectorate during their engagements at SHB.

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 billion

	2023
Board of Directors	14,011
Board of Supervisors	4,620
Board of Management	22,307

3.2. Shares transactions of internal shareholders

Transactions of SHB shares by SHB insiders and related persons

No.	Transactions performed by	Relationship with internal shareholders	Shares owned at beginning of the period (30/06/2023)		Shares owned at end of the period (31/12/2023)		Reason (buying, selling, transfer, bonus, etc.)
			Number of shares	Share ownership percentage	Number of shares	Share ownership percentage	
1	Do Quang Hien	Chairman of the BOD	84,355,832	2.750%	99,539,881	2.750%	Stock dividend payout
1.1	Do Quang Vinh	Vice Chairman cum Deputy CEO; Son	796,375	0.026%	939,722	0.026%	Stock dividend payout
1.2	Do Vinh Quang	Son	90,891,726	2.963%	107,252,236	2.963%	Stock dividend payout
1.3	Do My Linh	Daughter-in-law	6,371	0.000%	7,517	0.000%	Stock dividend payout
1.4	Do Thi Thu Ha	Older sister	63,086,612	2.057%	74,442,202	2.057%	Stock dividend payout
1.5	Do Thi Minh Nguyet	Older sister	21,807,707	0.711%	25,733,094	0.711%	Stock dividend payout
1.6	T&T Group Joint Stock Company	Related institution	306,685,157	9.998%	361,888,485	9.999%	Stock dividend payout
1.7	Saigon - Hanoi Securities Joint Stock Company	Related institution	45,410,853	1.480%	53,584,806	1.480%	Stock dividend payout
2	Ngo Thu Ha	Member of the BOD cum CEO	2,232,849	0.073%	2,634,761	0.073%	Stock dividend payout
3	Do Duc Hai	Vice Chairman cum Deputy CEO	154	0.000%	181	0.000%	Stock dividend payout
4	Nguyen Thi Diem Trang	Related person of Mr. Pham Viet Dan - Member of the BOD	13,225	0.000%	15,605	0.000%	Stock dividend payout
5	Pham Hoa Binh	Head of BOS	169,248	0.006%	199,712	0.006%	Stock dividend payout
6	Ninh Thi Lan Phuong	Deputy CEO	111,469	0.004%	131,533	0.004%	Stock dividend payout

7	Vu Thi Hoa	Related person of Mr. Nguyen Huy Tai - Deputy CEO	0	0.000%	600	0.000%	Buy
8	Ngo Thi Van	Chief accountant	524	0.000%	-	-	Sell
9	Pham Bich Lien	Corporate Governance Officer	4,800	0.000%	-	-	Sell

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	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.	Content
1	Saigon - Hanoi Insurance Corporation	Related person of BOD member	0103085460	86 Ba Trieu, Hang Bai Ward, Hoan Kiem, Hanoi	March 16, 2023	10/ NQ- HDQT	Signed and implementing service contracts for Comprehensive Fraud Risk Insurance and Professional Liability Insurance at SHB
2	SHB Finance Single-Member LLC	Associa- ted Compa- ny	0107779290	Gelex Building, No. 52 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi	August 11, 2023	19/ NQ- HDQT	Signed an agreement to deploy collection and payment services on behalf of Mastercard cards and opened SBLC for customers
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	October 4, 2023	26/ NQ- HDQT	Signed a cooperation agreement on data provision
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	November 14, 2023	28/ NQ- HDQT	Granted credit limits to corporate customers
5	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	December 6, 2023	30/ NQ- HDQT	Granted credit limits to corporate customers
6	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	December 25, 2023	31/ NQ- HDQT	Signed a service contract on private bond issuance in 2023

3.3. Contracts or transactions with internal shareholders

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.	CONTENT
1	Sai Gon - Ha Noi Insurance Corporation	Related person of BOD member	0103085460	86 Ba Trieu, Hang Bai Ward, Hoan Kiem, Hanoi	March 16, 2023	10/ NQ- HDQT	Signed and implementing service contracts for Comprehensive Fraud Risk Insurance and Professional Liability Insurance at SHB
2	SHB Finance Single-Member LLC	Associated Company	0107779290	Gelex Building, No. 52 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi	August 11, 2023	19/ NQ- HDQT	Signed an agreement to deploy collection and payment services on behalf of Mastercard cards and opened SBLC for customers
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	October 4, 2023	26/ NQ- HDQT	Signed a cooperation agreement on data provision
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	November 14, 2023	28/ NQ- HDQT	Granted credit limits to corporate customers
5	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	December 6, 2023	30/ NQ- HDQT	Granted credit limits to corporate customers
6	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	December 25, 2023	31/ NQ- HDQT	Signed a service contract on private bond issuance in 2023

