



SUSTAINABLE  
DEVELOPMENT REPORT

2023

CREATING  
SUSTAINABLE  
VALUES





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THE CHAIRWOMAN  
OF THE SUSTAINABLE  
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# MESSAGE FROM THE CHAIRWOMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE



*Dear valued Shareholders, Customers, Partners and all Employees of MSB,*

With a commitment to assist the Government of Vietnam in achieving “net-zero emissions” by 2050, we always strive to operate our business in a manner that ensures the healthy and sustainable growth of a credit institution. Our primary goal is to be customer-centric, deliver benefits to shareholders, and uphold the principle of “humanity” in our contributions to community responsibility. The bank is progressively establishing a sustainable development strategy that completely considers ESG (Environmental, Social, and Governance) aspects, thereby transforming challenges into opportunities for “a more convenient and beneficial life” for all stakeholders.

The year 2023 presented a turbulent economic landscape, characterized by a complicated and uncertain global scenario. Challenges and difficulties surpassed the opportunities and benefits, leading to escalating dangers in the realms of economics, politics, and society. Moreover, the COVID-19 pandemic’s long-lasting aftermath, global geopolitical conflicts, and a decline in trade and investment, which threatened inflation and hindered the world economy’s recovery, continued to have a significant impact on a global scale. In 2023, the global economy saw seismic disruptions, incidents involving major economic organizations, an energy crisis, and a rising trend in interest rates. These factors had a significant influence on international capital sources, investment trends, and the shifting of supply chains.

Despite the potential negative impacts, Vietnam’s economy has remained resilient and has been considered a positive aspect of the overall economic landscape. The annual economic growth rate reached 5.05%, placing it among the highest rates in the region and globally. While inflation and governmental debt were under control, the currency and foreign exchange markets exhibited relative stability. The long-term national credit rating of our country has been upgraded to BB+ (from BB) by Fitch Ratings, with a Stable outlook in regards to the prospects of our economy. In this difficult environment, MSB has maintained its commitment to generating value for society, shareholders, and customers while simultaneously guaranteeing that stakeholders receive our comprehensive assistance in achieving sustainable growth objectives. Our objective is to establish ourselves as a transformation supporter for our customers and partners, encompassing business model transformation, financial structure transformation, and particularly, green transformation in business operations. This will, as a result, improve MSB’s position as a sustainability partner for stakeholders and generate value.

For the next several years, we have identified three key areas of focus in our development orientation that significantly influence the ESG aspects of sustainable development.

- Embedding sustainable development into the bank’s business operations is our strategic objective. MSB’s objective is to ensure that all customer segments receive banking products and services, with a particular emphasis on assisting micro-enterprises, small and medium-sized enterprises, and individual customers in achieving finance inclusion. Given responsible for capital transfer both domestically and internationally, we anticipate that MSB can help our partners and customers adapt and participate in the “green” and “sustainable” trend by providing sustainable financial solutions, which will reduce net carbon emissions and guarantee ecological and social goals.
- Regarding its operational activities, MSB prioritizes enhancing compliance standards, investing in human resources, and aligning its daily operations with environmental preservation and anti climate change action. We recognize that the talented personnel working for MSB are essential in fulfilling the bank’s mission. MSB adheres to the idea of being a “bank with happy human resources” and affirms its position as a conscientious employer. MSB aims to foster a working environment that provides equal opportunities for individuals, regardless of their gender, background, or other factors, and motivates them to discover the best of their ability. We aspire to become a highly desirable employer and pioneer in achieving our “net-zero emissions” goal.
- Our ultimate objective is to positively influence local economies and communities by facilitating development, enhancing access to knowledge and healthcare, and fostering prosperity for future generations. Furthermore, we dedicate ourselves to forging long-lasting partnerships with local organizations, focusing on health, education, livelihoods, and the environment, for philanthropic endeavors.

In 2024, we will strive to integrate sustainable development criteria (e.g., ESG) into our operating processes more effectively, as well as adjust our capital and asset structure to align with the growing emphasis on “green” and “sustainable development” criteria. In addition, we will also invest in developing products and services, and expand our customer base by catering to the increasing demand for sustainable options. We consider the challenges associated with transitioning to a “green” approach as opportunities for growth; throughout this process, we will prioritize compliance and transparency in our business management practices. We shall persist in fulfilling our chosen mission and dedicate ourselves to optimizing operational effectiveness in order to fortify MSB, provide enduring value for stakeholders, uphold social values, and enhance our environmental sustainability.

May you be blessed with success, happiness, and excellent health.

Sincerely thanks,

**NGUYỄN THỊ THIÊN HƯƠNG**

**Member of MSB Board of Directors**

**Chairwoman of the Sustainable Development Committee**

## OVERVIEW

The MSB's 2023 Sustainable Development Report highlights the bank's business activities that create the positive economic impact, growth and also generate environmental effects, add value to society and community. The report examines risk management aspects, the transformation process of restructuring the capital resources and assets toward green finance/sustainable finance, and the creation of MSB's future operating model while taking into account sustainable development elements.

This report serves as a means for MSB to demonstrate governance transparency to stakeholders and interested parties on the bank's transformation journey as we implement sustainability initiatives according to international standards in our business operations by 2023.

To ensure comprehensive information and completeness regarding the bank's overall performance, this document should be examined in conjunction with MSB's 2023 Annual Report. The data and information contained in this report are applicable to the period from January 1st, 2023, to December 31st, 2023.

The MSB's 2023 Sustainable Development Report was generated by applying the GRI 2021 standards. The report outlines MSB's 2023 initiatives aimed at achieving the 17 Sustainable Development Goals set by the United Nations. MSB's operational reporting scope includes 1 head office, 263 branches and transaction offices in 51 provinces and cities across the country, as well as a subsidiary (TNEX Finance Company Limited).

The report is determined according to the following principles:

**Principles for determining report content:**

- Context of sustainable development
- Materiality
- Comprehensiveness
- Stakeholder engagement

**Principles for report quality determination:**

- Precision
- Balance
- Clarity
- Comparison
- Trust
- Update

Concerning Sustainable Development, please kindly send your inquiries or remarks to the following address:

**Investor Relations Department**

Email: [ir@msb.com.vn](mailto:ir@msb.com.vn)

Telephone: (024) 3771 8989

Address: 29th Floor, TNR Building, 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi.

## MSB AT A GLANCE



### Trade name:

- Official name in Vietnamese: **NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN HÀNG HẢI VIỆT NAM**
- International name: **VIETNAM MARITIME COMMERCIAL JOINT STOCK BANK**
- Trade name: MSB
- Abbreviated name: MSB



### Enterprise Registration Certificate:

No. 0200124891 issued by the Department of Planning and Investment in Hanoi for the first time on July 1<sup>st</sup>, 2005 (originally Business Registration Certificate No. 055501 issued by the Economic Arbitrator (now known as Department Planning and Investment) in Hai Phong on March 10<sup>th</sup>, 1992); and amended for the 26<sup>th</sup> time on January 13<sup>th</sup>, 2023.



### Charter capital:

- **VND 20,000,000,000,000**
- In word: Twenty trillion Vietnamese Dongs



Stock symbol: **MSB**



### Network:

As at December 31<sup>st</sup>, 2023, MSB had 01 Head Office, 263 branches and transaction offices in 51 provinces and cities nationwide.



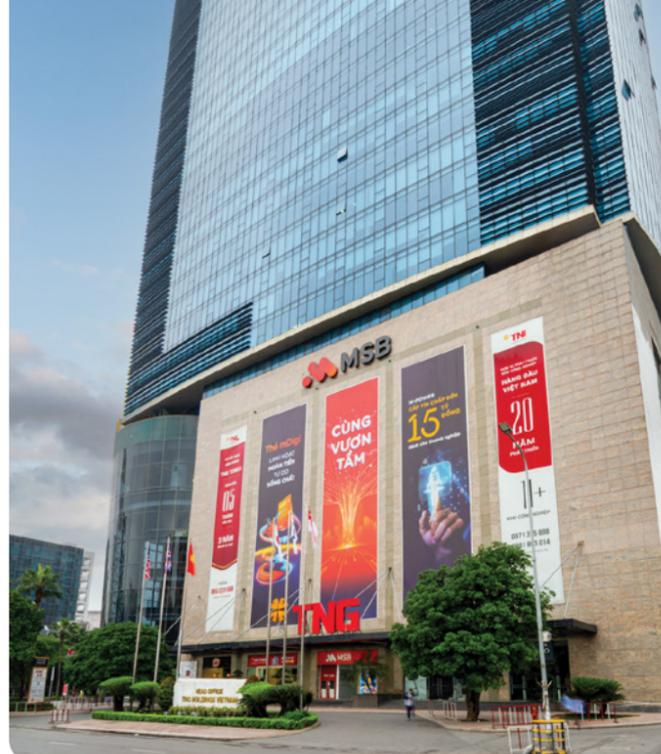
### Business lines:

Currency trading, credit, and financial, currency and banking services.



### Head Office address:

- 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam.
- Telephone: (024) 3771 8989
- Fax: (024) 3771 8899
- Website: [www.msb.com.vn](http://www.msb.com.vn)



### Subsidiaries

#### TNEX Finance Company Limited (TNEX Finance)

- Address: Technical Floor of Thang Long Office Building – Thang Long Tower, 98 Nguy Nhu Kon Tum Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi City, Vietnam
- Telephone: (84-24) 3259 5063
- Registered charter capital: VND 500,000,000,000
- MSB's ownership ratio: 100%
- Business lines: Funding mobilization, credit granting, and other activities

### Main business line

- Funding mobilization: Current account, term deposits, savings deposits, and other types of deposits
- Issuance of certificates of deposit, promissory notes, treasury bills, and bonds to mobilize domestic and foreign capital
- Credit facility in the following forms: Loans; discounts; rediscount of negotiable instruments and other valuable papers; Bank guarantees; Credit card issuance; Domestic payment guarantee; International payment guarantee for banks licensed to make international payments; Other forms of credit facilities, upon approval by the State Bank of Vietnam (SBV)
- Payment account opening for customers
- Provision of payment facilities
- Provision of payment services



## KEY FINANCIAL INDICATORS OF MSB IN 2023

### TOTAL ASSETS:

**267,006**  
billion VND  
(2022: 212,775 billion VND)

### CHARTER CAPITAL:

**20,000**  
billion VND

### OWNER'S EQUITY:

**31,298**  
billion VND  
(2022: 26,653 billion VND)

### TOTAL OPERATING INCOME:

**12,259**  
billion VND  
(2022: 10,694 billion VND)

### PROFIT BEFORE TAX:

**5,830**  
billion VND  
(2022: 5,787 billion VND)

### ROAE:

**15.56%**

### OPERATING EXPENSES:

**4,812**  
billion VND  
(2022: 4,427 billion VND)

### CASA/ DEPOSITS RATIO:

**26.54%**  
(2022: 36%)

### PROFIT AFTER TAX:

**4,644**  
billion VND  
(2022: 4,616 billion VND)

### CAR:

**12.76%**  
(2022: 12.31%)

### NPL:

**2%**  
(2022: 1.24%)

## MSB'S SUSTAINABLE DEVELOPMENT ACTIVITIES

### MSB'S SUSTAINABLE DEVELOPMENT ORIENTATION

The short-term development orientation of MSB is as follows:

#### • Economic goals:

+ Leading in developing banking products and services that provide customers with "benefits and convenience," promote digitalization, increase product value, and rise to the top of Vietnam's joint stock banks.

+ Promote sustainable profit growth and ensure the benefits of shareholders and investors towards the target of US\$12 billion in capitalization.

+ Reach US\$1 billion target in pre-tax profit by 2027.

#### • Environmental goals:

+ Progressively decrease carbon emissions from the bank's daily operations, with the goal of ultimately lowering emissions from its loan portfolio, moving towards achieving a net carbon emission target of zero by 2050, in line with Vietnam Government commitment.

+ Become effective "green capital" channel, support the "greening" process with MSB's customer and partner files, and ensure that lending principles are in accordance with international standards that consider environmental and social hazards.

+ Aim to establish climate-neutral suppliers portfolio.

+ Promote programs and activities to raise awareness among employees and the community about environmental protection and anti climate change.

#### • Social goals:

+ For customers and partners: Create and develop products and services linked to social criteria, promote financial inclusion activities (support women-entrepreneurship, assist micro businesses/customers, with a particular focus on supporting clients in health, educational sectors etc.).

+ For the employees:

Ensure the ongoing supporting activities: promote and nurture the well-being and morale of employees and their families, continue being a "happy bank" and a "bank with happy human resources."

Guarantee a high standard of amenities to establish a professional, cozy, and eco-friendly workspace.

Implement internal training programs, foster a conducive work atmosphere, provide opportunities for employees to consistently engage in training, enhance their skills, and foster personal growth.

Ensure gender equality by refraining from discriminatory practices during recruitment and employment, maintaining diligent oversight, and enforcing equality rules in the workplace.

+ For the community:

Invest responsibly in community assistance initiatives, making sure they not only meet social objectives but also take into account the programs' emissions and sustainable development aspects.

Engage actively in community initiatives in areas where MSB branches are located and in areas that require support, therefore contributing to the quality-of-life enhancement.



