PUBLIC DISCLOSURE ON CAPITAL ADEQUACY RATIO

(In accordance with Circular 41/2016/TT-NHNN dated 30/12/2016 and related amendment documents)

As of 30th June 2026

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I. INTRODUCTION

Shinhan Bank Vietnam Limited ("the Bank") is a one-member limited liability bank established by Shinhan Bank Korea and incorporated in the Socialist Republic of Vietnam. The Bank is established in Socialist Republic of Vietnam under Operation License No. 106/GP-NHNN issued by the State Bank of Vietnam ("SBV") on 17 December 2019, replacing the Establishment and Operation License No.341/GP-NHNN on 29 December 2008 and Business Registration Certificate No. 0309103635, last amended on 04 April 2022, issued by Department of Planning and Investment of Ho Chi Minh City. The operation duration of the Bank is 99 years from date of license.

The principal operations of the Bank are to mobilize short, medium and long-term funds in the forms of term deposits, demand deposits; to receive entrusted investment and development funds from domestic credit institutions; to borrow from other financial institutions; to grant short, medium and long-term loans; to contribute capital, to invest in joint-ventures, to trade bonds and to trade foreign currencies in accordance with laws; and to provide other banking services.

Risk management and ensuring capital adequacy have always been one of the top focuses in the Bank's operations. After Circular 41/2016/TT-NHNN ("Circular 41") stipulating capital adequacy ratio for banks and foreign bank branches was issued on December 30th, 2016, the Bank has focused on improving the risk management policies, system and data to meet the conditions for early application of the Circular on October 1, 2019.

Under Circular 41, all commercial banks and foreign bank branches must maintain a minimum capital adequacy ratio of 8%.

II. SCOPE OF CAPITAL ADEQUACY RATIO CALCULATION

1. Qualitative Content

According to regulations on financial reporting for credit institutions and foreign bank branches, the following entities are subject to consolidation and non-consolidation of the Bank:

- Subsidiaries: *not existed*
- Affiliated companies: *not existed*
- Exempt companies (insurance companies): *not existed*

The Bank, consisting of no subsidiaries or affiliated companies, shall only be subject to minimum capital adequacy ratio based on its financial statements.

2. Quantitative Content

Amount of investment in a subsidiary which is an insurance business enterprise: *not incurred.*

III. CAPITAL STRUCTURE

1. Qualitative Content

The Bank's own capital consists mainly of contributed capital from Shinhan Bank of Korea ("The Owner") and retained earnings from initial investment in Vietnam until now. As of 30th June 2026, the Bank has not issued any hybrid instruments.

2. Quantitative Content

The following table presents the Bank's capital components.

Table 01 – Own Capital

Unit of currency: Million VND

No.	Criteria	Amount *(30/06/2026)*
a	Tier-1 Capital	40,683,914
b	Tier-2 Capital	1,002,869
c	Items deducted from Capital	-
d	Own Capital (d = a + b - c)	**41,686,783**

IV. CAPITAL ADEQUACY RATIO

1. Qualitative Content

(a) Procedure of capital adequacy ratio calculation

The Bank has issued internal policies and guidelines on calculating and managing capital adequacy ratio, detailing responsibilities and authorities of each stakeholder on data registering, data cleansing, calculating, monitoring, auditing & reporting on capital adequacy ratio, as well as setting up warning limits and action plans.

In 2013, with The Owner's supports, the Bank developed Risk Data Mart to perform risk management according to Basel II standards.

In 2019, the Bank upgraded system and fully implement the requirements for calculating capital adequacy ratio as prescribed in Circular 41. Based on an integrated database from core banking and market data, the system creates an automated process of calculating capital adequacy ratio.

(b) Capital planning to ensure capital adequacy ratio

After setting target capital adequacy ratio for next 3 years, the Bank shall annually assess the business and legal environment to make appropriate adjustment. The Bank's business and capital planning shall be closely linked to the established target capital adequacy ratio.

2. Quantitative Content

Table 02 – Risk Weighted Assets & Capital Adequacy Ratio

Unit of currency: Million VND

Criteria	Amount *(30/06/2026)*
Credit risk weighted asset, in which:	176,931,108
Credit risk	*176,365,125*
Counterparty credit risk	*565,983*
Capital requirement for operational risk	1,895,132
Capital requirement for market risk	60,576
Tier-1 capital ratio (%)	20.20
Capital adequacy ratio (%)	**20.70**

V. CREDIT RISK

Credit risk includes:

"Customer Credit risk" refers the risk that customers do not perform or are unable to partially/fully perform the loan repayment obligations under contracts/agreements with the Bank. In which, customers are individuals, legal entities (including credit institutions, foreign bank branches) have relations with the Bank in credit, deposit.