3.4. Evaluating the implementation of corporate governance regulations

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

The Board of Directors, the Board of Management, and the Board of Supervisors of SHB have strictly adhered to corporate governance regulations as required by law. SHB's corporate governance reporting complies with Circular No. 96/2020/TT-BTC dated November 16, 2020. Alongside rigorous compliance with Vietnam corporate governance laws and specific regulations for listed companies, SHB has progressively aligned its governance practices with international best practices, such as the "ASEAN Corporate Governance Scorecard" and the "Corporate Governance Principles for Listed Companies" issued by the State Securities Commission and the International Finance Corporation (IFC) in August 2019.

To enhance governance, SHB has made significant improvements, meeting more criteria compared to previous years by benchmarking against the ASEAN Corporate Governance Scorecard. This framework guides SHB in improving governance standards, minimizing risks, and striving for sustainable development. The five corporate governance principles that SHB consistently upholds are: Shareholder rights, equal treatment of shareholders, stakeholder roles, transparent information disclosure, and BOD responsibilities.

4. OVERALL ASSESSMENT ON CORPORATE GOVERNANCE

4.1. SHB ensures shareholders' rights and equitable treatment for all shareholders

■ Ensuring shareholder rights

- Shareholders are involved in approving and amending SHB's Articles of Association, issuing shares, electing the Board of Directors and Board of Supervisors members, and addressing agenda items under the authority of the General Meeting of Shareholders.
- Shareholders refer to the AGM documents uploaded on the website to vote on relevant topics and submit their votes to SHB before the AGM. These votes

are validated and included in the final count as approvals, disapprovals, or abstentions during the AGM.

- 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 AGM.
- Publish meeting notices and AGM documents on the Bank's website; Providing comprehensive documentation, information, and explanations for issues presented at the AGM for approval.
- Full disclosure of information about Board of Directors candidates, dividend payment policy in the AGM 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.
- Participate in the AGM 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 prioritizes transparency in information disclosure. SHB consistently and proactively discloses periodic and ad-hoc information fully and promptly, adhering to regulatory deadlines, through various media channels such as its website (in both Vietnamese and English), stock exchange websites, the State Securities Commission, and the Vietnam Securities Depository. In 2023, SHB complied with all regulations by disclosing periodic and ad-hoc information, including financial statements, corporate governance reports, annual reports, AGM details, shareholder opinions, and capital increase information through share issuance for dividends.
- SHB facilitates shareholders' swift access to information regarding the Bank's business performance during the AGM. Based on the presented reports and proposals, shareholders have the right to directly question and make recommendations to SHB's leadership before voting on important matters related to SHB's operations. All AGM documents are fully posted on SHB's website, ensuring transparency and full access to information for all shareholders and the investment community.
- Furthermore, SHB proactively assists and addresses investors' inquiries and information requests via indirect channels, including email, telephone, and the website.

V. CORPORATE GOVERNANCE

■ **Dividend policy**

- SHB has established a stable dividend policy that provides high returns for investors while balancing shareholder interests and ensuring resources for SHB's growth. Over the past five years, SHB's average dividend payout ratio has been 11.3%. In 2023, SHB paid a dividend of 18% for the fiscal year 2022.

SHB ensures the roles of stakeholders

- SHB publishes and implements social welfare policies for the local communities where it operates, as well as health, safety, welfare, and training programs for employees.
- Contact information is provided on the Bank's website and in the annual report, allowing stakeholders such as customers, partners, and shareholders to address their concerns.
- SHB develops, issues, and publishes internally and on its website procedures for filing complaints about illegal behavior, including a Code of Conduct and Ethics, and anti-corruption regulations to guide corporate culture.
- SHB establishes and practices procedures for selecting suppliers and contractors.
- SHB has reward policies linked to the performance of its units.

SHB fully conducts information transparency and disclosure

■ **Disseminate 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.