### VISION

**BECOME A BANK WHICH EVERYONE WANTS TO JOIN AND NOBODY WANTS TO LEAVE**

### MISSION

**FOR A MORE CONVENIENT AND COMFORTABLE LIFE**

### CORE VALUES



#### Customer Centricity

Every thought and action of MSBers is always centered around the customer

#### Innovation

MSBers are constantly promoting new ideas, are receptive to change, and are incessantly innovating



#### Responsibility

MSBers dedicate themselves to acting ethically, completing sufficient tasks, persevering until completion, and doing everything else for the collective goal

#### Efficiency

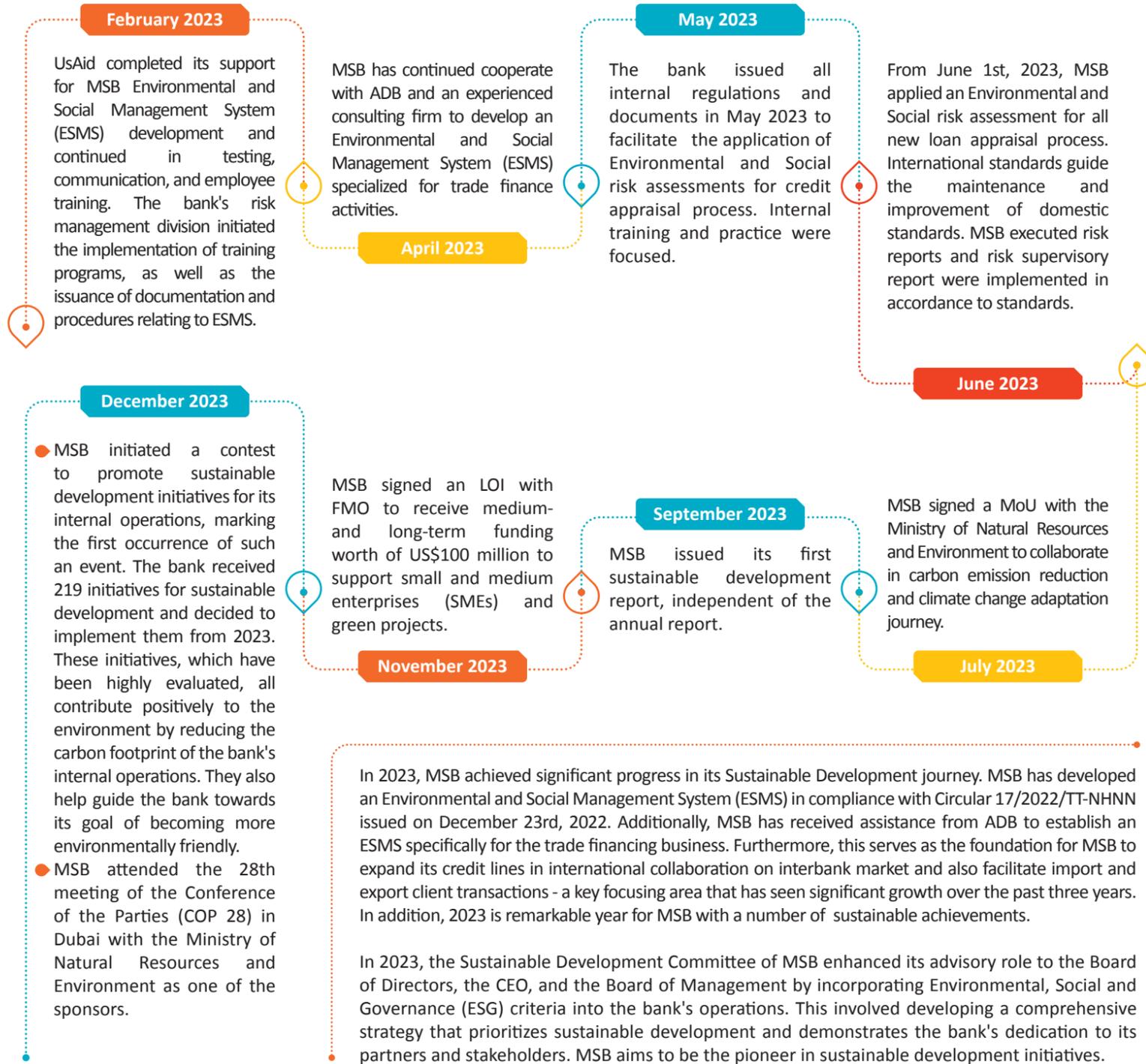
MSBers are highly goal-oriented and dedicated to creating value with great determination



#### Humanity

MSBers prioritize the well-being of individuals and actively work towards creating a positive atmosphere for both them and the wider community

## MSB'S SUSTAINABLE DEVELOPMENT JOURNEY IN 2023



**MSB'S SUSTAINABLE DEVELOPMENT PERFORMANCE IN 2023**

**ECONOMY**

Total green loan  
**5,866 billion VND**

Total number of green customers  
**148**

In November 2023, MSB signed a Letter of Interest (LOI) with FMO on a **medium-term loan worth 100 million USD** specifically for Small and Medium-sized Enterprises (SMEs) and green projects.

**Bank of the Year 2023** award granted by The Banker, a publication of the internationally prestigious financial magazine The Financial Times.

**Top 10 most prestigious private joint stock banks in 2023**  
Awarded by VNR - Vietnam Report

Serving **5.2 million customers** with about 80,000 corporate customers and more than 5.1 million individual customers, especially growing the number of individual customers by 33% by 2023 thanks to digitalization projects.

**ENVIRONMENT**

Received the **Best Digital Transformation Bank 2023** award by Global Brands Magazine

Electricity consumption  
**12,390,087 kWh/year**

Water consumption  
**166,562 m<sup>3</sup>/year**

The total amount of solid waste  
**116.6 tons/year**

For the first time, **sustainable development initiative** program was organized in MSB

For the first time, completed **02 sustainable days** for collecting paper and recycling activities across the whole bank

**Impressive results of the Paperless program 3.3 million fewer printed copies** (reduced 58%) compared to 2022, saving 935 million VND

All plastic bottles and paper cups have been replaced with **water bottles and glass cups**

**SOCIETY**

Ensured benefits for **6,308 employees**  
Employee salaries and benefits  
**2,838 billion VND**

**47.9% female ratio at the management level**  
65.4% female employee ratio

Trained: in average **51 hours** for managers  
**47 hours** for employees

**Top 15 Enterprises with Happy Human Resources** announced by Anphabe - a pioneer in employer branding solutions

Customer satisfaction rate on products and services was **91%**

Received the **Best SME Bank in Vietnam** award by Asia Money

**Sponsored 3,148 billion VND** for community development activities

**GOVERNANCE**

**M-share learning culture** project for the bank's senior leadership team

Organized **04 Board of Directors meetings**

Organized 01 annual General Meeting of Shareholders  
**04 quarterly investor meetings**, and other meetings as required to meet the regulations of relevant parties

**The Sustainable Development Committee held 03 meetings**

Completed the project to **implement and develop IFRS financial reports** from 2021

Silver Award of the **ASEAN Risk Champion Award 2023** awarded by the Singapore Enterprise Risk Management Academy (ERMA)

## MSB'S SUSTAINABLE DEVELOPMENT ACTIVITIES IN 2023 ALIGN WITH THE UNITED NATIONS' 17 SUSTAINABLE DEVELOPMENT GOALS



### No Poverty

- Job creation for 6,308 workers.
- Construction of 22 houses for poor and moderately poor households in Bao Lam District, Cao Bang Province



### Good Health and Wellbeing

- Top 15 Enterprises with Happy Human Resources.
- Organization of Runner clubs throughout the bank with 3,890 participating members; 15 running tournaments, online and offline challenges.
- Organization of periodic health checks for employees in October 2023.
- Organization of humanitarian blood donation festival at Hanoi Head Office and Ho Chi Minh City Head Office.



### Quality Education

- Organization of 64 training classes corresponding to 03 projects, 20 training courses for 2,054 leaders/managers to attend.
- Organization of internal training on Environmental and Social Risk Management.
- Organization of meetings of the Sustainable Development Committee including updates on sustainable development activities according to international trends, initiatives and products related to sustainable development of multinational financial organizations



### Peace, Justice, and Strong Institutions

- Consultation on the development of legal/law documents.
- Accompanying the Government towards 17 Sustainable Development goals.



### Decent Work & Economic Growth

- High-income job creation for 6,308 workers.
- Top 15 Enterprises with Happy Human Resources announced by Anphabe, a pioneer in employer branding solutions.
- Payment of VND 1,907,288 million in taxes to the state budget.
- One of the leading banks in terms of credit limits granted by the State Bank of Vietnam.
- Top 1 market share in Government bond transactions since 2020, foreign exchange transaction value with corporate and individual customers, interbank market activities, etc.



### Affordable & Clean Energy

- 89.27% of total green loan was provided to renewable energy and clean energy projects.



### Reduced Inequalities

- No complaints arising from inequality.
- No complaints arising from discrimination.
- No forced labor, no child labor.



### Gender Equality

- Non-discrimination.
- 47.9% of the management team was female.
- 65.4% of employees were female.



### Responsible Consumption & Production

- Development of a Supplier Code of Conduct, including socio-environmental factors. Prioritizing cooperation with suppliers that apply this codes of conduct



### Climate Change Reaction

- Coordination with the Ministry of Natural Resources and Environment to organize seminars and provide information, research topics, and plan orientation for anti climate change.
- Organization of a battery collection program and replace plastic bottles with glass bottles.
- Launch of internal activities to reduce emissions in MSB's daily operations.
- Concentration on implementing digital transformation projects to reduce carbon emissions in banking operations.
- Funding for green energy and renewable energy projects.

## STAKEHOLDER ENGAGEMENT

### LISTENING TO NEEDS, CREATING VALUE, AND ENSURING INFORMATION TRANSPARENCY WITH STAKEHOLDERS

#### Listening to Customer needs

- Communicate and provide high qualitative products/services, financial solutions according to customer needs, promotions, and incentives.
- Product portfolios and product packages are diverse in type, moderate cost, and convenient in terms of usability.
- Prestige, position, and brand of the bank.
- System stability and ensure security for customer information and assets.
- Equal treatment with customers.
- Comprehensive procedures for complaints, requests for information, and answering questions.

#### Listening to the requests of State Authorities

- Full implementation of obligations and the implementation of plans, guidelines, and policies of the Government.
- Obligation to comply with the law, demonstrating regulation compliance.
- Contribution to the development of legal documents.
- Contribution of opinions to develop the market and solve emerging market issues.
- Participation in training, dissemination of professional knowledge, and learning of new trends.

#### Listening to opinions from Shareholders and Investors

- The bank's business performance, business plans and strategies over periods, etc.
- Information related to the bank's operations is guaranteed to be timely, transparent, accurate and satisfactory.
- Guarantee of shareholders' rights: participate in meetings, voting, contribute opinions on the bank's operations, equality.
- Guarantee of shareholders' rights (dividends, bonus shares, share options, etc.).

#### Cooperation and support of Partners' needs/requests

- Cooperation for mutual benefit and development on the basis of compliance with legal documents and the interests of each party's stakeholders.
- Capacity to implement contracts/projects, reputation and experience of the enterprise, fully considering compliance, environmental and social factors.
- Serious implementation of signed terms, openness, and transparency in cooperation.

#### Listening to the wishes of Employees

- Safe, fair, respectful, non-discriminatory working environment, supporting opportunities to develop capacity, career, and training opportunities.
- Welfare policy, salary, and bonus, working regime, health protection regime.
- Recruitment work
- Achievements and contributions are recognized.

#### Support of Community needs/wants

- Policies to support investment and development of key sectors of the economy, sustainable development sectors, and support of difficult subjects according to the periods and orientations of Authorities and Government.
- Creating jobs, contributing to the process of poverty eradication, protecting human rights, protecting children, promoting gender equality, narrowing the gap between rich and poor, etc.
- Implementation of community and social activities contributing to the development of local communities, supporting the implementation of the United Nations' sustainable development goals.

#### Requirements for Communication activities

- Disclose the bank's activities, business results, financial data, product information, awards, rankings, etc.
- Communication about the market, representative opinions of leaders on the market situation, and development paths.
- Information disclosure in accordance with the law, timely, complete, and transparent.
- Information sharing, cooperation, announcements, and statements with media agencies about businesses and industries must be clear, accurate, complete, and timely.
- Ability to implement proposed plans and comply with commitments to customers and State authorities.



## MSB'S ACTIONS TO MEET THE REQUIREMENTS AND NEEDS OF STAKEHOLDERS

### Customers

- Research and trends on domestic and international markets are necessary to develop products and services that meet market needs.
- Ensuring regular interaction and receiving opinions through the Contact Center, survey emails, face-to-face meetings, etc. to understand needs and accompany customers.
- Information disclosure on products and projects should be accurate and transparent, customers should be advised with full information from product advantages to risks.
- Investing in resources and upgrading information technology systems to ensure the safety of systems, information and customer assets.
- Building a reputable brand, announcing valuable domestic and foreign awards, announcing bank credit ratings, and high positioning in domestic and international markets.
- The Customer Service quickly answers questions, complaints, and requests for information via hotline, fanpage, and customer connection channels.

### State authorities

- Compliance with laws and regulations of the State and Specialized Authorities in all activities of the bank, as a large-scale public companies, and listed companies.
- Full implementation of accountability, deployment, and provision of complete and quick information to serve periodic inspections, as required.
- Fulfillment of tax obligations and contributions to the State budget.
- Fulfillment of the obligation to disclose information fully and on time according to regulations, ensuring transparency and compliance.
- Regular and complete updates of information on laws and State regulations, adjusting internal processes according to current laws to ensure no violations occur.
- Participation in programs initiated by State Authorities to support the community and society.
- Active participation, being a member of industry associations, contributing ideas to build markets, developing new products, etc.

### Shareholders, Investors

- Effective use of investment capital to ensure that the bank's business operations are profitable and grow sustainably.
- Maintaining a regular dividend payment policy, consistent with market conditions.
- The bank's reports and information disclosures are presented and published transparently, publicly, and completely to ensure time requirements and accuracy.
- Ensuring equality between domestic and foreign shareholders, individual shareholders, and institution shareholders
- Maintaining connections and interactions with investors, shareholders, and parties interested in MSB shares.
- Providing complete, timely, and transparent responses to shareholders' questions.

### Partners

- Ensuring that contracts and agreements are implemented according to commitments and plans, ensuring the rights of all parties.
- Regular exchange of information and effective communication, presenting current demands and plans related to future needs.
- Support, efforts, cooperate, and ensuring legal compliance in resolving common problems and requirements of contracts and agreements between parties.
- Orientation of common work between the parties according to the orientation and standards of sustainable development.
- Open and transparent attitude in all cooperative activities, respect for the principle of mutual benefit, and best support for all requests.
- Enhancement of brand reputation.

