

MESSAGE FROM CHAIRMAN



On behalf of the Board of Directors, Board of Supervisors, Board of Management, and all SHB staff, I extend our heartfelt gratitude to you - our esteemed customers, partners, shareholders, and investors - for your unwavering trust, support, and companionship over the past 30 years. Your confidence in us has propelled SHB forward, enabling us to achieve new successes and align closely with the state policies. We are dedicated to contributing to economic growth and supporting national efforts for a prosperous and democratic Vietnam.

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Originating from the heart, we proudly take responsibility for creating positive values and ensuring that everyone throughout Vietnam can enjoy access to them.

Mr. Do Quang Hien
Chairman

Dear valued Customers, Partners, Shareholders, Investors,

2023 marks a significant milestone for SHB, celebrating a 30-year journey of "From Heart to Greater Heights - Advance with National Prosperity". We are proud to take responsibility for creating positive values and ensuring that everyone can enjoy access to them.

Throughout our 30-year history of supporting national development, SHB has consistently symbolized ongoing improvement and has played a pivotal role in the nation's key milestones. The Bank proactively participates in strategic initiatives, such as engaging in mergers as part of the credit institution restructuring project, financing national infrastructure projects, promoting green energy and sustainable agriculture initiatives, and offering loans with favorable rates and incentives to support both individual customers and corporations. These efforts align with the directives of the Government and the State Bank of Vietnam.

During our extensive evolution, SHB has steadfastly developed clear, distinct strategies customized for each phase, with a commitment to achieving long-term goals.

With a solid foundation, rich heritage, and adherence to a sustainable, prudent, and effective growth strategy, our Bank continuously enhances its management capacity to meet international standards and adopt best practices. We are proud to celebrate numerous achievements at the 30-year milestone.

As of December 31, 2023, total assets exceeded VND 630,500 billion, marking a 16% year-on-year increase. Regulatory capital reached over VND 70,268 billion. Total customer deposits amounted to VND 497,417 billion. Total outstanding loans stood at VND 455,718 billion, primarily financing key manufacturing and business sectors in line with the Government and SBV policies.

The Bank's B1 credit rating, maintained by the credit rating agency Moody's, demonstrates its effectiveness, prudence and stability in such a volatile market.

Asserting its position as one of the top financial institutions, SHB enforces rigorous risk management policies. The capital adequacy ratio and risk management ratios have consistently exceeded SBV thresholds, and our liquidity risk management complies with Basel II and Basel III standards.

In 2023, SHB achieved a 10% growth in total operating income, reaching VND 21,328 billion compared to 2022. Pre-tax profit totaled VND 9,239 billion. With an impressive Cost to Income Ratio (CIR) of 23.7%, SHB demonstrated industry-leading cost management. The dividend yield for 2023 is set at 16%, with 5% in cash and 11% in stocks.

SHB successfully implemented the Employee Stock Option Program (ESOP) in 2022 and stock dividend yield in 2023 at 18%, raising the charter capital to VND 36,629 billion and solidifying its position among the Top 4 private commercial banks. In July 2023, SHB shares were included in the VN30 index, further enhancing its prominence in the stock market.

In the same year, SHB successfully transferred 50% of SHBFinance's capital to Ayudhya Public Bank Limited (Krungsri) of Thailand, with plans to complete the remaining transfer over the next three years. This transaction significantly bolstered our financial capabilities to expand business in strategic sectors and supplement the capital buffer.

SHB is proceeding with capital transfer plans for Saigon - Hanoi Laos Bank Limited (SHB Laos) and Saigon - Hanoi Cambodia Bank Limited (SHB Cambodia). At present, an investor has submitted

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BUILDING ON THE REMARKABLE SUCCESSES ON THE 30TH ANNIVERSARY, SHB CONTINUES ITS JOURNEY OF INNOVATION – RESPONSIBILITY – EFFICIENCY, SOLIDIFYING THE POSITION AS THE LEADING FINANCIAL INSTITUTION AND PURSUING REGIONAL AND GLOBAL EXPANSION.

a proposal to acquire the entirety of shares in SHB Laos. Both parties are diligently working to finalize the necessary procedures.

SHB has been a trusted partner to numerous development financial institutions, including the World Bank, IFC, ADB, and KfW. Last year, SHB signed a Memorandum of Understanding with Busan Bank of Korea's BNK Finance Group, establishing comprehensive partnerships focused on corporate banking growth, digital banking, and investment banking. Domestically, SHB has entered into strategic cooperation agreements with major corporations, government bodies, and business associations that possess extensive ecosystems and high-value supply chains.