Especially, strategic information that significantly impacts the rights of investors and shareholders is given particular emphasis by SHB. This includes comprehensive communication before, during, and after the AGM, details on dividend payments, capital increases, business results, prospects, strategic directions, partnership agreements, credit ratings, and awards. These efforts underscore SHB's capabilities and reputation.

SHB guarantees the timely and transparent provision of information regarding 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 2023, 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, the exploration of mutual strengths, and the cultivation of opportunities for cooperation and growth, ultimately fostering a platform for expanded 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.

SHB always 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 2023 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 members of BOD and committees, and disclosed these evaluations in the annual report.

3.4.2 Plan to enhance corporate governance efficiency

With the objective of progressively aligning with regional and global corporate governance standards, SHB will continue to improve its corporate governance activities as follows:

■ **Improve standards related to information disclosure and transparency:**

- Further refining and issuing comprehensive information disclosure regulations for the securities market, ensuring strict adherence to Circular 96/2020/TT-BTC of the Ministry of Finance and other relevant legal requirements;

- Strive to exceed the standards set by current regulations and international practices to provide comprehensive information to both domestic and international shareholders and investors.
- **Strengthen the responsibilities of the Board of Directors:**
 - Develop a succession plan, orientation programs, and training for new and current Board of Directors members to ensure the leadership team has the necessary experience and skills to fulfill their duties.
 - Create a specific roadmap to approach the requirements for the proportion of independent members of BOD in accordance with best governance practices and Vietnam law.
 - Increase the involvement of independent members in Committees under BOD, enhancing their effectiveness in advising and supporting the BOD, and strengthening the independence of these Committees.
- Conduct additional extended BOD meetings beyond the regular ones to discuss key issues related to business direction and strategic solutions.
- **Continue to strengthen and elevate the roles of Internal Audit, Risk Management, and Compliance within SHB's internal governance framework with the objectives of:**
 - (i) Ensuring an effective and accurate risk management and internal control system
 - (ii) Contributing significantly to the enhancement of corporate governance practices
 - (iii) Acting as key defense mechanisms to protect investment capital and create long-term sustainable value for shareholders.

4.2. Detailed assessment of SHB's corporate governance practices according to the ASEAN Corporate Governance Scorecard

No.	Criteria	Evaluation basis	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 2023, SHB has completed the payment of 2022 dividend at a ratio of 18% to existing shareholders according to BOD's Resolution No. 17/NQ-HDQT dated July 3, 2023.	Complied
A.2	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 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 General Meeting of Shareholders in accordance with the law	Complied

V. CORPORATE GOVERNANCE

No.	Criteria	Evaluation basis	SHB's Compliance
A.3	<i>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</i>		
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
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 meeting?	Provided for and disclosed on SHB's website before holding the AGM (according to 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 2023 Annual General Meeting of Shareholders	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 2023 Annual General Meeting of Shareholders	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 the meeting and vote on issues 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?	Shown 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 and asked for 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?	Minutes of the meeting and Resolution of the 2023 Annual General Meeting of Shareholders 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?	Announced at SHB's website	Complied

No.	Criteria	Evaluation basis	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 has 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 Annual General Meeting of Shareholders and approved at the meeting	Complied
A.4	<i>Markets for corporate control should be allowed to function in an efficient and transparent manner</i>		
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 to ensure the maximum benefits of SHB and SHB shareholders.	Complied
A.5	<i>The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated</i>		
A.5.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond AGM?	Provided for in SHB's Charter	Complied
B	Equal treatment to shareholders		
B.1	<i>Shares and voting rights</i>		
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	<i>Notice of AGM</i>		
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 include many contents in the same resolution	Complied
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 AGM of SHB are fully translated into English and published on the same day as Vietnamese documents 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 to be 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 General Meeting of Shareholders at the AGM 2023	Complied