### Employees

- Building a safe working environment, ensuring working conditions and balance between work and life.
- Construction of a comprehensive and attractive welfare and compensation regime, regularly adjusted according to the level of market development.
- Establishment of a capacity evaluation system that is effective and fair.
- Organization of internal and specialized training courses aims to improve professional qualifications and create conditions for development and advancement.
- Rewards and recognition of individual and collective achievements, encouraging employees to actively contribute to the bank's operations.
- Provision of health care for employees and relatives.

### Community

- Proactivity and coordination with all parties to bring policies, products, recruitment, etc. to support the community in accordance with the guidance.
- Regular implementation of charity, volunteer programs and community activities.
- ESG factors are strategically intergrated in community activities.

### Communication

- Proactively and regularly providing accurate information to the press and media. Supporting and answering questions and concerns from the press and interested parties in a prompt and quick manner.
- Periodic/regular updates on business performance and project progress through newsletters, information portals of authorities, communication channels of authorities, partners, and event news on the bank's website, TV channels, radio, and social networking sites.
- Communication through social events (charity, awards, competitions, sponsorship of major media programs, etc.)
- Sending experts to answer comprehensive interviews when there are events that affect the bank's operations, market fluctuations, new products, new strategies, etc.

## THE RESULTS OF ACTIONS THAT MEET NEEDS/REQUIREMENTS

### Customers

- MSB's customer base exceeded 5.2 million individuals in 2023, with an additional 1.3 million new members. These customers expressed overall satisfaction with the bank's services, products, and product approval procedure. MSB's products and services have achieved a customer satisfaction rate of 91%, which is a 5% increase compared to 2022.
- In response to the Government's request for business support, MSB launched initiatives to lower interest rates for customers, restructured loan in accordance with the guidance documents from management agencies, and provide significant support to customers throughout 2023. MSB's total customer loans amounted to VND 149,145 billion as the end of 2023, with approximately 60% allocated to individual and SME customers. This represents a growth of 10% and 19%, respectively, compared to the same period last year.
- Allocating resources and technology capability to guarantee the security of information, the integrity of systems, and the protection of assets belonging to customers. MSB allocated VND 599.5 billion for digitalization and information technology initiatives in 2023.
- Through the implementation of digitalization processes in collaboration with renowned worldwide partners like BCG and McKinsey, MSB has successfully digitized several customer journeys, resulting in saving time and streamlined procedures. As a result, customers can now enjoy an enhanced experience when utilizing the bank's products. By fully digitizing additional consumer experiences, MSB experienced significant growth in its customer base, acquiring 33,000 new customers in 2023. Among these new customers, approximately 50% are cardholders, which amounts to 16,000 new cards. Additionally, digital channels generated VND 500 billion in income.
- In 2023, MSB received both domestic and international awards, such as Bank of the Year, Best SME Bank, Most Modern Retail Bank, and TOP 10 Most Prestigious Commercial Banks, for its achievements in providing good banking services to customers.

### State authorities

- MSB complies with legal requirements and operational safety indicators at a level that satisfies as of credit institutions, large-scale public companies, and listed companies.
- Full and quick support and provision of information in reporting and periodic inspections/at the request of the State Bank of Vietnam
- Correct implementation of management agency policies in each period to achieve economic and social goals (reducing interest rates, growing credit within the granted limit, supporting customers in restructuring/reclassifying debt, supporting "green" growth, etc.)
- Give opinion for drafting legal documents, national plans, macro economic guidance and accompanying the Government and the Ministry of Natural Resources and Environment when attending COP28
- MSB was awarded domestic and international awards in 2023 for achievements in risk management and providing good banking services to customers (Silver Award of the ASEAN Risk Champion Award 2023, Best SME Bank in Vietnam, etc.).

### Shareholders, Investors

- Successful organization of the Annual General Meeting of Shareholders in April 2023 and completion of collecting written shareholder opinions in September 2023.
- Organization of Analyst Meetings with investors and shareholders to announce quarterly business results, answer questions and provide information about strategies and plans for each period of the year.
- Participation in foreign investor conferences organized by securities companies and international banks and meetings with investors as required.
- The number of MSB shareholders increased from 29,057 on January 3rd, 2023 to 34,015 on December 31st, 2023, an increase of 17%.
- Market capitalization as of December 31st, 2023 reached VND 26,000 billion, an increase of 4% compared to the end of 2022.
- The top 10 most prestigious private joint stock banks in 2023.

### Employees

- Organization of online discussions between employees and the board of management.
- Top 100 "Vietnam Best Places To Work."
- Top 15 "Enterprises with Happy Human Resources."

### Partners

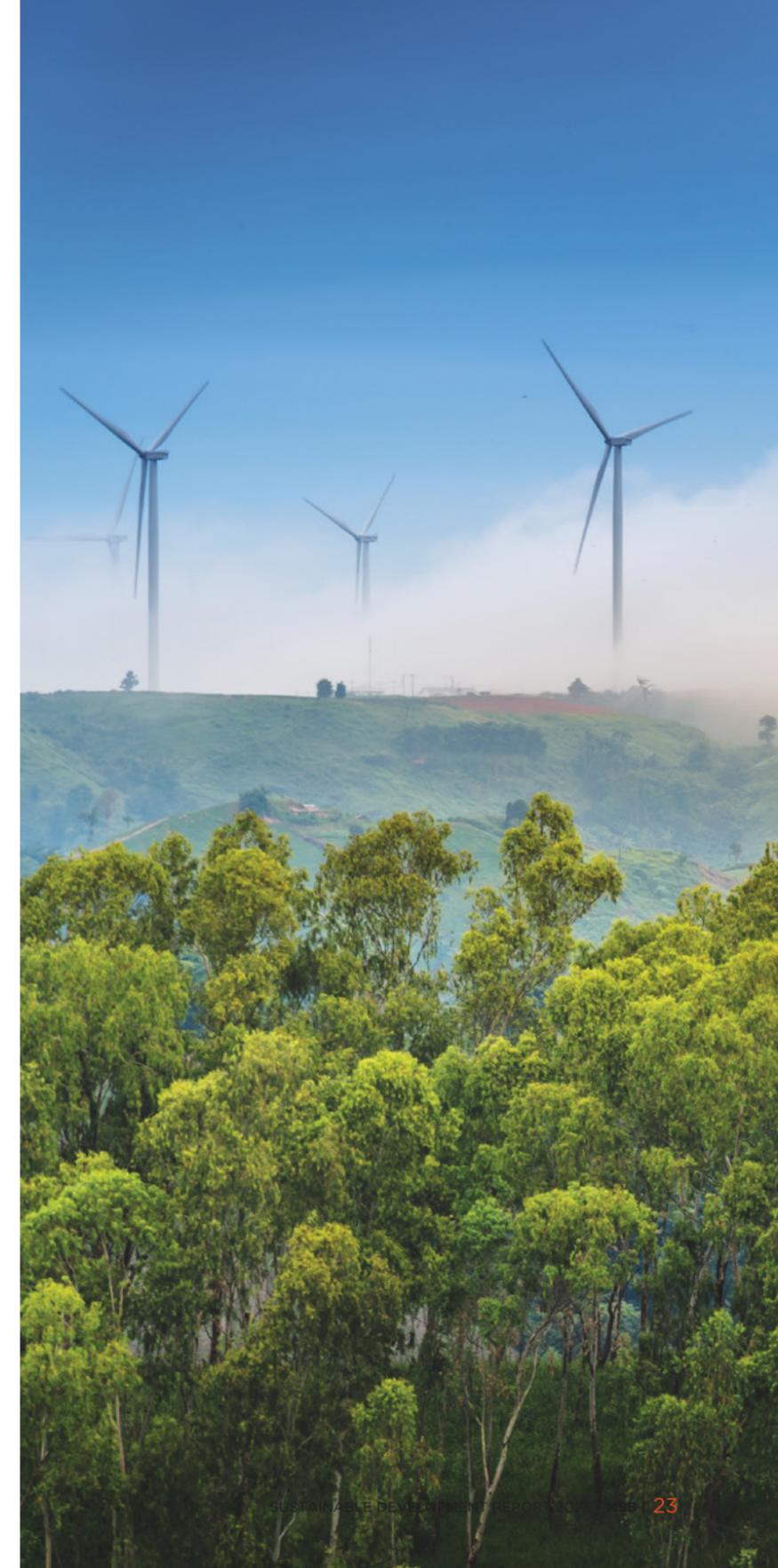
- MSB fully implemented its commitments with partners and suppliers. Know-your-customer (KYC) process are transparent, complete and accurate. Agreements and contracts were gradually being standardized towards sustainable development.
- The bank actively exchanged information, shared domestic and international trends, current difficulties, and future risks, and worked together to handle arising problems to ensure the rights and obligations of the parties, fully focused the risks while implementing current work, and anticipated future needs for mutual benefit.
- By the end of 2023, MSB had spent nearly VND 2,700 billion for suppliers. In which, 60% of this number was paid to domestic suppliers. In terms of interbank operations, the bank also had partnerships with over 600 international financial institutions.

### Community

- Implementation of 6 volunteer projects aims to achieve various goals, such as the construction of schools and charity houses, the organization of mid-autumn festivals for underprivileged children, and providing assistance in the face of natural catastrophes.

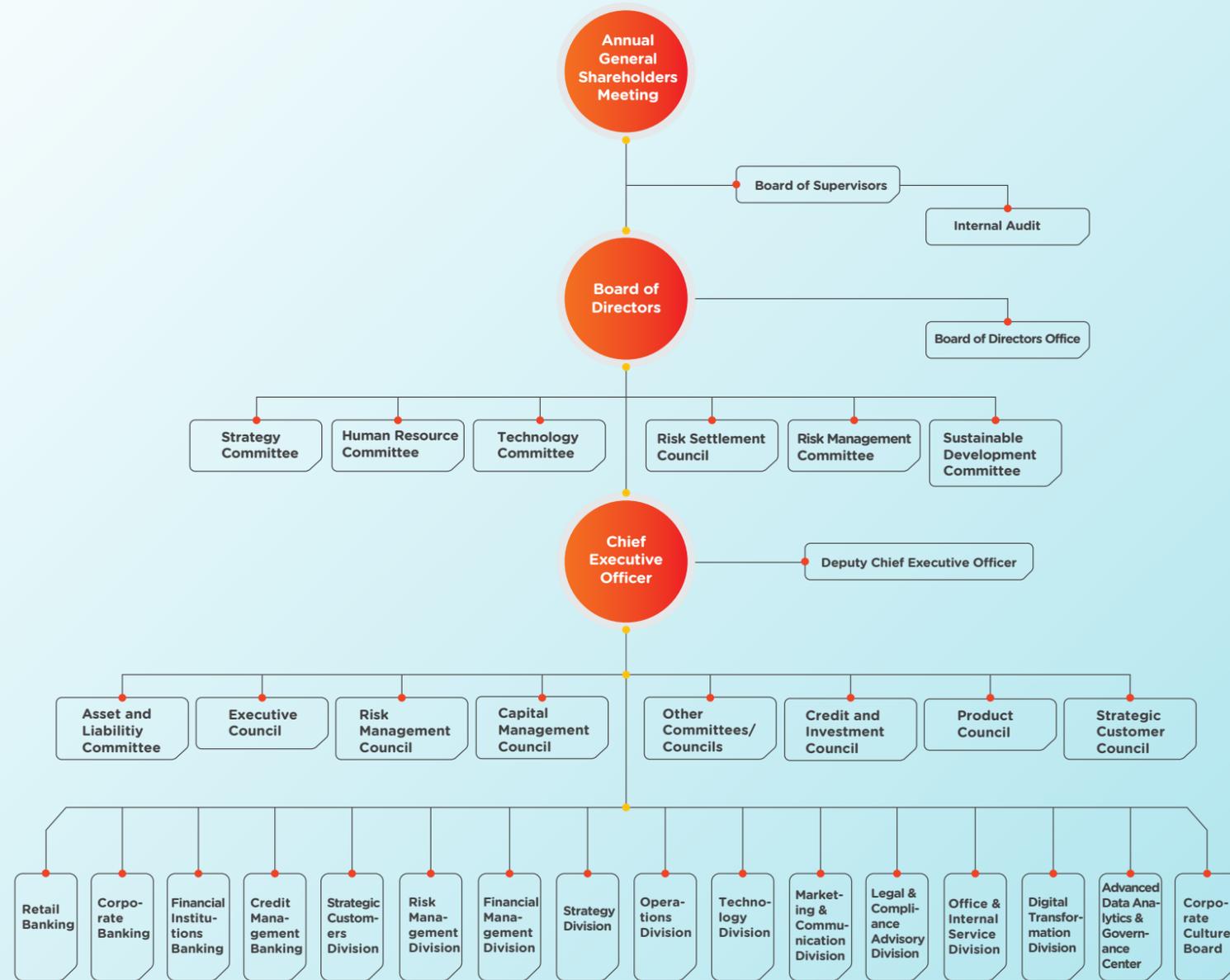
### Communication

- Information about products and services was fully published on the bank's website and branches and transaction offices according to legal requirements.
- Information about the bank's business activities, major projects/plans, news about business results, General Meeting of Shareholders, etc. were all fully posted on mass media channels.
- According to the 2023 Screen Plus Report, there were around 1,800 news pieces from sources that were published proactively; the total number of news stories regarding MSB in the market was 20,170. According to the Younet Media Report, MSB had around 981,000 talks and a total of 2.7 million interactions on social media sites; the emotional index was reported to be 0.94 out of 1.