"Counterparty credit risk" refers the risk that the counterparty does not perform or is unable to partially/fully perform its payment obligations before or in the due date of its proprietary, repo, and reverse repo transactions; trading of derivative products for hedging risks; FX trading, gold trading, financial asset trading to serve the customers and counterparties' demand, and their offsetting transactions. Counterparties are individuals, credit institutions, branches of foreign banks, and other legal entities that conduct transactions with the Bank, including proprietary trading; repurchase and reverse repurchase transactions; derivative product transactions for risk hedging; foreign exchange, gold, and financial asset trading transactions for the purpose of serving the needs of customers and partners, and transactions to offset these transactions.

1. Qualitative Content

(a) Credit Risk Management policy

The Bank's credit risk management policy is issued and periodically reviewed/updated to ensure credit risk management is adhered throughout the process of approaching, assessment, approval and post disbursement management to comply with regulations of SBV and relevant laws.

❖ **Credit risk management principles**

i) Risk and profit shall be balanced. When there is conflict in the pursuit of balancing risk and profitability, mitigating risk shall take priority;

ii) The Bank shall attempt to improve bank-wide RAROC (Risk adjusted Returns on Capital) through the management of expected loss and unexpected loss; and

iii) For all transactions which may have potential credit risk, the Bank shall attempt to quantify credit risk, establish limits together with other appropriate actions.

❖ **Credit risk management strategy**

The Bank manages asset soundness by applying separate limits on non-performing loan ratio and non-performing credit ratio for each product, customer type, as well as each

industry; profit, annual growth in lending activities in order to promptly control and maintain the quality of assets as required.

In addition, the Bank determines credit risk premium by charging interest rates according to the customer's creditworthiness and credit enhancement measures.

❖ **Credit risk management structure**

Similar to operational risk, market risk, and other major risks, credit risk management is organized as following.

i) *Senior management's supervision:*

- Members' Council: To promulgate regulations, policies and risk appetites on credit risk management within the authority of the Members' Council complying with the Bank's Charter and provisions of related laws.
- Risk Management Committee: To assist and advise the Members' Council in credit risk management.
- Board of Controllers: To oversee the Internal Audit Department in performing internal audit for credit risk management.
- General Director: To promulgate credit risk limits according to the Bank's strategic plans and risk appetites as well as oversee the execution of strategies, policies, resolutions and decisions set forth by Members' Council.
- Risk Committee: To assist General Director in matters related to credit risk.
- Risk Settlement Committee: To approve and decide on matters related to loan classification, setting up provisions, use of provisions against credit risk and recovery measures for charged-off debts.

ii) *Business units, related management departments:* are organized as 03 defensive lines as following:

- *First line of defense:* All departments and branches that hold assets related to credit risk, generate revenue and take risk-based decisions will bear the primary responsibility.
- *Second line of defense:* Risk Management Division, and Legal & Compliance Division are functioned as second line in credit risk management.
    - Propose to build up and revise Credit policy, Credit risk management policies as needed;
    - Advise senior management on issues related to credit risk management;
    - Develop, validate, and upgrade credit risk assessment framework and model in a timely manner;

- Maintain and enhance the Early Warning System to detect deteriorating customer repayment capabilities for timely resolutions, while continuously managing and monitoring credit risk limits, ect.

- *Third line of defense:* Internal audit department examines the compliance of credit policies, credit risk management policies to detect frauds, technical errors; and request corrections and/or policy amendments.

❖ **Internal credit rating system**

The system has been built up to quantify criteria for assessing the likelihood of customers' default on their repayment obligations, including macro socio-economic factors and business environment. The internal credit rating system not only evaluates creditworthiness of customers before making any credit decision but also periodically after loan disbursement in order to control asset soundness, debt classification, and timely take measures to handle bad credits.

(b) List of eligible independent credit rating agencies for calculating the capital adequacy ratio

The Bank is using independent credit ratings of the following eligible organizations: Standard & Poor, Moody's and Fitch Ratings.