V. CORPORATE GOVERNANCE

No.	Criteria	Evaluation basis	SHB's Compliance
B.2.5	Were the proxy documents made easily available?	Announced on the Website and sent directly to shareholders by post with the meeting invitation letter	Complied
B.3	<i>Insider trading and abusive self-dealing should be prohibited</i>		
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	Shown in SHB's charter	Complied
B.3.2	Are the directors/commissioners required to report their dealings in company shares within 3 business days?	Members of the Board of Directors must disclose information before and after trading shares in accordance with regulations	Complied
B.4	<i>Related party transactions by directors and key executives</i>		
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 Board of Directors or the General Meeting of Shareholders for approval before carrying out transactions in accordance with the provisions of the Charter of SHB	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?	RPTs are reviewed and reported to the Board of Directors or the General Meeting of Shareholders for approval before carrying out transactions in accordance with the provisions of the Charter of SHB	Complied
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 specifically stipulated in the Charter and Regulations of the Board of Directors	Complied
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	SHB specifically stipulates in the Lending Regulations, complying with the cases in which credit is not granted under Article 126 of the Law on Credit Institutions.	Complied
B.5	<i>Protecting minority shareholders from abusive actions</i>		
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	SHB makes disclosure in accordance with the law	Complied
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	Voting is done in accordance with the law	Complied
C	<i>Rights of stakeholders</i>		
C.1	<i>The rights of stakeholders that are established by law or through mutual agreements are to be respected</i>		

No.	Criteria	Evaluation basis	SHB's Compliance
	Does the company disclose a policy 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; Publication of hotlines, email addresses on the web, publications, leaflets, e-banking applications, etc.	Complied
C.1.2	Supplier/contractor selection procedures?	SHB posted on the website	Complied
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	SHB has shown in its Annual Report, section Sustainable development	Complied
C.1.4	The company's efforts to interact with the communities in which they operate?	SHB has shown in its Annual Report	Complied
C.1.5	The company's anti-corruption programmes and procedures?	SHB has published and implemented the Regulations on Prevention of Operational Risks and Anti-Money Laundering as shown in the Annual Report (Section 1.6) and other internal regulations.	Tuân thủ
C.1.6	How creditors' rights are 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 environment/economy and social issues?	SHB has shown in its Annual Report	Complied
C.2	<i>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights</i>		
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	SHB has published a hotline and contact phone number on the bank's website and telephone number in its Annual Report.	Complied
C.3	<i>Mechanisms for employee participation should be permitted to develop</i>		
C.3.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	SHB has 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 has 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 has shown in its annual report and internal documents. There is a policy of issuing shares under the employee selection program.	Complied

No.	Criteria	Evaluation basis	SHB's Compliance
C.4	<i>Stakeholders including individual employee 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</i>		
C.4.1	Does the company have a whistle blowing policy which includes 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 has announced and practiced the issue of Operational Risk and Anti-Money Laundering as shown in its Annual Report (section 1.6) and other internal documents. The hotline is published on the bank's 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 should be 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 makes periodical reports in accordance with the regulations of the State Bank, the State Securities Commission and VNX	Complied
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	SHB makes periodical reports in accordance with the regulations of the State Bank, the State Securities Commission and VNX	Complied
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	SHB makes periodical reports in accordance with the regulations of the State Bank, the State Securities Commission and VNX	Complied
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	SHB makes periodical reports in accordance with the regulations of the State Bank, the State Securities Commission 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 makes periodical reports in accordance with the regulations of the State Bank, the State Securities Commission and VNX	Complied
D.2	Quality of Annual Report:		
D.2.1	Corporate Objectives	SHB publishes details in its Annual Report	Complied
D.2.2	Financial Performance indicators	SHB publishes details in its Annual Report	Complied
D.2.3	Non-Financial Performance indicators	SHB publishes details in its Annual Report	Complied
D.2.4	Dividend Policy	SHB publishes 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 publishes details in its Annual Report	Complied

No.	Criteria	Evaluation basis	SHB's Compliance
D.2.6	Attendance details of each director/commissioner in all directors/commissioners meetings held during the year	SHB publishes details in its Annual Report	Complied
D.2.7	Total remuneration of each member of the Board of Directors/commissioners	Shown in the Annual Report, but only the total remuneration of the Board of Directors, the Board of Supervisors and the Board of Management shall be announced separately.	Partially complied
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 expressed in Annual Report – Corporate Governance Section	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?	Shown in Annual Report – Financial Statements/Related Party Transactions.	Tuân thủ
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	Shown in Annual Report – Financial Statements/Related Party Transactions.	Tuân thủ
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?	Announced on SHB website, Stock Exchange	Complied
D.5 External auditor and Auditor Report			
D.5.2	Does the non-audit fee exceed the audit fees?	SHB has no fees for non- audit services	
D.6 Communication media			
D.6.1	Quarterly reporting	SHB fully discloses it on the Bank's Website in accordance with regulations	Complied
D.6.2	Company website	SHB fully discloses it on the Bank's Website in accordance with regulations	Complied
D.6.3	Analysts' briefing	Proactively provides information for analysis reports of units/experts	Complied
D.6.4	Media briefings/press conferences	SHB makes periodic press releases on the mass media	Complied
D.7 Timely release of the annual financial statements			
D.7.1	Are the audited annual financial statements released within 120 days from the end of the fiscal year?	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