## SUSTAINABLE DEVELOPMENT MANAGEMENT AT MSB

### ORGANIZATION STRUCTURE



#### **The process of appointing and selecting the highest level of management**

The process for appointing and selecting the highest level of management is outlined in the MSB Charter. Accordingly, the General Meeting of Shareholders elects and dismisses members of the Board of Directors, with the number of shareholders representing at least 51% of the total votes of all shareholders attending the meeting for approval.

The Board of Directors elects and dismisses the Chairman of the Board of Directors by a majority vote, either through direct voting or voting. It is not permissible for the Chairman of the Board of Directors to simultaneously hold the position of executive officer in a bank and another credit institution.

The results of the election and appointment of the Bank's Chairman and Vice Chairman are notified to the State Bank of Vietnam in accordance with regulations.

#### **Process of designing remuneration policy and determining remuneration**

The remuneration and allowances of MSB's Board of Directors are considered based on the Proposal for approval of remuneration levels and proposed remuneration levels for the Board of Directors and Board of Supervisors, approved by the General Meeting of Shareholders at the Annual General Meeting of Shareholders.

The remuneration of each member of the Board of Directors is shown in a separate section in the Bank's annual financial statements (audited) and Annual Report.

## SUMMARY OF MEMBERS OF THE BOARD OF DIRECTORS

1. Mr. **TRAN ANH TUAN**

*Chairman of the Board of Directors*

Master of Business Administration, Griggs University, USA  
Mr. Tran Anh Tuan joined MSB's leadership in 2007 and acted as Vice Chairman of the Board of Directors, Chief Executive Officer. From February 2012, he has been holding the position of Chairman of the Board of Directors.

2. Mr. **NGUYEN HOANG AN**

*Vice Chairman of the Board of Directors*

Bachelor of Economics, Banking Academy, Vietnam  
Mr. Nguyen Hoang An joined MSB in 1991 and acted as Head of Credit Department, Thanh Xuan Branch Manager, Hanoi Branch Manager, Deputy Chief Executive Officer. Since May 2018, he has been holding the position of Vice Chairman of the Board of Directors.

3. Ms. **NGUYEN THI THIEN HUONG**

*Vice Chairwoman of the Board of Directors*

Master of Business Administration, University of Hawaii, Manoa, USA  
Ms. Nguyen Thi Thien Huong has many years of experience in the banking industry. From 1995 to 2016, she worked at Techcombank and held different positions such as Head of Securities Project and Investment, Head of Credit Department, Deputy Chief Executive Officer and Standing member of Risk Audit Committee. Since May 2018, she has been holding the position of Vice Chairwoman of the Board of Directors at MSB.

4. Mr. **TRAN XUAN QUANG**

*Member of the Board of Director*

Master of Business Administration, University of Southern California, USA  
Mr. Tran Xuan Quang joined MSB since 1993 and held important positions such as Director of Transaction Office, Deputy Chief Executive Officer in charge of Corporate Banking and Retail Banking, Deputy Chief Executive Officer cum Head of Corporate Banking, Deputy Chief Executive Officer cum Head of Strategy Division, etc. Since April 2016, he has been a member of the Board of Directors.

5. Mr. **NGUYEN HOANG LINH**

*Member of the Board of Directors, Chief Executive Officer*

Master of Business Administration, Hanoi University of Science and Technology, Vietnam  
With over 26 years of experience in banking and finance sector, Mr. Nguyen Hoang Linh has held many important positions in Vietnamese banks such as member of the Board of Directors, Chief Executive Officer at PVCombank; Chief Executive Officer at Western Bank; acting Chief Executive Officer at Vietnam Asia Bank, etc. He has dedicated to MSB for more than 16 years and is tasked with many key roles such as Ho Chi Minh Branch Director, Deputy Chief Executive Officer cum Head of Corporate Banking Division, Deputy Chief Executive Officer cum Head of Strategy Division, Deputy Chief Executive Officer cum Head of Retail Banking. In March 2020, he was elected as Chief Executive Officer. In September 2020, he was elected to the Board of Directors.

6. Ms. **LE THI LIEN**

*Member of the Board of Directors*

PhD in Science in Business Administration, California Miramar University, USA  
From 2007 to 2012, Ms. Le Thi Lien was the Chairwoman of the Board of Directors of Vietnam Maritime Commercial Joint Stock Bank term IV cum the representative of the ownership in MSB of Vietnam Posts and Telecommunications Group (VNPT). She also acted concurrently as Head of Investment and Capital Management at VNPT. From 2012 to 2017, she held various positions such as Head of Investment and Capital Management Department, Deputy Head of Finance - Strategy Division under the Members' Council of VNPT. From May 2018 to April 2022, she was elected as independent member of the Board of Directors. Since April 2022, she has been a member of the Board of Directors.

7. Mr. **TA NGOC DA**

*Independent member of the Board of Directors*

Bachelor of Economics, University of Economics Ho Chi Minh City, Vietnam  
He has held important positions at Vietnamese banks: Director of SME Division, Director of Credit Management Division - Vietnam International Commercial Joint Stock Bank (VIB); Deputy General Director of National Citizen Commercial Joint Stock Bank (NCB); Deputy General Director cum Director of Ho Chi Minh Centralized Credit Processing Center, Deputy General Director cum Director of Credit Approval Division; Deputy General Director cum Director of Risk Management Division; and Deputy Chief Executive Officer of Vietnam Maritime Commercial Joint Stock Bank (MSB). Prior to his appointment as an independent member of MSB's Board of Directors in April 2022 to present, he oversaw and administered a number of substantial enterprises in Vietnam's service and real estate sectors.

## GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

### Governance method for sustainable development

On the basis of compliance with relevant legal regulations combined with international practices on corporate governance, in addition to building and completing the governance structure in the direction of strengthening and approaching international standards, MSB has built a sustainable development governance framework (corporate governance), including the charter, regulations and legal documents within the bank to create a professional, thorough, transparent, and effective governance system. The bank upholds the principle of prioritizing the interests of both shareholders and stakeholders while simultaneously aligning development goals and exhibiting responsibility towards society and the environment as its topmost governance principle.

### Management structure related to sustainable development

#### The Board of Directors:

- Make general directions on business strategy incorporating sustainable development standards.
- Approve goals and action plans consistent with strategy and market developments in the short, medium and long term.

#### Sustainable Development Committee:

The role of the Sustainable Development Committee is to provide advice to the Board of Directors, the CEO, and the Executive Council

on incorporating environmental, social, and governance (ESG) factors into the bank's operations. The committee also works on developing a comprehensive strategy that takes into account sustainable development factors, ensuring the bank's commitment to partners and stakeholders, and leading the way in sustainable development activities. The Sustainable Development Committee establishes short-, medium-, and long-term strategic guidance for MSB and formulates suitable strategies for action, training, and communication.

#### The CEO and the Executive Council:

- Develop and submit action plans to the Board of Directors to achieve sustainable development goals.
- Ensure implementation of plans to achieve the proposed sustainable development goals.
- Supervise and follow the plan implementation of the bank.

#### Functional divisions and departments:

Implement action plans in accordance with the orientations set by the CEO and Management team.

#### Employees:

Carry out specific daily tasks related to the Bank's sustainable development goals.

## SUSTAINABLE DEVELOPMENT COMMITTEE

Member	Position
Ms. <b>Nguyen Thi Thien Huong</b> , Vice Chairwoman of the Board of Directors	Chairwoman
Mr. <b>Nguyen Hoang Linh</b> , Member of the Board of Directors and CEO	Vice Chairman
Ms. <b>Nguyen Huong Loan</b> , Deputy CEO/Head of Financial Institutions	Member
Ms. <b>Nguyen Thi Thu Hang</b> , Head of Financial Management Division	Member
Ms. <b>Dinh Thi To Uyen</b> , Deputy CEO/Head of Strategy Division	Member
Ms. <b>Le Cam Thuy</b> , CRO	Member
Heads of Business Banking or Heads of Divisions/Departments in charge of relationship management	Member

## SUSTAINABILITY RISK MANAGEMENT

MSB fully and accurately identifies key risks and all other risks arising from business activities, as well as the interactions between different types of risks in transactions, products, activities, and business processes.

MSB consistently prioritizes the task of updating and recognizing various categories of risks in order to construct a highly efficient risk management plan. MSB has recognized key risks in the Risk Management Strategy Statement for each period, including: Credit risk, Market risk, Liquidity risk, Interest rate risk on the bank book,

Operational risk, and Concentration risk. Furthermore, there are other risks that emerge from crucial operations, such as model risks and environmental and social risk.

MSB also constructed a comprehensive risk management system, which includes a collection of internal policies and regulations on risk management, as well as an organizational structure for risk management. The organization then implemented this system to identify, measure, evaluate, monitor, control, and mitigate risks.

Risk	Definition	Response activities
<b>Credit risk</b>	<p><b>Credit risks include:</b></p> <ul style="list-style-type: none"> <li>• Traditional credit risk: Risk due to customers not performing or not being able to perform part or all of their obligations under the contract or agreement with MSB.</li> <li>• Counterparty credit risk: Risk due to the partner's failure to perform or inability to perform part or all of the payment obligations before or when due for transactions: proprietary trading transactions; repo transactions and reverse repo transactions; trading foreign currencies and financial assets with the purpose of serving the needs of customers and partners.</li> <li>• Environmental &amp; social risks in credit granting activities: MSB's credit risks that arise when customers being granted credit encounter environmental &amp; social risks</li> </ul>	<p>Issue comprehensive regulations, procedures, and guidelines for credit operations, encompassing market study, identification of prospective customer databases, customer acquisition/evaluation, analysis of business plans, the approval process, and post-approved credit administration. Specifically, MSB has implemented an internal credit rating system for every customer. MSB effectively mitigates credit risk by implementing a comprehensive credit limit system that aligns with the risk tolerance of each segment, product, and industrial sector.</p> <p>MSB has defined its risk appetite for loan-providing operations, explicitly specifying the extent and threshold of risk that it is prepared to assume.</p> <p>MSB has successfully implemented and incorporated the Environmental &amp; Social Management (ESMS) System into the loan appraisal process for each customer segment.</p> <p>MSB's risk management system effectively evaluates the worthiness of loans as investment projects or business plan with loan tenor exceeding 3 years, the system assesses their adherence to Vietnam's environmental laws and the O8 Operational Standards established by the International Finance Corporation (IFC), a member of the World Bank Group (WBG). IFC's O8 operational standards encompass the evaluation and control of environmental and societal risks and impacts, labor and working conditions, resource conservation and pollution prevention, community health, safety, and security, land acquisition and involuntary resettlement, biodiversity conservation, sustainable management of natural resources, protection of indigenous minorities, and preservation of cultural heritage.</p>

Risk	Definition	Response activities
<b>Market risk</b>	The risk caused by negative fluctuations of interest rates, exchange rates, gold prices, stock prices and commodity prices on the market.	<p>The Bank's response to market risks is based on the centralized management of market risk status at the Head Office, which ensures that market risk limits are within the allocated capital threshold from the beginning of the year. This is determined by the results of stress test on market risks that reduce profits/equity.</p> <p>Furthermore, in response to unusual developments from 2022 to the present, the bank estimates risk positions on a daily basis by analyzing various scenarios of varying market factor volatility levels. This is combined with the monitoring of actual market fluctuations and the provision of recommendations to business units to close appropriate risk positions in a timely manner. The bank's tolerance for negative impacts is reflected in the level of capital allocated specifically for market risks.</p>
<b>Liquidity risk</b>	<p><b>Liquidity risk is the risk due to:</b></p> <ul style="list-style-type: none"> <li>• MSB's inability to fulfill debt repayment obligations when due; or</li> <li>• MSB has the ability to fulfill its debt repayment obligations when due but must pay costs higher than the average market costs according to MSB's regulations.</li> </ul>	<p>Evaluate the approach to managing the liquidity risk, include but not limited with examining various scenarios, creating models to forecast customer behavior, proposing boundaries for liquidity metrics, and upholding a portfolio of assets with high liquidity. The ALCO Council, under the guidance of the CEO and with input from the Risk Council, oversees and implements policies and regulations pertaining to liquidity risk management.</p> <p>Furthermore, the Bank formulates a Liquidity Contingency Plan which outlines the organizational framework for managing crises, the steps involved in crisis management, an examination of previous crises, and comprehensive action plans. The contingency liquidity plan is uniformly executed at both the Head Office and branches across the whole Bank system. The contingency liquidity requirements implemented at Branches guarantee a strong correlation with the Bank's comprehensive plan.</p>
<b>Interest rate risk in the banking book</b>	<p>The risk due to negative fluctuations in interest rates on MSB's income, asset value, liability value and off-balance sheet commitment value arising due to:</p> <ul style="list-style-type: none"> <li>• The difference in the time of setting the new interest rate or the period of interest rate re-determination.</li> <li>• The change in the relationship between interest rates of different financial instruments but with the same maturity date.</li> <li>• The change in the relationship between interest rates at different terms.</li> <li>• The impact from interest rate option products and products with interest rate option elements.</li> </ul>	<p>Office, overseen by the Balance Sheet Management Department of the Financial Management Division (BSM) and directed by ALCO using the internal Funds Transfer Pricing (FTP).</p> <p>However, the bank addresses this risk by setting specific risk limits to ensure that it remains within the allocated capital threshold. This is done through stress testing on interest rate risks in the bank's book, which assesses the impact of adverse fluctuations in interest rates on the bank's net interest margin (NIM) and profitability.</p>