In line with the policies of the Government and the State Bank of Vietnam (SBV), SHB has implemented numerous effective and timely actions to support businesses and individuals in recovering from challenging periods. The Bank introduced several lending programs totaling tens of thousands of billions of VND, offering favorable interest rates for new clients and reduced rates for existing ones. Additionally, substantial non-financial initiatives were deployed to facilitate business recovery. In 2023, SHB allocated over VND 87 billion to support vulnerable individuals, honor revolution contributors, and promote national health, education, culture, and sports, thereby enhancing social well-being.

The establishment of 5 new branches and 25 transaction offices increases the total number of domestic and international transaction points to 571. SHB's extensive network promptly meets customers' financial service needs, connects economic sectors, creates jobs, and contributes to the growth of the local economy and State budget, especially in mountainous and rural areas.

In recognition of our significant contributions to economic development and outstanding achievements in social security, SHB was honored with the Third-Class Labor Medal by the State President at its 30th anniversary, marking another milestone in the Bank's history. Prestigious domestic and international organizations also awarded SHB several key honors, including Best ESG Impact in Vietnam, Outstanding Bank for the Community, Domestic Social Impact Finance Initiative of the

Year, Best SMEs Bank, and Top 50 Innovative and Effective Businesses in Vietnam.

Building on the remarkable successes on the 30th anniversary, SHB continues its journey of Innovation – Responsibility – Efficiency, solidifying the position as the leading financial institution and pursuing regional expansion.

In 2024, the world is about to undergo unpredictable twists and turns. Domestically, Vietnam's economy remains in the recovery phase, marked by a blend of challenges and opportunities. As a Bank adept at channeling finance into vital economic sectors and aligning with the nation's progress, SHB is embarking on a new phase with renewed mindset and strength.

Building on the momentum of 2023, SHB is dedicating resources to implement a robust and comprehensive Transformation Strategy based on four pillars: **Institutional reform, encompassing policies, regulations, and processes; People-centricity; Customer and Market-centricity; and IT platforms modernization and digital transformation.** Our Bank remains committed to its six core cultural values: **"Heart - Faith - Trustworthiness - Knowledge - Wisdom - Greater Heights"**.

To realize this determination, SHB's Board of Directors approved the establishment of a Transformation Division, led by senior international experts in banking and finance, and endorsed the Transformation Strategy for 2024-2028.

SHB has set its strategic objectives: to become The most efficient bank; The preferred digital bank; The leading retail bank and The premier provider of financial services to strategic corporate customers with a green supply chain and ecosystem.

Starting from 2024, significant changes will be implemented across target customer segments, front office capabilities, service delivery, technology and infrastructure, and modern and effective risk management. The Transformation Strategy is structured around a specific roadmap consisting of three phases: Phase 1 from 2024 to 2025 focuses on establishing foundational capabilities; Phase 2 from 2026 to 2027

emphasizes accelerating growth; Phase 3 in 2028 aims to achieve breakthroughs in efficiency and sustainability.

SHB continues its dedication to supporting the community and society through environmental protection initiatives, promoting green growth, sustainable economic development, and the country's circular economy in line with the Government's strategy for renewable energy development by 2050. Additionally, we actively participate in philanthropic endeavors to aid the disadvantaged and the vulnerable.

In 2024, a pivotal year for SHB's Transformation Strategy, our objectives include: Achieving total assets exceeding VND 701,000 billion; Increasing charter capital by 12% to VND 40,658 billion; Maintaining a non-performing loan (NPL) ratio below 3%; Achieving a 14% credit growth rate in compliance with the SBV's approval; Aligning total customer deposits with the approved credit growth; Targeting a 22% increase in pre-tax profit to VND 11,286 billion; Setting dividend yield rate at 18%.

Drawing on a 30-year legacy and a strong financial foundation, the Board of Directors, the Board of Management, and all SHB staff uphold values of solidarity, responsibility, innovation, creativity, and determination. We are dedicated to achieving strategic goals and business plans approved by the General Meeting of Shareholders. Our commitment lies in serving the interests of customers, shareholders, investors, and all SHB staff, contributing to a resilient and prosperous Vietnam.

Yours sincerely,

Chairman of the Board of Directors



Do Quang Hien