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No.	Criteria	Evaluation basis	SHB's Compliance
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	Full disclosures on the Bank's website and downloadable	Complied
D.8.4	Notice of AGM and/or EGM	Full disclosures of information on the Bank's Website	Complied
D.8.5	Minutes of AGM and/or EGM	Full disclosures of information on the Bank's Website	Complied
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)	Full disclosures on the Bank's website and downloadable	Complied
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?	Announced on SHB's website	Complied
E Board of Directors' duties and responsibilities			
E.1 Clearly defined Board of Directors' responsibilities and corporate governance policies			
E.1.1	Does the company disclose its corporate governance policy/board charter?	Full disclosures of information on the Bank's Website	Complied
E.1.2	Are the types of decisions requiring Board of Directors/commissioners' approval disclosed?	Full 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 expressed 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 expressed in the Annual Report, the General Meeting of Shareholders and other internal newspapers.	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 Board of Directors is shown in the Annual Report - Corporate Governance Section.	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 of Directors' structure			
E.2.1	Are the details of the code of ethics or conduct disclosed?	Publicly announced 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 basis	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 announced 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 Board of Directors	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 arise	Complied
E.2.8	Does the company have a Nominating Committee (NC)?	The Human Resources Committee at SHB was established under the Board of Directors	Complied
E.2.11	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	Shown in the annual report	Complied
E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	Shown in the annual report	Complied
E.2.18	Does the company have an Audit Committee?	SHB has a Board of Supervisors. Operating under the model of General Meeting of Shareholders, Board of Directors, Board of Supervisors, CEO	Complied
E.2.19	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 Board of Management	Complied
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?	The Head of BOS operates independently from the Board of Directors	Complied
E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Shown in Annual Report, Charter of SHB, internal regulations...	Complied
E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Ensured all members have professional experience	Complied
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?	Shown in Annual Report	Complied
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	Shown in SHB's Charter	Complied

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No.	Criteria	Evaluation basis	SHB's Compliance
E.3 Board of Directors Processes			
E.3.1	Are the Board of Directors meeting scheduled before the start of financial year?	The Board of Directors of SHB meets periodically and adhoc in accordance with the law and internal regulations of SHB. 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 2022, the Board of Directors convened 7 direct meetings. Shown 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?	Shown 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 in the Charter and always complied	Complied
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, performs the duties of the company secretary to ensure that corporate 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?	Shown in the Charter, Organizational Regulations of the Board of Directors;	Complied
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	Shown in the Charter, Internal Regulations of SHB.	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)?	Shown in the Annual Report – Risk section	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?	Shown in Annual Report	Complied
E.4 Chairman of Board of Directors			
E.4.1	Do different persons assume the roles of chairman and CEO?	SHB has separate Chairman and CEO	Complied
E.4.2	Is the chairman an independent director/commissioner?	The Chairman of the Board of Directors is a Non-executive member	Complied

No.	Criteria	Evaluation basis	SHB's Compliance
E.4.3	Has any director been the company CEO/ executive in the last two years?	Mr. Vo Duc Tien Vice Chairman of the Board of Directors participated in executive works from August 4, 2021 to July 20, 2022	Complied
E.4.4	Are the role and responsibilities of the chairman disclosed?	Provided for 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 the fields of 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?	The members of the Board of Directors all have experience in the field of finance and banking.	Complied
E.5 Performance of the Board of Directors			
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 Board of Directors.	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 Board of Directors.	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 regulations on governance, Annual Report.	Complied
E.5.5	Is an annual performance assessment conducted of the Board of Directors/ commissioners?	Reflected in SHB's internal regulations on governance, published on the website SHB	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 regulations on governance, published on the website SHB	Complied
E.5.7	Did the company conduct an annual performance assessment of the Committees under BOD and disclose the criteria and process followed for the assessment?	Shown in SHB's Annual Report.	Complied