Risk	Definition	Response activities
<b>Operational risk</b>	<ul style="list-style-type: none"> <li>The risk due to inadequate or erroneous internal regulations, human factors, system errors, and incidents, or due to external factors causing financial losses or negative non-financial impacts on MSB (including legal risks). Operational risk does not include reputational risk and strategic risk.</li> <li>Information security risk is part of operational risk. This is a risk when MSB's information or the information of partners and customers that MSB is responsible for managing under signed contracts and agreements is illegally accessed, used, disclosed, modified, or destroyed due to a lack of assurance of confidentiality, integrity, and availability.</li> </ul>	<p>Implement policies, procedures, and plans to maintain business continuity in the face of disasters (for example, fires, epidemics, street blockades, earthquakes, system failures, servers, long-term power outages, etc.).</p> <p>Deploy disaster backup systems for critical systems, establish alternative offices, and develop remote working plans.</p> <p>Establish a Crisis Response Steering Committee and crisis response plans.</p> <p>Invest in both technology and human resources to ensure information security.</p>
<b>Concentration risk</b>	<p>The risk due to MSB's business activities focusing on one customer (including related persons), partner, product, transaction, industry, economic sector, currency to a degree that has a significant impact on income and risk status according to MSB's internal regulations.</p>	<ul style="list-style-type: none"> <li>Develop and implement a concentration risk management strategy, including a concentration risk management strategy for credit granting activities and a concentration risk management strategy for proprietary trading activities.</li> <li>For concentration risk management in credit granting activities: Diversify credit portfolio; Comply with the limits according to the regulations of the State Bank of Vietnam, including the credit limit for 1 customer, the credit limit for customers and related persons, the credit limit by industry/field, the credit limit by product, etc.; Deploy an early warning system by product, customer, industry/economic sector to identify cases reaching MSB's warning threshold in each period;</li> <li>For concentration risk management of proprietary trading activities (including by partner, product, or currency): Choose good partners and diversify the partner portfolio; Establish limits on the concentration of proprietary trading transactions by partner, by currency, and by product (limits are reviewed periodically, at least annually); Build an automatic risk reporting and warning system when concentration limits for proprietary trading by partner, product, and currency reach MSB's warning threshold in each period.</li> </ul>

Risk	Definition	Response activities
<b>Model risk</b>	<p>The risk where a model does not produce results as expected/desired/goal due to design errors, construction implementation, or incorrect application of the model, leading to wrong decisions. Model risks come from the following aspects/scopes:</p> <ul style="list-style-type: none"> <li>Model initialization and identification.</li> <li>Model building implementation (including posting to the technology environment)</li> <li>Operational application of the model</li> <li>Model verification</li> </ul>	<p><b>Determine the goals of the model risk to:</b></p> <ul style="list-style-type: none"> <li>Minimize the risks of inappropriate model design, construction, deployment, and incorrect model application</li> <li>Adequate control and requirements for sound design, implementation, appropriate model use, and adequate model validation</li> </ul> <p><b>Develop model risk management principles</b></p> <ul style="list-style-type: none"> <li>Model risk management throughout the model's life cycle includes the following main stages: (1) New model development (2) Model validation, including pre-deployment testing and periodic, post-deployment testing deploy (3) Model development; (4) Model supervision and review; (5) Model improvement</li> </ul> <p><b>Decentralize authority to approve the model between the Board of Directors and CEO</b></p>
<b>Environmental and Social Risk (ESR)</b>	<p>The possibility of financial and non-financial losses for MSB when carrying out business activities that directly or indirectly (!) give rise to incidents that have negative impacts on the environment &amp; society or violate regulations of environmental and social laws.</p> <p>Climate change means a change in the state of the climate that can be identified and persists over a long period of time, often decades or more. Climate change risks include physical risks and transition risks. Natural disasters and extreme weather can affect customers' business operations and assets, posing physical risks. Transition risks come from the transition to low greenhouse gas emission technologies and the use of renewable energy. MSB views climate change risks as part of ESRs.</p>	<ul style="list-style-type: none"> <li>Establish a Sustainable Development Committee to propose and advise the Board of Directors on building, monitoring, and supervising the implementation of strategies integrating environmental and social factors into MSB's business activities.</li> <li>Build an Environmental and Social Management System (ESMS) for credit granting activities and selective banking services to ensure compliance with domestic and international standards.</li> <li>MSB is researching and considering Climate Change risks and climate change scenarios for the Vietnam 2020 version announced by the Ministry of Natural Resources and Environment in the process of assessing the social and environmental risks of credit granting activities.</li> </ul>

<sup>1</sup> ESRs are caused by MSB's own business activities and/or from the business plans of customers/partners sponsored/guaranteed by MSB.



## ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING

### Anti-corruption

MSB is committed to conducting business with ethical standards and firmly opposes bribery and corruption, outlawing these practices in all their forms, whether direct or indirect. MSB pledges to adopt a strict policy of not tolerating bribery and corruption. Any breach of the principles outlined in the applicable policies and mandated by relevant laws and regulations will be treated with the utmost seriousness.

The bank shall assess and examine any violations or suspected violations and then select suitable disciplinary measures or actions in line with the relevant laws, internal regulations, and applicable disciplinary rules and policies. The bank possesses a collection of documents outlining principles aimed at averting bribery and potential corruption, hence safeguarding the bank's integrity, reputation, and overall operational soundness.

Anti-corruption regulations at MSB clearly describe its approach and policies towards anti-bribery and corruption, as follows:

- The bank has issued "MSB Anti-Corruption Regulations" to meet the provisions of the Law on Anti-Corruption 2018 and Decree 59/2019/ND-CP on the prevention and anti corruption for Non-State institutions.
- Develop plans and implement Decision No. 1491/QD-NHNN dated July 29th, 2014 of the Governor of the State Bank of Vietnam on promulgating a plan to implement Decision No. 312/QD-TTg dated February 28th, 2014 of the Prime Minister on promulgating the program to implement the Resolution of the National Assembly on strengthening measures to fight against crime in the banking industry.
- Implementing Decision No. 1995/QD-NHNN dated September 27th, 2019 of the Governor of the State Bank of Vietnam on promulgating a plan to implement Directive No. 10/CT-TTg dated April 22nd, 2016 of the Prime Minister on strengthening the handling and effective prevention of troubles for people and businesses in handling work.

MSB has introduced an online training program (E-learning) for all officers and staff in the system. The program focuses on anti-corruption information that is regularly updated to align with the newest Vietnamese Law.

MSB actively implements inspection and compliance activities to detect signs of violations and establish reporting routes. They also propagate and build a healthy business culture, ensuring adherence to professional ethical rules. Additionally, MSB actively supports inspection and examination activities conducted by management agencies and competent authorities to effectively limit the risks associated with bribery and corruption.

### Anti-money laundering

MSB strictly adheres to regulatory requirements and international norms for anti-money laundering activities that govern its operations.

MSB's AML governance framework is built on three fundamental elements: (1) Regulations and processes; (2) People and (3) Technology. Specifically:

- Regarding the Regulatory and Process Framework: AML activities are governed by a strict and transparent set of policy processes, helping guide all AML activities from operational units, business units to units of line of defense No. 2 (Compliance, Risk Management) and line of defense No. 3 (Internal Audit).
- Regarding human resources: personnel in charge of anti-money laundering are fully arranged at the units to ensure maintenance of professional activities, control, internal training, etc., specifically:
  - + At business banks, divisions, and departments at the Head Office and branches, there is a person in charge and responsible for anti-money laundering, who is the Unit Leader/Branch Director/Transaction Office Manager to monitor, direct, and closely supervise the implementation of anti-money laundering work at the unit.
  - + The bank has established a focal point responsible for anti-money laundering and a specialized department for managing and monitoring anti-money laundering activities, the Anti-Money Laundering Department - Legal & Compliance Advisory Division, under the line of defense No. 2.
  - + Units under the line of defense No. 2 and the line of defense No. 3 regularly coordinate to carry out annual inspection, supervision, and internal audit activities for business activities and operations, including anti-money laundering activities, to promptly detect violations and/or risks of anti-money laundering at MSB.
  - + Training is promoted with a team of specialized lecturers and professional units. Annually, MSB deploys training programs for employees, including for new employees within 6 months from their onboard, general training throughout the year, and other specialized training programs (if any) according to the bank's general program to raise compliance and anti-money laundering risks awareness in daily operations.



- + Along with that, the bank promotes communication work through different channels, such as newsletters/ emails/directives from leaders at all levels to staff performing operations to promptly update changes in the bank's laws and internal regulations, signs of risks in transactions, and changes in embargo policies.
- + For inspection and examination activities and coordination requests from competent authorities: MSB coordinates and provides full information/explanation/remediation, and correction on time at the request of authorities

- Regarding technological factors:
  - Technology and software systems are invested in and developed to provide tools to directly support professional activities at professional/business units.
  - In inspection, internal audit, and remote monitoring activities, the bank regularly researches and develops tools/software to support warnings, early detection of anti-corruption risks to promptly take measures to control/remediate risks/violations and prevent losses for MSB.

**In 2023, MSB didn't record any cases of corruption and administrative violations related to anti-money laundering work.**

## CONFLICT OF INTEREST BETWEEN RELATED PARTIES

Banking activities are susceptible to the possibility of conflict of interest. Possible adverse consequences may arise from the organizational structure that includes control points and the autonomous allocation of work, which can be influenced by the subjective acts of bank employees. MSB recognizes that conflicts of interest significantly impede the achievement of our sustainable development goals. When creating process documents and regulations in banking management, MSB consistently includes terms, management strategies, and control mechanisms to proactively address and mitigate any conflicts of interest that may arise among employees or departments within the bank. These measures are designed to safeguard the interests of customers, partners, shareholders, and other stakeholders.

The bank consistently establishes terms, principles, and the responsibility of each department and individual to limit conflicts of interest, particularly in the Charter, Management Regulation of MSB, organizational and operational regulation of the Board of Directors, organization and operation regulation of Supervisory Board, shareholder management regulations, code of conduct, and professional ethics. MSB has implemented Regulations on Family Relationship Management to provide consistent guidelines for the allocation of work responsibilities among employees who have family connections inside the organization. The purpose is to maintain impartiality and objectivity in carrying out professional duties, as well as to minimize and prevent potential operational hazards. This regulation is applied to the whole network of the bank and also for all personnel employed at MSB.

Furthermore, MSB frequently arranges internal training programs on customer service procedures, anti-corruption anti-fraud measures, and other relevant topics. These training sessions are tailored to each department's particular operations and include discussions on fostering a strong corporate culture. These positions include identifying, preventing, reporting, and managing breaches that arise when there is a possibility of conflicts of interest. Compliance, transparency, and stakeholder's interest principles in all business activities at MSB.



## SUSTAINABLE PROCUREMENT PRACTICES

In 2023, MSB allocated approximately VND 2,700 billion to suppliers. Nearly 60% of this number is paid to domestic suppliers. MSB is prioritizing to use products and services from local suppliers.

MSB focuses on sustainable growth and endeavors to provide positive outcomes for both the environment and society. To achieve these objectives, MSB anticipates that its suppliers will adhere and comply to a set of standards known as the MSB Supplier Code of Conduct. This Code is applicable to all MSB Suppliers, including suppliers of materials, products, services, event organizers, contractors, consultants, brokers, agents...

This code mandates that MSB's suppliers must comply with the following:

1. Compliance with the law
2. Human rights – Recruitment practices – Health and safety: support and respect the protection of human rights, do not commit, participate in, or facilitate human rights violations; while ensuring compliance with globally accepted recruitment practices and prioritizing worker health and safety.
3. Environment and Community-Society: Committed to the environment and bringing useful values to the community and society.
4. Business continuity
5. Business integrity and anti-corruption: protect and promote ethical values, character, honesty, and fairness
6. Identification of related persons of MSB, internal persons of MSB, and related persons of internal persons of MSB

**MSB wants its suppliers to commit to being responsible for the sustainable development of the environment and society.**

## MSB SUSTAINABLE GROWTH

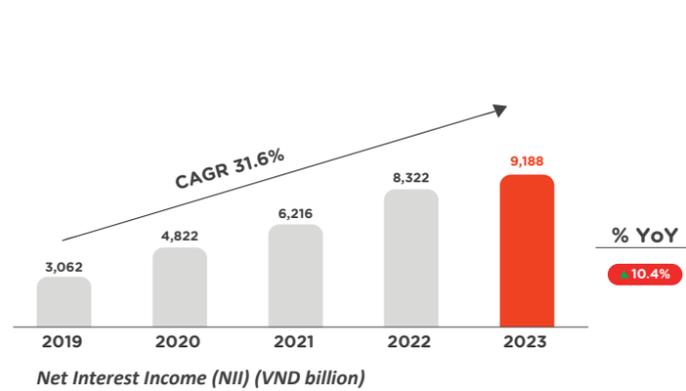
### SUSTAINABLE BUSINESS

Economic performance - The foundation for MSB to implement sustainable development strategies

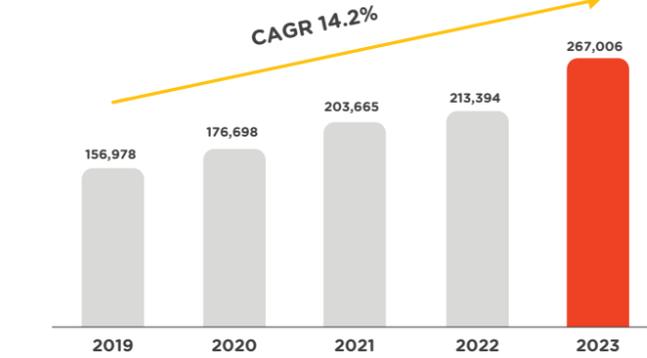
MSB perceives as a pioneer in driving transformation, leading the new trend, and supporting stakeholders in business performance, in strengthening the position and collaborating with others to foster robust development in Vietnam, while also upholding international obligations and promoting sustainable growth.

MSB has generated employment opportunities for more than 6,300 individuals through its range of banking products and services. Additionally, it increased the bank's retained earnings, facilitated funding sources, followed commitments to suppliers, fulfilled tax obligations to the state budget, and supported local communities.