(c) List of qualified credit risk mitigations: Collaterals, Guarantee, On Balance- Sheet Netting and Credit Derivatives

Table 03 – List of qualified credit risk mitigations

No.	Credit risk mitigations
1	Collaterals - *Cash, valuable papers, passbooks issued by credit institutions or foreign bank branches*
2	On Balance-sheet Netting
3	Guarantee
4	Credit Derivatives - *Credit insurance policy*

2. Quantitative Content

❖ **Customer credit risk weighted assets by eligible independent credit rating agencies as following.**

Table 04 – Customer credit risk weighted assets

(By independent credit rating agency)

Unit of currency: Million VND

By Credit Ratings		Risk Weight	Amount (30/06/2026)		
			Fitch Rating	S&P	Moody's
Claims on countries' governments or central banks, non-central government public sector entities (PSEs) or local governments					
AAA ~ AA-		0%	-	-	-
A+ ~ A-		20%	-	-	-
BBB+ ~ BBB-		50%	-	-	-
BB+ ~ B-		100%	-	-	-
Under B or unrated		150%	-	-	-
Claims on foreign financial institutions *(including foreign bank branches operating in Vietnam)*					
AAA ~ AA-		20%	-	766,939	263,409
A+ ~ BBB-		50%	4,687,898	14,839,886	2,305,956
BB+ ~ B-		100%	4,962	-	-
Under B or unrated		150%			18,116
Claims on domestic credit institutions					
Claims with original terms ≥ 3 months	AAA ~ AA-	20%	-	-	-
	A+ ~ BBB-	50%	-	-	-
	BB+ ~ BB-	80%	-	-	7,748,209
	B+ ~ B-	100%	-	-	2,224,225
	Under B or unrated	150%			711,718
Claims with original terms < 3 months	AAA ~ AA-	10%	-	-	-
	A+ ~ BBB-	20%	-	-	-
	BB+ ~ BB-	40%	336,520	-	1,658,480
	B+ ~ B-	50%	-	-	195,053
	Under B or unrated	70%			1,148,078
Total					**36,909,449**

❖ **Customer credit risk weighted assets by claims type**

Table 05 - Customer credit risk weighted assets

(By claims type)

Unit of currency: Million VND

No.	Criteria	Amount *(30/06/2026)*
1	Claims on Vietnam Government, SBV, State Treasury, policy banks	-
2	Claims on foreign financial institutions	12,697,279
3	Claims on foreign bank branches operating in Vietnam	10,189,887
4	Claims on domestic credit institutions	14,022,283
5	Claims on corporate loans	62,614,255
6	Claims on real estate backed loan	5,231,851
7	Claims on home mortgage loan	339,173
8	Claims on regulatory retail credits	69,142,057
9	Claims on NPL	790,722
10	Other assets	1,337,618
Total customer credit risk weighted assets		**176,365,125**

❖ **Customer credit risk weighted assets by industry**

Table 06 - Customer credit risk weighted assets

(By industry)

Unit of currency: Million VND

No.	Industry	Amount *(30/06/2026)*
1	Mining	109,001
2	Agriculture, Forestry & Fishing	377,477
3	Hotel & Restaurant	531,351
4	Transportation and Warehouse	4,119,559
5	Wholesale and Retail	7,030,872
6	Construction, Real Estate	2,136,877
7	Service	9,523,003
8	Manufacturing (Heavy industry)	21,137,990
9	Manufacturing (Light industry)	17,717,842
10	Individuals	69,481,230
11	Finance and Banking	41,387,356
12	Others	2,812,567
Total customer credit risk weighted assets		**176,365,125**

❖ **Customer credit risk weighted assets (including On-Balance Sheet & Off-Balance Sheet) before and after applying credit risk mitigation ("CRM") measures**

Table 07 - Credit risk weighted assets

(Before and after credit risk mitigations)

Unit of currency: Million VND

(30/06/2026)

Total customer credit risk weighted assets before CRM	CRM measures				Total customer credit risk weighted assets after CRM
	Collateral	*On Balance-sheet Netting*	*Guarantee*	*Credit Derivatives*	
190,629,432	11,950,385	-	2,272,292	41,629	**176,365,125**

❖ **Counterparty credit risk weighted asset**

Table 08 – Counterparty credit risk weighted assets

Unit of currency: Million VND

No.	Criteria	Amount (30/06/2026)
1	Derivatives	565,983
Total counterparty credit risk weighted assets		**565,983**