5. RISK MANAGEMENT

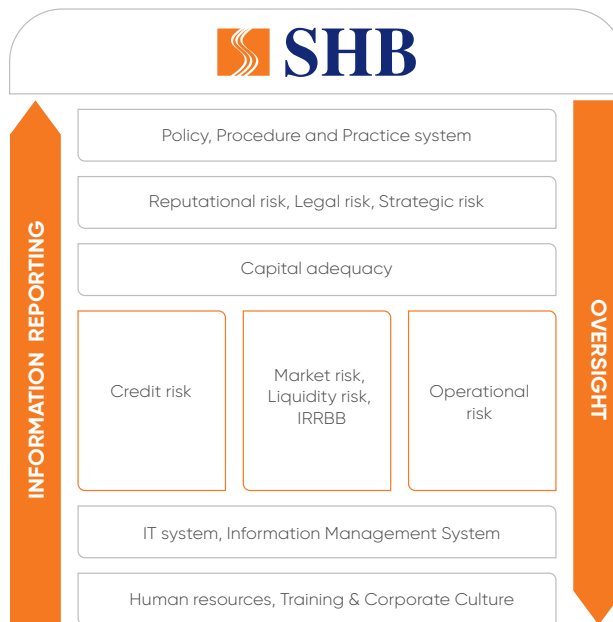
With a commitment to sustainable development, SHB prioritizes and invests significantly in risk management.

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.

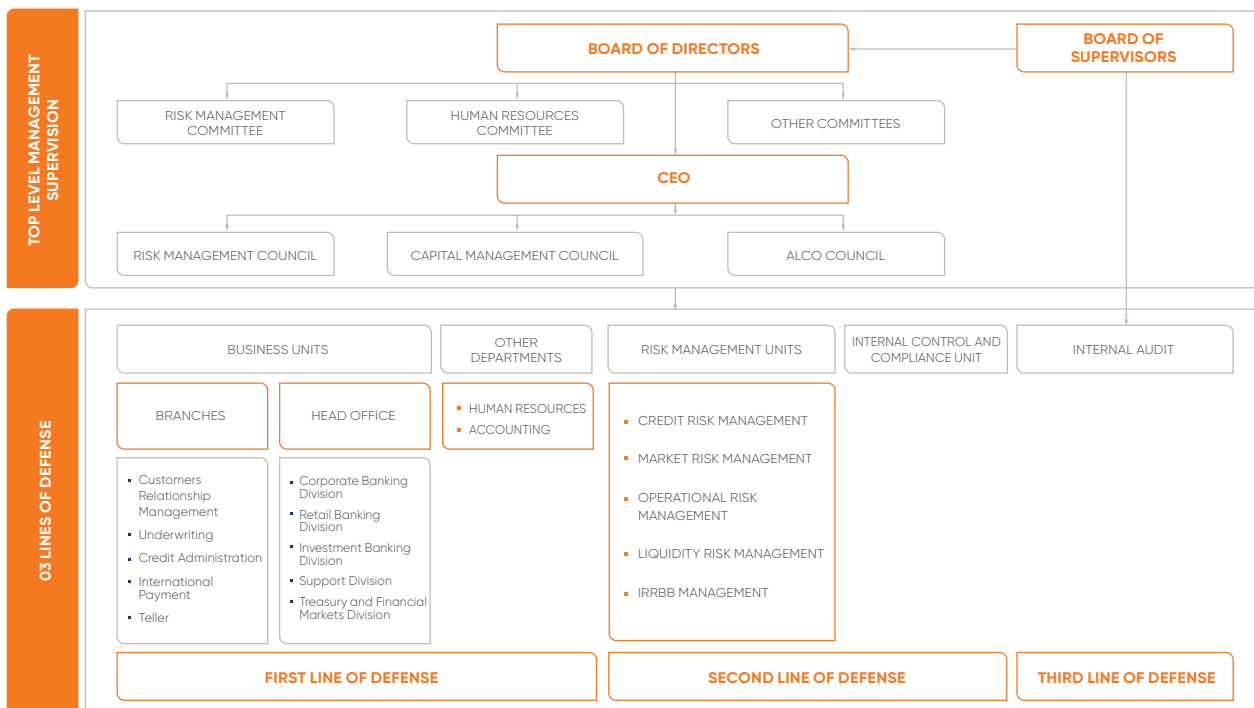
5.1. Risk management framework at SHB

SHB establishes a risk management framework to ensure a complete system of policies, regulations, procedures and guidelines to run the Bank’s operation in line with the 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.