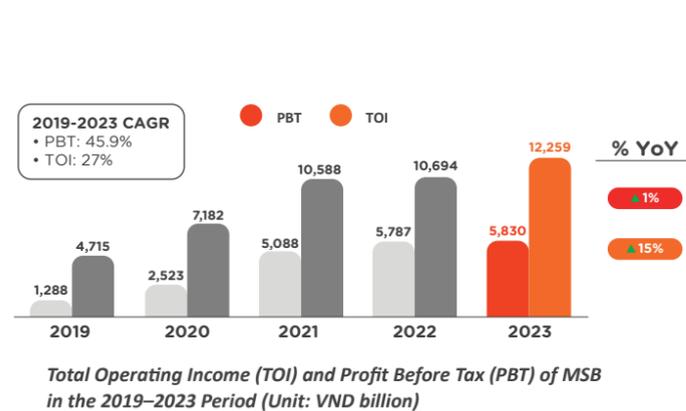
#### Net interest income



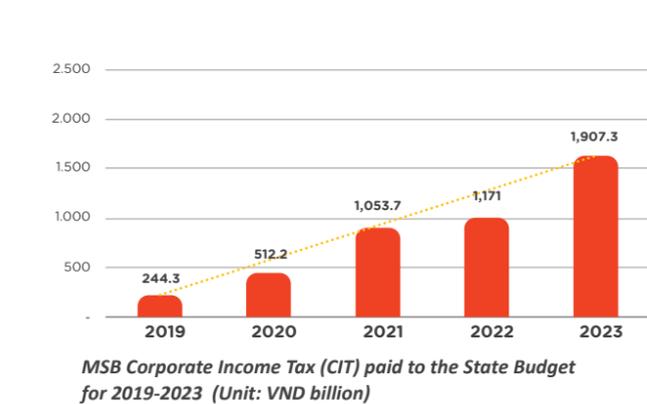
#### Total assets



#### Profits



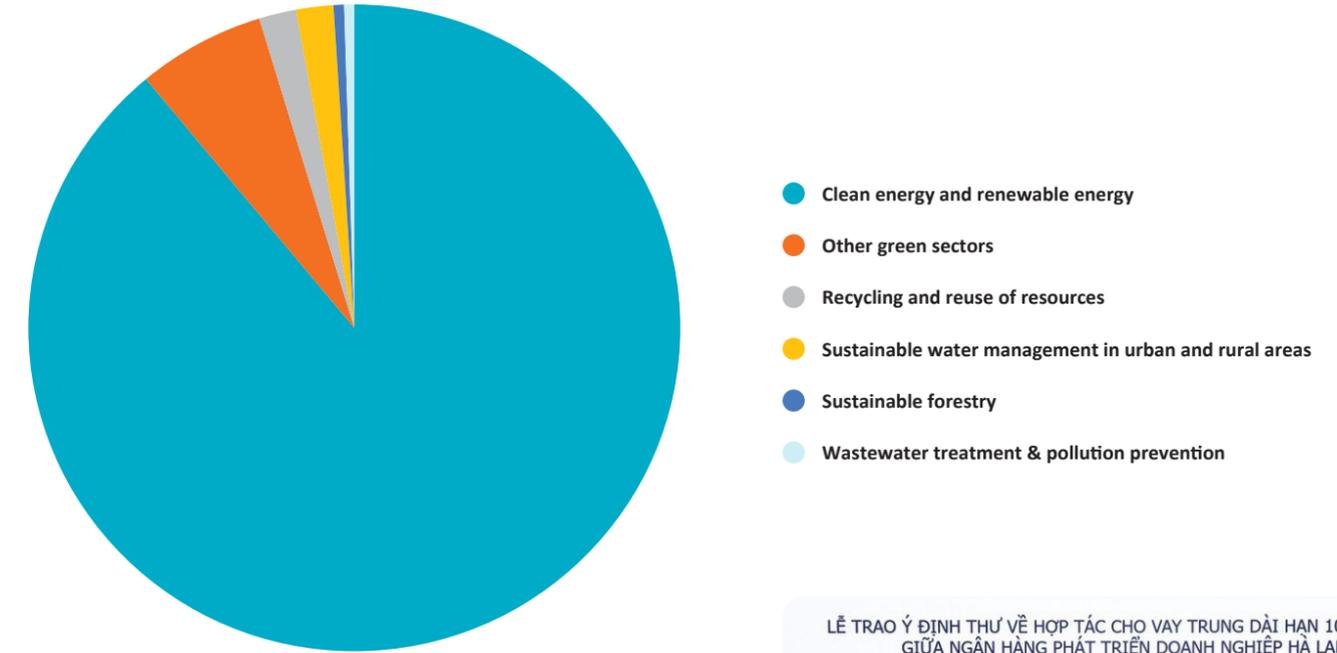
#### Corporate Income Tax



## BUSINESS TOWARDS THE ENVIRONMENT

### Green loan and mobilization of green funding

As of December 31st, 2023, MSB's total outstanding green loan was VND 5,866 billion, issued to 148 customers, growing more than 7% compared to the end of 2022 and accounting for nearly 4% of MSB's total loan portfolio. In which, largest proportion of MSB's green loan belong to renewable energy and clean energy sector (89.27%), followed by: sustainable forestry, recycling and reuse of resources, waste treatment and pollution prevention, sustainable water management in urban and rural areas, and other green sectors.



MSB cooperated with experienced foreign partners in 2023 to study, orient, and build long-term strategy for the road map of green banking development journey. Following the green loan transaction with Proparco - France worth US\$30 million at the end of 2022, supporting for green projects, after preliminary assessment and discussion, until November 2023, MSB signed a Letter of Interest (LOI) with FMO for a medium-term loan worth US\$100 million, specifically for small and medium-sized enterprises (SMEs) and projects with green criteria.





## MSB AND ITS DIGITAL TRANSFORMATION PROCESS - AN EFFECTIVE TOOL TO REDUCE THE BANK'S ENVIRONMENTAL IMPACT

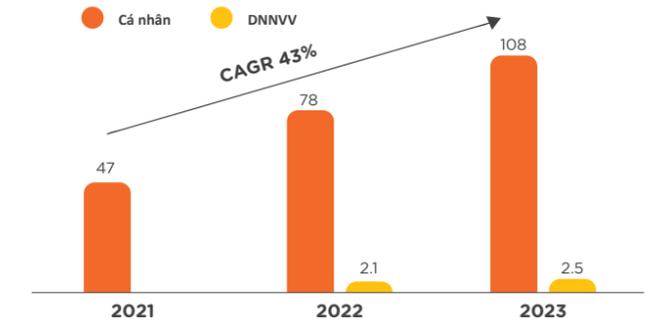
With the determination to carry out digital transformation in a systematic and comprehensive manner, MSB has built strategic programs and digitalization roadmaps to improve service quality for external and internal customers. In 2023, MSB successfully completed numerous initiatives that form the foundation of its future digital plan. The Low code project enables the creation of applications without the need to write code from scratch. Users can easily develop applications using the interface's drag-and-drop tools and available components. The ERP project aims to digitize internal processes in asset management, record keeping, and account management for efficient financial management, reducing the need for manual human intervention. The New ATM project involves the deployment of a next-generation ATM that allows customers to independently access banking services such as depositing and withdrawing money, as well as engage in two-way online communication with bank officials at any time of the day.

By digitizing the customer journey, MSB aims to enhance the customer experience and minimize its environmental footprint. Customers may conveniently sign certain loan and credit card paperwork electronically from their mBank account, this helps to save time of customers. Furthermore, users have the option to enroll in several "paperless" services, wherein they can get financial papers via mBank online banking instead of traditional mail, thereby minimizing paper usage.

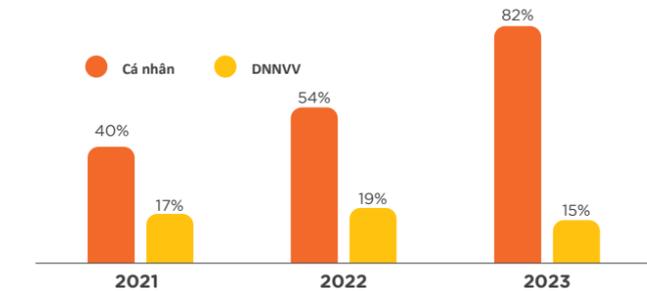
In 2023, many initiatives were carried out to enhance infrastructure capacity. These included replacing the disk cabinet system and San Switch to improve network layer storage and routing capabilities, as well as upgrading the RAM of the DC's Wintel server system to enhance transaction processing speed, etc. These initiatives have enhanced the stability and performance of MSB's infrastructure, ensuring it meets the future demands of digital projects.

Furthermore, MSB implemented a highly secure SDWAN system. This solution not only reduces the costs of transmitting data but also provides MSB with the ability to easily manage network traffic, redirect transmission routes as needed, continuously monitor the network 24/7, and prioritize financial transactions based on their importance.

**Number of banking transactions via internet/mobile (Million)**



**New customers from digital banking channel**



MSB has successfully implemented the "Personal Computer Replacement" project across its whole system, benefiting over 7,000 employees. This has resulted in a significant improvement in labor efficiency on a massive scale, with processing speed increasing by up to 40%. This project significantly enhances transaction processing time for customers at the counter, while also ensuring compatibility of users' computers with upcoming modern software deployments. Additionally, it ensures compliance with computer regulations pertaining to testing, monitoring, safety, and risk prevention.



### MSB's major digitalization projects in 2023:

**Digital Factory:** MSB had significant growth in its customer base by successfully digitizing more customer journeys. In 2023, the bank acquired 33,000 new customers, in which, customers from card segment representing approximately 50% of this total, equal to 16,000 new cards. In addition, the revenue generated from digital channels amounted to VND 500 billion.

**Core Banking System Modernization:** In 2023, as part of the Core Banking transformation program, MSB successfully conducted three rounds of rigorous testing for T24 features. Additionally, three rounds of actual data testing were carried out at all Branches/Transaction Offices, resulting in favorable outcomes. The evaluating unit assessed 89% of T24's features as adequate.

**Digital Channel:** develops a stable digital channel platform, ensuring scalability and high reliability; builds new platforms for Retail Banking, Corporate Banking and digital applications; and unifies the customer experience across journeys and channels.

**Magnet:** builds a comprehensive infrastructure, leverages the power of real-time and 360-degree customer data, and applies marketing technologies to attract, engage and retain users through innovative and personalized experiences. The project has helped:

- Attract more than 10,000 new individual customers.
- Conversion rate from “app installation” to “successful account registration” of customers reached 12%, higher than the baseline growth rate of 2%.
- Remarketing journey for customers who have not used the service: converting from 8 hours of manual work/week to 100% automation.
- The rate of customers using accounts reached 76%, 3 times higher than the baseline growth rate.

**BPM Op - BPM Risk:** brings MSB's credit operations digitalization to the cutting edge in the market and brings a good experience to customers.

**Operations Transformation:** develops additional channels to receive customer requests such as automated chat solutions/services (chatbots), 24/7 support to improve and enhance the experience and improve over-the-counter transactions.

**Enterprise Data Transformation:** unifies the data strategy across the bank; improves organizational capacity, management and data exploitation across the bank.

**Risk STP – Straight Through Processing:** designs processes, policies, integrates and digitizes processes on risk models and risk approvals, develops real-time environments; builds and upgrades risk management models and standard workflows.

- Automate screening of interested customers and pre-approval for digitalization projects.
- 100% automatic credit rating system does not require humans, reducing implementation time from 30-45 minutes to 3 minutes.
- Automate credit portfolio reports, identify early warnings and potential risks.

**Digital Sale Platform:** develops a single platform for the sales force (frontline) that integrates conveniently with other digital platforms of banks and partners, thereby helping to improve sales performance, develop sales team capacity and quickly expand sales channels for MSB.

In addition to strategic programs, the IT Division and business departments also proactively implement other projects in 2023 such as:

- Improvement of management capacity and system integration: MSB has established an Application Programming Interface (API) Department to deploy and build technology platforms and support projects on integration issues. The IT Division has built an API platform based on modern technology, standardizing core APIs for the system and many interactive projects. Simultaneously, the Technology Division has issued management mechanisms, governance, and technology standards for integration. The API CoE team professionally manages the API lifecycle from ideation, design, implementation, and completion.
- Migration to cloud data: MSB developed a strategy and roadmap to implement the transition to the Cloud platform through the establishment of a specialized cloud CoE department to:
  - + Advise the Board of Directors on building a vision and strategy for data migration to the cloud.
  - + Be the focal point for developing plans to ensure information security and risk management together with other departments.

+ Manage and administer resource allocation and cloud service usage costs effectively.

+ Build an optimal cloud-based service delivery model for the entire bank.

### In 2024, the Technology Division aims for the following key goals:

- Completion of the implementation of the new core banking system in the first quarter of 2024 and continued support for operational units when problems arise, ensuring stable transactions and operations for MSB.
- Promotion of digitalization, especially on electronic banking channels (mobile/internet banking), towards the "end-to-end" journey to comprehensively digitize and bring a good experience to customers.
- Construction of a big data platform that allows intelligent exploitation and analysis, serves lending decisions, and supports digital businesses such as digital marketing, sales channels (digital sales), etc.
- Serving as a data platform that maximizes business support as well as creates information consistency across all channels from offline to online and vice versa.

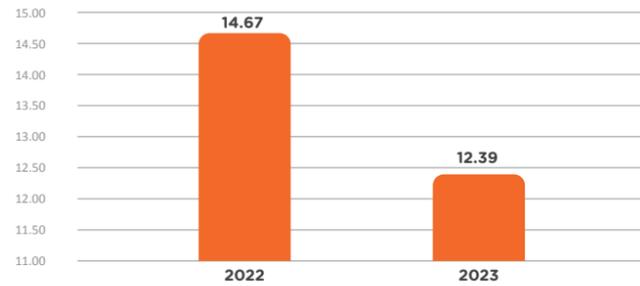


## MSB AND POSITIVE ENVIRONMENTAL IMPACTS

### ENERGY MANAGEMENT

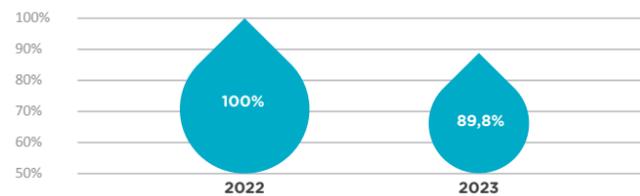
MSB recognizes that energy management is a growing concern. We are progressively accumulating additional data in order to obtain a comprehensive view. Nevertheless, the Board of Management of MSB has fully embraced the concept of energy conservation for all staff. MSB has implemented state-of-the-art refrigeration and lighting systems at its headquarters and branches. MSB specifically constructs refrigeration equipment based on unique technological features and standards to assess energy efficiency and minimize emissions. Fluorescent lights have replaced LED lighting systems due to their higher illumination efficiency and energy savings. MSB further coordinated an innovation competition in 2023 to identify efficient energy conservation solutions. As a result, power usage decreased by 15.5% in 2023 compared to 2022.