❖ **Counterparty credit risk weighted assets before and after applying credit risk mitigation ("CRM") measures.**

Table 09 – Counterparty credit risk weighted assets

(Before and after credit risk mitigations)

Unit of currency: Million VND

(30/06/2026)

Total Counterparty credit risk weighted assets before CRM	CRM measures				Total Counterparty credit risk weighted assets after CRM
	Collateral	*On Balance-sheet Netting*	*Guarantee*	*Credit Derivatives*	
565,983	-	-	-	-	**565,983**

VI. OPERATIONAL RISK

"Operational risk" refers to the risk arising from inadequate or faulty of internal mechanisms, policies, procedures, regulations; human factors; system errors; external factors. Operational risk includes legal risk but excludes reputation risk and strategy risk.

1. Qualitative Content

(a) Operational risk management policy

The Bank's operational risk management policy is issued and regularly reviewed, revised to ensure that operational risks are controlled and managed strictly, in accordance with management principle and strategy mentioned below.

❖ **Operational risk management principles**

Operational risk shall be managed under the following principles:

i) The amount of loss arising from operational risk and the frequency of incidents shall be considered;

ii) Those events which rarely occur but have huge impact shall be noted;

iii) Any changes to business environments and internal management shall be considered;

iv) Operational risk shall be managed with a focus on prevention through systematic data collection and analysis; and

v) Risk awareness shall be emphasized through employee trainings and campaigns aiming to reduce operational risk.

❖ **Operational risk management strategy**

i) Comply with principles of operational risk management aforementioned;

ii) Develop and comply with standard guidelines in using outsourcing activities, purchasing insurance, and applying technology, including identifying, assessing, and monitoring risks arising from third parties; and

iii) Establish and test the Business Continuity Plan.

❖ **Operational risk management framework**

Besides outlining principle and strategy, the Bank's operational risk management policy also covers the followings:

i) Establish and monitor operational risk limits, which consist of financial loss limits based on 06 business groups, and non-financial loss limits (including prestige, reputation, and incurred legal liabilities);

ii) Fully identify operational risks in every product, business activity, business process, information technology systems and other management systems;

iii) Measure and monitor operational risk through collecting, quantifying, and analyzing loss data compiled by internal & external audit, in conjunction with other suitable methods;

iv) Managing operational risk in compliance with following guiding principles: (1) tolerating unavoidable or acceptable risks; (2) transferring risk to third parties through outsourcing or insurance instruments when risk exceeding acceptable range; (3) controlling operational risk by reducing frequency or impact; and (4) avoiding risks by suspending or restricting a number of related activities;

v) Managing operational risks for new products, new markets, outsourcing and operational risk management in technology applications; and

vi) Business continuity plan, etc.

(b) Business Continuity Plan

The Bank establish and test business continuity plan that is appropriate with operational risk management strategy. Business continuity plan shall meet the following minimum requirements:

i) Clearly define the authority to activate the business continuity plan and the roles and responsibilities of individuals and departments involved in its implementation;

ii) Conformity with characteristic, operational size of the Bank;

iii) Identify critical activities, products, services, and business processes that need to be prioritized for maintenance;

iv) A stand-by system of human resources, alternative work locations, information systems, and essential infrastructure;

v) Ensure timely and effective coordination and information exchange internally and with regulatory authorities, customers, and key partners in the event of disruption;

vi) Measures are taken to minimize losses and adverse impacts from incidents or outages;

vii) Operation is resumed to the business as usual status within the required time limit;

viii) Undergo periodic review, testing, or drills at least annually or whenever there are material changes in the operating environment, technology, or organization to assess the effectiveness of the business continuity plan and make adjustments (if necessary).