In order to ensure an effective risk management framework, SHB has established a full information system along with a management reporting system to ensure timely and accurate information about the risk level of the Bank, make forecast on business activities, credit quality and make appropriate and effective business decisions. SHB also pays great attention to training and communication as the foundation for building a risk-aware culture.



5.2. Risk management structure



Risk management activities at SHB are implemented according to the Three Lines of Defense model across all operations:



The first line of defense is responsible for identifying, controlling and implementing risk reduction measures.

The second line of defense is designed to control and monitor 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 the second line of defense.

Furthermore, SHB also established a full range of Committees/Councils to assist the Board of Directors and CEO in performing the supervisory function of top level management. SHB has established and strengthened a comprehensive framework of documents and risk management policies to proficiently 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 is designed to adhere 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 an international independent audit.

Previously, SHB has completed three pillars of the Basel II Accords in 2020, conducts annual Internal Capital Adequacy Assessment Process (ICAAP) starting from 2021 and fully complies with the SBV's requirements on operational risk management in particular and the internal control system in general.

Additionally, SHB is implementing a project to develop credit risk measurement models and capital calculation according to the advanced Basel II-IRB method, with the guidance of an international consulting firm. The development of these credit risk measurement models is expected to be completed by the second quarter of 2024. SHB plans to apply the Basel II-IRB methodology for calculating capital adequacy ratios in 2025.

In addition, in order to maintain sufficient capital for material risks, SHB regularly implements measures to optimize 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 keeping the ratio always greater than 10%. This measure is implemented to ensure capital buffer to support the Bank's sustainable and effective growth. SHB's capital adequacy ratio is maintained above the Bank's target capital adequacy ratio in both normal and adverse conditions.

5.3. Material risks management

5.3.1. Credit risk

Credit risk is the possibility of a financial loss in banking operations caused by clients failing or unable to fulfill their obligations as committed.

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) credit granting procedure carried out under the close coordination among involved departments; (iii) Identify, measure and monitor risks in each tier of three lines of defense to ensure adequate control over credit risk.

In addition, SHB is progressively enhancing its credit risk management practices in line with international norms and benchmarks. Notably, in 2023, SHB has launched many projects in this direction including the conversion of financial statements to adhere to IFRS standards and the implementation of risk management and capital calculation projects based on the advanced IRB method under Basel II. The outcomes of these endeavors will furnish SHB with additional tools for credit risk management, supporting effective risk-based business decision making.

SHB evaluates credit risk both during regular operations and in challenging market conditions. Particularly

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in adverse market scenarios, SHB employs scenario analysis to project credit growth rates and assess loan quality, enabling the development of contingency plans and implementation of control measures to monitor and mitigate non-performing loans (NPLs) in a timely and appropriate manner.

5.3.2. Environmental and social risks

Green credit represents a global trend within the financial industry, with particular relevance 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 growing green credit while integrating social and environmental risk management practices into credit extension activities.

SHB has issued internal regulations for integrating social and environmental management practices into its credit assessment procedures, making socio-environmental risk assessment a compulsory component in the credit approval process for customers. This evaluation enables SHB to identify clients with environmentally sustainable initiatives and projects characterized by minimal social and environmental risks, thereby facilitating their financing. Additionally, SHB offers support and guidance to clients in implementing measures and action plans to mitigate, minimize, or eliminate adverse social and environmental impacts associated with their business ventures. This approach aims to encourage clients to transition towards cleaner, safer, and more environmentally friendly production and business practices.

In 2023, with guidance and assistance from IFC experts, SHB finalized regulations concerning social and environmental risk management in lending activities with small and medium-sized enterprises. These regulations were crafted to align with both the requirements of the State Bank of Vietnam and the assessment standards set by the IFC. Additionally, SHB entered into a collaboration agreement with ADB to implement a consultancy package aimed at developing a social environment risk management system for trade finance. Through the support of both IFC and ADB, SHB anticipates enhancing the effectiveness of its social and environmental risk management system in credit extension activities, gradually reaching international practices and standards.