Power consumption (million kWh)



### WATER MANAGEMENT

The primary source of water use for MSB is derived from the daily usage of its employees. MSB understands of the fact that water is a limited resource. Consequently, we consistently advocate for the promotion of water conservation awareness. Water conservation messages are prominently displayed at MSB facilities to promote awareness among employees. The overall water usage in the whole MSB system drops by 10.1% in 2023 compared to 2022.



### MATERIALS MANAGEMENT

MSB primarily utilizes paper as its principal raw material for various daily operations, including printing paper for contracts, documents, payment receipts, payment orders, and publications such as calendars and handbooks.

MSB is actively pursuing the objective of conserving forest resources by minimizing paper usage. MSB achieves this objective by implementing digital transformation initiatives, such as incorporating digital signatures into the edocman process and digitizing documents and records. Furthermore, MSB also rigorously enforced the Paperless competition program throughout units, divisions, and business banks. This enhanced the employees' determination in pursuing bank's objective. The Paperless initiative recorded remarkable outcomes, with a reduction of 3.3 million copies (58%) in comparison to 2022, resulting in a cost savings of VND 935 million. MSB has repeatedly sent papers requiring destruction to paper mills for shredding, sorting, and recycling, thus reducing paper waste and mitigating environmental issues.

Furthermore, at the conclusion of 2023, MSB organized the campaign of collecting all outdated calendars at the Hanoi Head Office, Ho Chi Minh City Head Office, as well as the transaction offices and branches located in Hanoi and Ho Chi Minh City. The outcome of this campaign is around 700 kg of used paper. The full volume of paper was transported to the recycling facility, resulting in the production of 455 kg of household paper.



### SUMMARY OF INFORMATION ABOUT WASTE MANAGEMENT AT MSB

The waste caused in banking operations often stems from logistics and banking operation processes. MSB has entered into collection agreements with functional units to gather and process all categories of trash produced. The bank is dedicated to adhering to legal rules on environmental protection.

Type of waste		Ordinary solid waste	Wastewater	Emissions	Hazardous waste
Generated volume		116.6 tons/year	166,562 m <sup>3</sup> /year (estimated at 100% of water consumption)		
Applied management measures (in order of priority from left to right)	Saved up	<ul style="list-style-type: none"> <li>Saving paper, encouraging work exchange via email, digitizing processes (internal communication, posting notices).</li> <li>Stationery usage norms; use of office printing paper produced from materials certified for sustainable forest management (FSC certified)</li> <li>Limit the use of single-use plastics and nylon bags.</li> </ul>	<ul style="list-style-type: none"> <li>Water saving in restrooms (internal communications, notice posting).</li> </ul>	<ul style="list-style-type: none"> <li>Application of fuel consumption norms for means of transport; use of vehicles that meet emission standards.</li> <li>Use of the generator only in case of emergency or necessity.</li> <li>The air conditioning system uses modern, energy-saving technology. The air conditioning system is turned off after working hours and only maintained in necessary areas</li> </ul>	<ul style="list-style-type: none"> <li>Replacing fluorescent lights with LED lights to save energy and be environmentally friendly</li> </ul>
	Recycle /Reuse	<ul style="list-style-type: none"> <li>Large assets such as tables, chairs, cabinets, computers, when damaged, are liquidated according to the process and not disposed of with other waste.</li> <li>Print on 2-sided paper.</li> <li>Reuse of packaging and containers</li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>Encourage refilling ink for printers and photocopiers instead of replacing them to limit emissions into the environment.</li> </ul>
	Disposal	<ul style="list-style-type: none"> <li>Disposed solid waste is classified at source, with cleaning staff, collecting it daily.</li> <li>Waste after collection is transferred to a qualified outsourcing unit for treatment according to legal regulations</li> </ul>	<ul style="list-style-type: none"> <li>Have a wastewater collection and treatment system that ensures environmental standards.</li> </ul>	<ul style="list-style-type: none"> <li>Periodic maintenance, repair, and replacement of vehicles and equipment to optimize performance.</li> <li>Application of exhaust gas filtration technology to meet environmental standards for generators</li> </ul>	<ul style="list-style-type: none"> <li>Classification at source, collection and storage according to regulations.</li> <li>Waste after collection is transferred to a qualified outsourcing unit for treatment according to legal regulations</li> </ul>

In late 2023, MSB conducted a Program aimed at identifying Sustainable Development initiatives within the organization, encouraging employees to generate ideas related to eco-friendly practices, sustainable living, and enhancing the quality of office life. The Sustainable Development Committee, acting as the competition judges, has chosen sustainable development initiatives to be implemented in 2024. These initiatives include Green-day, the adoption of online calendars to replace desk calendars, and the installation of water purifiers as an alternative to drinking bottled water.

## EMISSIONS

In order to assess the impact of the bank's business activities on carbon emissions, MSB conducted its inaugural calculation of carbon emissions for the year 2022. This figure solely encompasses the operations conducted by MSB, excluding any loan or financing activity. In the future, MSB will use a more complete approach to calculating emissions, which will include emissions from its loan portfolio.

In 2023, MSB emissions is about 73.66% of 2022 emission (the bank emitted 14,786.85 tons of CO<sub>2</sub>eq in 2022). The primary source of emissions is electricity use, which represents 82.14% of the total emissions in 2023. 8.49% of the company's emissions are contributed by the utilization of gasoline in its public service vehicles, making it the second largest contributor. The emission levels are derived from data acquired by the bank. We are continuously enhancing support systems to gather the most comprehensive and thorough emissions data, enabling banks to suggest suitable methods for reduction.

MSB's 2023 greenhouse gas emissions:

Emission range	Total (tons of CO <sub>2</sub> converted)	Ratio (%)
<b>Scope 1</b>	<b>931.354</b>	<b>8.550</b>
Source 1.1: Gasoline used for company vehicles	924.290	8.490
Source 1.2: Electric generator	7.060	0.060
<b>Scope 2: Electricity serving machinery and operating equipment</b>	<b>8,946.880</b>	<b>82.140</b>
<b>Scope 3: (*)</b>	<b>1,014.130</b>	<b>9.311</b>
Source 3.1: Use of vehicles for business trip	164.888	
Source 3.2: Use of transportation by employees	548.697	
Source 3.3: From waste generation	4.896	
Source 3.4: From wastewater generation	186.515	
Source 3.5: From means of production	109.140	
<b>The total number of sources for which the bank keeps statistics</b>	<b>10,892.370</b>	100.000

*In 2022, MSB did not record any cases related to violations of environmental laws and regulations.*

(\*) Scope 3 includes quantified emission sources. MSB will announce updates on other emission sources when sufficient data is available.



## CORPORATE SOCIAL RESPONSIBILITY

### EMPLOYEES

Established in 1991, MSB is a trusted, long-term partner for its customers and employees.

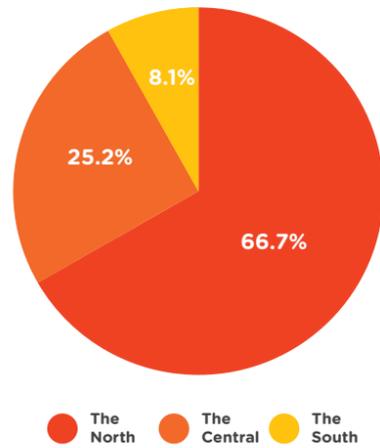
Our human capital, the individuals who work for us, propels our business's success. Our objective is to establish trustworthy and respectful relationships among employees at every level, in alignment with our fundamental principles of Customer Centricity, Innovation, Responsibility, Efficiency, and Humanity. These core values are conducive to the optimal well-being of individuals.

MSB recognizes the varied makeup of its staff, encompassing factors such as age, gender, background, and experience. MSB regards diversity as a crucial element of effective management, demonstrating its commitment as a responsible employer. We are dedicated to creating a work environment that is inclusive, allowing everyone to actively contribute to our strategic and sustainability objectives while fostering a strong sense of belonging. We also strive to promote personal growth and provide equitable opportunities for all individuals. Simultaneously, we ensure to comply with labor regulations and prioritize the stability of our workforce. Prior notice will be given to staff for any modifications.

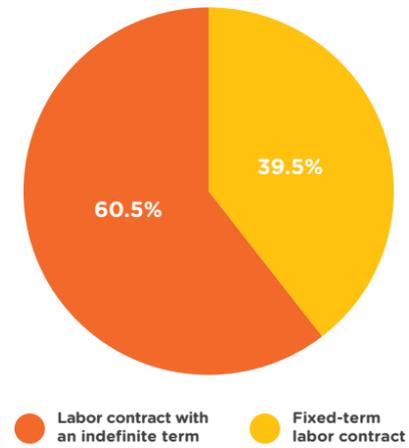
The primary goal of MSB is to enable its employees to thrive by implementing various initiatives, fostering a robust feedback culture, adopting flexible working techniques, and providing diverse employee training opportunities.

#### Personnel structure in 2023:

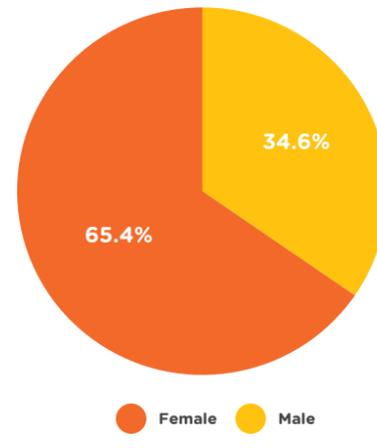
Labor structure by region



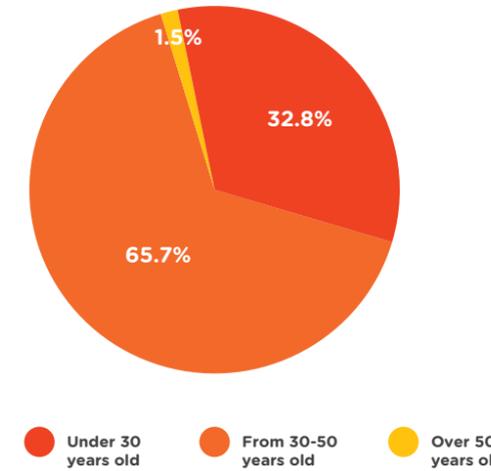
Labor structure by type of labor contract



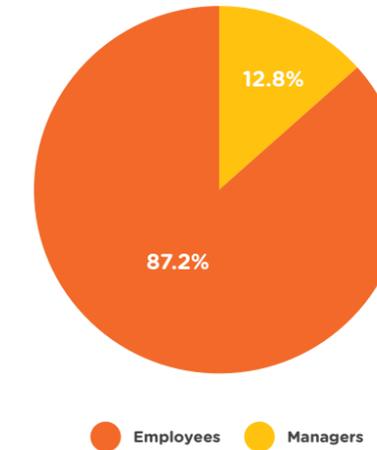
Labor structure by gender



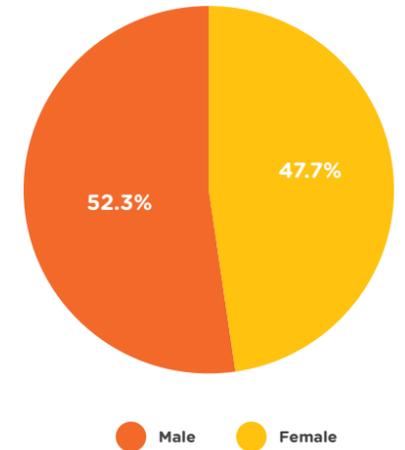
Labor structure by age



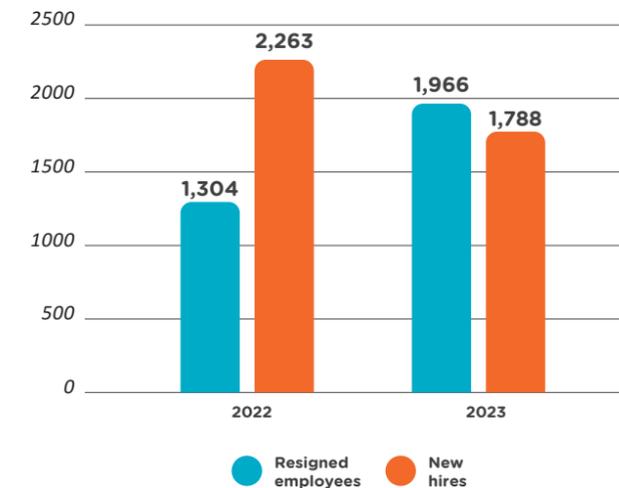
Labor structure by title



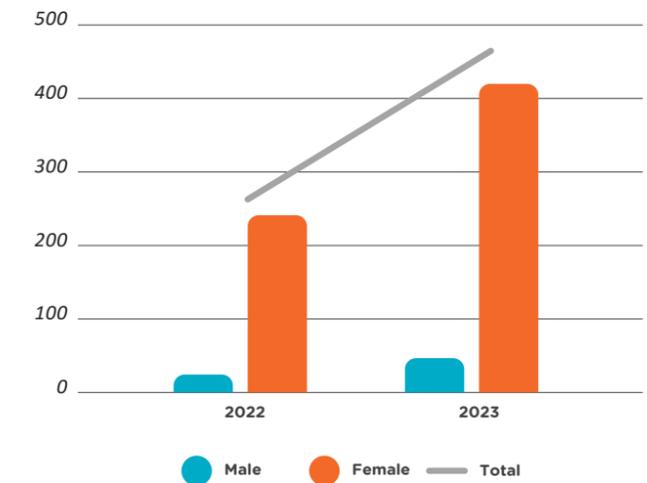
In the group of management titles, separated by gender as follows



Resigned employees and new hires at MSB



Number of employees on maternity leave during the period





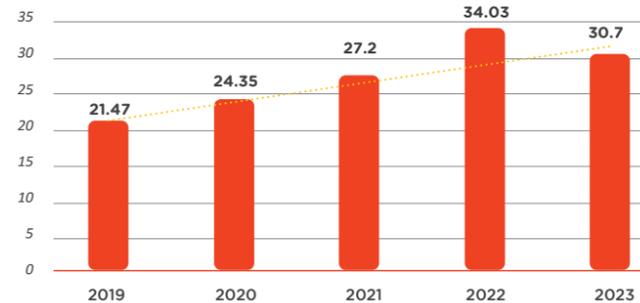
### Salary and bonus

One of MSB's five core values is "Humanity," which is reflected in the policy that states, "Pleasant workers will make extra efforts to ensure customer satisfaction." This demonstrates MSB's recognition that employees are the bank's most precious resource and the foundation for long-term growth.