2. Quantitative Content

Table 10: Required Capital for Operational risk

Unit of currency: Million VND

(30/06/2026)

Term (last 12 quarters)	Business Indicator											
	IC = |Interest Income – Interest Expense|		SC = ∑ (Income from services/other, Expenses for services/others)				FC = ∑|Net gain/loss from FX trading. trading of Trading & Investment Securities|			Business Indicator (IC + SC +FC)	Alpha	Required capital for Operational Risk
	Interest incomes	*Interest expenses*	*Income from services*	*Expense for services*	*Other incomes*	*Other expenses*	*|Net gains/losses from FX trading|*	*|Net gains/ losses from trading of Trading Securities|*	*|Net gains/losses from trading of Investment Securities|*			
04 primary quarters	11,972,965	3,495,807	1,065,640	670,631	970,983	897,211	769,962	-	36,201		**12,887,784**	15%	**1,933,168**
04 following quarters	12,241,126	4,138,067	919,965	645,587	907,726	835,697	843,488	-	86,939		**12,342,462**	15%	**1,851,369**
04 last quarters	13,856,772	5,832,355	1,090,120	777,862	964,288	832,172	778,467	-	205,066		**12,672,392**	15%	**1,900,859**
Total required capital for Operational Risk											**1,895,132**		

VII. MARKET RISK

"Market risk" refers to the risk that may arise due to an adverse fluctuation in interest rates, gold prices, stock prices and commodity prices in the market. Market risk includes interest rate risk, foreign exchange risk, stock price risk and commodity price risk.

1. Qualitative Content

(a) Market risk management policy

The Bank's market risk management policy is issued and regularly reviewed, revised to ensure that market risks are well recognized, measured, monitored and closely managed.

❖ **Market risk management strategy**

The Bank has developed market risk management strategy and periodically updated, adjusted timely when there is a change in business/legal environment to achieve risk management goals:

i) Market risk position in trading book should be subject to hedging measures;

ii) Comply with principles of market risk management in normal condition, stress condition regarding securities price, commodity price, exchange rate, gold price, interest rate in accordance with internal guidelines; and

iii) Applying market risk hedging measures, including:

- ✓ Monitoring and controlling the limits approved by General Director;
- ✓ Conducting FX dealing for the purpose of hedging in asset and liability;
- ✓ The Bank may perform FX dealing at the request of its customers. However, it should take a back-to-back transaction to close any open FX position.

❖ **Market risk management framework**

i) The responsible parties for market risk management include the senior management performing supervisory functions, the departments and business units which are divided by functions and roles according to the internal control systems, including 03 defensive lines:

- ✓ First defensive line: business units bear the primary responsibility for market risk management;
- ✓ Second defensive line: Risk Management Division shall conduct specialized management to market risk;

- ✓ Third defensive line: Internal Audit Department shall perform assigned responsibilities consistent with internal control guideline and internal audit guideline.

ii) Market risk is managed by establishing and monitoring the implementation of market risk limits; including capital charge for market risk, interest rate risk limit, FX position limit, etc.

iii) A comprehensive guidance on market risk management consists of policies, processes and regulations, which outlines framework, principles and methodologies are issued, reviewed, updated, and shared among related units.

iv) The measurement of market risk is performed by a department independent from the business units; equipped with adequate IT infrastructure and database access. In addition, the Bank delegates individual approval authority, implements measures to hedge market risks.

v) Monitoring and reporting on market risk are carried out regularly through limit warning system and periodic reports (daily/monthly/quarterly) in order to promptly alert business units and senior management.

(b) Proprietary trading strategy

i) Proprietary trading strategy - Currencies: Based on internal regulations, the Bank may undertake foreign exchange transactions under customers' request. In principle, the Bank must perform back-to-back transactions to close foreign exchange positions. However, based on the actual situation or liquidity need, the head of Global Trading Center may decide to keep the foreign exchange position within the acceptable limits from time to time.

ii) Proprietary trading strategy - Derivatives: *the Bank currently incurred no proprietary trading on derivative products.*

iii) Proprietary trading strategy - Valuable papers: *the Bank currently incurred no proprietary trading on valuable papers.*

(c) Trading book portfolio

The Bank's trading book consists of the following.

i) Foreign exchange transactions: to facilitate the demand of customers and counterparties, together with their offsetting transactions.

ii) Derivatives transactions: to facilitate the demand of customers and counterparties, together with their offsetting transactions.

2. Quantitative Content

Table 11 - Required capital for Market risk

Unit of currency: Million VND

No	Criteria	Required Capital *(30/06/2026)*
01	Charged for interest rate risk	9,293
02	Charged for foreign exchange risk	51,283
03	Charged for share price risk	-
04	Charged for commodity price risk	-
05	Charged for options risk	-
Total		**60,576**

We hereby confirm that the information provided herein is accurate and take all legal responsibilities regard to contents of the public diclosure.

Ho Chi Minh City, 30th September 2026

Shinhan Bank Vietnam Limited

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