In the coming time, SHB will persist in enhancing its policy frameworks, regulations, and assessment criteria concerning social and environmental risks, with guidance from IFC and ADB. Additionally, SHB will bolster training initiatives for personnel tasked with managing and evaluating socio-environmental risks to

enhance implementation proficiency. These endeavors aim to optimize socio-environmental risk management, thereby fostering sustainable growth in green credit.

5.3.3. Operational risks

The risk due to 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 operation risk.

SHB has fully implemented the operational risk management framework to align with Circular 13/2018/TT-NHNN requirements and international standards. In 2023, SHB focused on executing Risk Assessment Processes for various areas such as pre-issued regulations, processes, products, e-banking activities, and outsourcing, while also assessing the efficacy of control points within the Bank's processes and activities. Apart from its annual training sessions, SHB conducted a series of programs aimed at transferring knowledge of risk identification and assessment to Line 1 Units at the Head Office, providing direct operational risk management insights to unit managers. Furthermore, SHB developed newsletters and videos on operational risks for Customer Service officers, intensified warnings about fraud, counterfeiting, and the misappropriation of high-tech assets for customers, and conducted tests throughout the year to assess potential transaction interruption scenarios for Business Units, including testing the alternate operation of the Core system at the data center (DC-DR).

5.3.4. Information Technology Risks

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.

The IT department at SHB is organized with an operating model according to ITIL (Information Technology Infrastructure Library) standards. SHB fully complies with the State Bank's safety and security regulations, and has applied international security standards to improve internal IT system security (ISO 27001:2013, PCI DSS, 3D Secure, SWIFT CSCF Security Framework).

In 2023, SHB made significant progress by transitioning services to the cloud environment, enhancing user experience, offering round-the-clock services, and mitigating IT risks. Throughout the year, SHB formulated and executed regulations and risk assessment processes for its IT infrastructure, conducting risk evaluations for critical IT systems and bank projects.

5.3.5. Market risks

Market risk encompasses 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 risks: 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/control, 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 irregularly 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 assess risks, aligning with market conditions and SHB's business landscape in each respective period.

5.3.6. Liquidity risk

Liquidity risk is the risk of not being able to fulfill debt obligations when due, or being able to fulfill debt obligations when due but having to pay costs higher than the average cost of the market.

SHB advocates diversifying mobilized capital sources and mobilization terms to increase liability stability; Maintain a reasonable balance between assets and liabilities, ensuring enough 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 daily liquidity and in case of crisis. SHB promotes diversification in sourcing and terms of capital mobilization to enhance the stability of liabilities, while also maintaining a prudent balance between assets and liabilities, ensuring an adequate reserve of highly liquid assets. Mobilization plans are devised and monitored in each period, aligning with the business plans of each unit and the overarching strategy of the Bank as a whole. This approach ensures daily liquidity and preparedness for potential 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. Furthermore, SHB has

successfully implemented liquidity risk management in accordance with Basel III standards (LCR, NSFR), which was reviewed and validated by KPMG in 2023.

5.3.7. Interest rate risk in the banking book

Interest rate risk in the banking book is a risk due to adverse fluctuations of interest rates on 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 mitigating potential interest rate risks such as 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 interest rate fluctuations on NII and economic value of equity (EVE). Additionally, SHB determines the required capital for bank book interest rate risk management using the Delta EVE method, in line with Basel III guidelines.

5.3.8. Anti-money laundering

Through activities that strengthen cooperation with international banks, SHB has established mechanisms to control anti-money laundering efforts in compliance with both domestic and international regulations, meeting international standards. This facilitates collaboration with international banks, enhancing the correspondent banking system and increasing revenue from international payment transactions. The control mechanisms in place include regularly updating lists of sanctioned countries, sectors, and currencies by each nation; issuing warnings and recommendations regarding correspondent relationships with high-risk banks or those not meeting anti-money laundering and counter-terrorist financing requirements. To date, SHB has not had any international payment transactions frozen due to sanctions violations.

SHB also enhances customer transaction monitoring to detect suspicious or illegal activities. The Bank has developed an automated system to monitor customer transactions based on pre-established scenarios. All customer transactions are automatically reviewed, and suspicious or illegal activities are flagged. These alerts are thoroughly investigated and immediately reported to relevant state authorities when necessary. Additionally, SHB widely disseminates information about illegal tactics to its staff to minimize risks for both customers and the Bank.