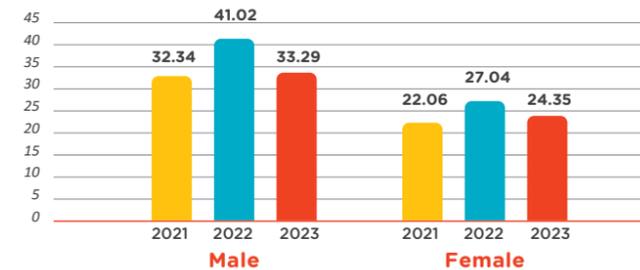
To enhance work productivity, MSB prioritizes the establishment of a secure and conducive working environment. The bank implements a diversified remuneration policies to maximize the advantages for both MSB and its employees.

In the challenging economic landscape of 2023, MSB successfully ensure remuneration policies regarding employee pay, incentives, and benefits. The employee's income is determined by the overall performance of the bank, including the performance of the entire organization, individual units, and each individual employee. MSB has implemented a system to track employees' task completion outcomes, with the aim of ensuring the management process is accurate, unbiased, and efficient. MSB has continuously conducted market pay benchmarks and examined them, as well as frequently reviewed employee performance (with all employees having their job performance assessed occasionally).

**Average monthly income of employees in 2019 - 2023 (VND million)**



**Average income of male and female employees 2023 (VND million)**



### Other benefits

Given the demanding nature of the banking sector, which involves long working hours and heavy workloads, MSB consistently emphasizes the implementation of enhanced compensation policies for its employees in order to foster a better work-life balance. MSB has supplementary policies that go beyond the legal requirements to assist postpartum women, enabling female employees to achieve a harmonious work-life balance and provide thorough care for their children, without any work-related concerns. We want to provide a working atmosphere that is supportive of women and families, demonstrating a genuine concern and care from the business towards its employees and their families.

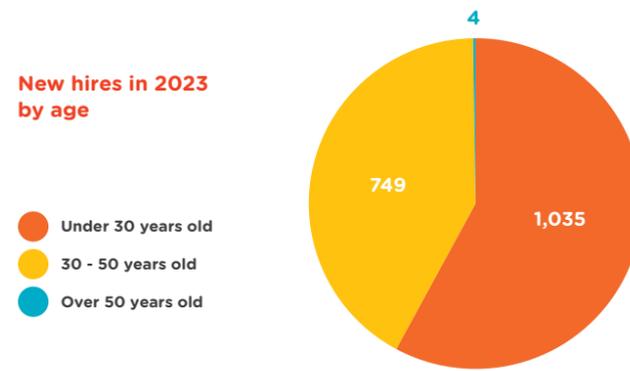
<p><b>Insurance and health care</b></p>	<p>MSB always prioritizes protecting the health of employees and implements the following policies:</p> <ul style="list-style-type: none"> <li>• Periodic health check-ups with many appropriate items, performing disease screening according to the needs of staff at reputable, quality hospitals, with an average cost of VND 1.5 million/person.</li> <li>• Health insurance: employees enjoy comprehensive health insurance under the "MSB Care" program, with insurance policies and values increasing each year. Specifically, leadership positions: insurance value of up to VND 1.5 billion/person. Other positions: average insurance level of VND 300 million/person.</li> <li>• Annual vacation.</li> <li>• Medical room for employees and a function room for female employees who are nourising children.</li> </ul>
<p><b>Benefits/ Compensation</b></p>	<p><b>Compensation and rewards:</b></p> <ul style="list-style-type: none"> <li>• Support for meals, transportation/phone calls/makeup.</li> <li>• Bonus for Tet holidays.</li> <li>• In-kind compensation regime.</li> <li>• Bonus based on work performance during the year.</li> </ul> <p><b>Life benefits:</b></p> <ul style="list-style-type: none"> <li>• Cultural - artistic - sports activities.</li> <li>• Gifts for employees' children on the occasion of Children's Day, Mid-Autumn Festival, Excellent Students, School Opening day.</li> <li>• In addition, MSB employees enjoy additional benefits such as full paid leave on birthdays and 1 day annual leave add-up for employees with long-term loyalty with the bank compared to the Labor Code.</li> </ul> <p><b>Regimes for female employees:</b></p> <ul style="list-style-type: none"> <li>• Gifts for female employees on the occasion of International Women's Day and Vietnamese Women's Day.</li> <li>• Maternity allowance.</li> <li>• Increased prenatal care leave days in compared with the Labor Law regulation.</li> <li>• Maternity leave: In compliance with labor laws, MSB applies a maternity leave policy to employees (both men and women) and applies reward, welfare, and health insurance policies. and other types of increased insurance; at the same time, employees are still evaluated for annual emulation, periodically reviewed for salary increases, and have their work efficiency evaluated as a basis for annual performance bonuses and related welfare regimes.</li> <li>• Implementation of the medical room model at Hanoi headquarters, arranging function rooms for female employees who are nourising children.</li> </ul>
<p><b>Other incentives/ support/ increased benefits</b></p>	<ul style="list-style-type: none"> <li>• Flexible working hours for staff working at the Head Office.</li> <li>• 03 late departures/early departures per month with a maximum time of 4.5 hours/month and still being paid so that staff can bond with their families.</li> <li>• Preferential loan policy for employees.</li> <li>• Days off for male employees whose wife has given birth.</li> </ul>

## Recruitment

In 2023, MSB conducted many recruitment initiatives to cultivate a skilled and diverse workforce, grow its transaction network, and enhance the quality of its services. The bank received over 40,000 applications for job openings. MSB adheres to recruiting standards that dictate stringent, transparent, and fair criteria based on the candidate's skill, experience, education level, and working attitude. At MSB, we recruit without any discrimination based on gender, nationality, race, etc.

All position at MSB has a distinct career path and development focus within each department. Employees are provided with advantageous circumstances when they need to transition to different roles or divisions. Employees voluntarily enroll in skills and expertise courses that are relevant to their position or department. MSB consistently provides circumstances and opportunities to assist workers who require job position transfers or move to different divisions.

MSB utilized a variety of recruiting channel, including recruitment websites, social networks, seminars, job fairs, recruitment partners, and internal employee recommendations. The bank has also enhanced collaboration with universities and colleges, such as the National Economics University, the University of Science and Technology, and the Banking Academy, to identify and cultivate promising personnel, particularly recent graduates.



## Training and development

The training program of MSB is designed and implemented on a yearly basis to effectively communicate the obligatory requirements of the State Bank of Vietnam, enhance the operational efficiency of departments, and foster professional growth in alignment with the preferences of workers. The courses are categorized into sections such as management capacity enhancement courses, courses pertaining to digital transformation, courses aimed at developing management capacity for each specialized bank/Division/Unit, and so on.

In order to consolidate staff training activities, MSB has prioritized three crucial elements: harnessing technology and embracing digitalization, establishing internal lecturer communities, and standardizing leadership development initiatives.

Technologically, MSB has utilized current LMS (Learning Management System) to its fullest extent by leveraging innovative features to improve the learning experience and training operations. The technology now enables the automated transmission of comprehensive training invitations to registrants, together with the reservation of a matching time slot in their digital schedule. MSB has included QR code function into its LMS to streamline the process of training participation. Participants may now effortlessly verify their presence by scanning the QR code provided at the start of the session. This not only decreases the administrative burden linked to engaging in training, but also offers a more seamless digital experience for participants. This functionality is also in line with MSB's objective of reducing environmental impact by transitioning to a paperless system. MSB's Learning Management System (LMS) not only offers in-person classes but also seamlessly incorporates online classes and e-learning. This allows employees to take training courses at their own convenience.

In 2023, the average annual training time at MSB was 51 hours for managers and 47 hours for workers. The yearly training cost amounts to VND 21.752 billion. The average training expenditure per individual amounted to VND 3,500,000/person.

The management level training program was extensively implemented with a total of 64 training sessions, which were divided across 3 projects. Additionally, there were 20 training courses available for 2,054 leaders/managers to participate in.

### Senior leadership: 04 courses and 02 projects

(Leading the way, Mindful leadership, Elite mentoring: Mentoring skills & transferring mentoring toolkit, Chief Pit Stop Officer, Lang Premium)  
Number of participants: 169

### Leaders: 03 courses & 01 project

(Inspiration to change, Leader Talk and Do: The art of turning things around, Project M. Digi Leader)  
Number of participants: 223

### Bank-wide management staff: 03 courses

Course attendance: 695

### Talentpool: 2 courses

Course attendance: 195

### Leaders & managers of business bank: 6 courses

(Business Manager - BM Bootcamp, BM planning, BM onboard, RB Leader, EB Hub Head, Improving leadership skills for EB middle managers)  
Number of participants: 772



## MSB Culture

At MSB, we always work in the spirit of **goodwill, cooperation, honesty, equality, openness, and transparency - Respect rights and interests of employers and employees - Adherence to legal and social ethics.**

In 2023, MSB revised its core values, focusing on Customer Centricity, Innovation, Responsibility, Efficiency, and Humanity. Regularly conducted corporate culture training programs with 97% of employees participate and complete them. Clubs effectively implemented and extensively utilized numerous alliance emulation initiatives, such as M runners and M music. Engaging in the implementation of cultural development activities fosters camaraderie and strengthens the teamwork principle within the team, as well as promoting tight collaboration across different divisions, departments, the Head Office, and business units. The goal of establishing a robust organizational culture is to generate advantages that help the bank progress not only efficiently but also toward sustainable development. Create a distinctive culture for MSB and actively contribute to establishing a positive and harmonious work environment.

The Corporate Culture Department of MSB has successfully established a distinct and durable foundation for the bank's corporate culture, resulting in a competitive advantage and distinctiveness.



- Establishment of the M Runners club throughout the bank
- 3,890 members
- 15 running tournaments, online and offline challenges
- 80,688 km



- Organization of the first activity in the Green day program series: collecting old calendars, collecting nearly 700kg of old calendars, used books, and recycled papers.



- The blood donation program took place at Hanoi Head Office and Ho Chi Minh City Head Office:
- Hanoi: more than 200 people registered and 155 blood units were donated.
- Ho Chi Minh City: more than 120 people registered and 81 blood units were donated.



- Support and organization of a couple of events following sustainable development direction at MSB:
- Spread the information on Paperless Program of Strategy Division: Total of 10 newsletters on internal communication channels.
- Support and calling all staff for blood donation activities: Nearly 15 news reports on internal communication channels.
- Inspire and encourage for M Runners: More than 20 articles about running races and activities of the M Runners Club on media channels.



MSB excelled in the survey "Best Places To Work cross Vietnam" by Anphabe, a top business focusing in human resource research and consulting in Vietnam, particularly in 2023 and received numerous accolades including:

- **Top 15 Typical Enterprises with "Happy Human Resources"**
- **Ranked 2nd in the Banking industry.**
- **Ranked 19th in Top 100 "Vietnam Best Places To Work"**

At MSB, we establish internal protocols for managing complaints in order to address any problems, discontent, deficiencies, or grievances that employees may experience in the workplace. Reports are sent to

the Compliance Department or the employee representative group, such as the Trade Union, either in the form of letters, emails, or in person. MSB effectively addresses these issues and is dedicated to safeguarding the anonymity and identity of employees who report misconduct or signs of wrongdoing. Additionally, MSB strictly prohibits any kind of retribution against those who report infractions.

The settlement of complaints must adhere to the overarching principles of objectivity, meticulousness, promptness, problem analysis, root cause identification, solution identification, and information security.

## LISTENING TO CUSTOMERS

### Communication

MSB provides its customers and partners with easy and transparent access to information on products, business performance, regulatory guidelines, stock fluctuations, shareholder meetings resolutions, financial reports, annual reports, and more.

Prior to delivering information to customers, we consistently and explicitly outline the requirements, substance, entities, messages, dissemination channels, formats, and strategies involved. MSB consistently delivers timely and targeted communication messages.

MSB guarantees that all public information relating to its products and services adheres to the material Posting/Disclosure Process without exception. As of yet, MSB has not any violation regarding information and trademark infringement, nor any marketing communication activities relating to its products and services.

### Customer privacy

Starting from July 1<sup>st</sup>, 2023, MSB committed to strictly following the information system security protocols outlined in Circular No. 09/2020/TT-NHNN and the regulations outlined in Decree No. 13 on the protection of personal data. MSB is committed to fully protecting the data privacy of both its customers and employees. The synchronous and current architecture of MSB's information technology system ensures the safety and security of customer information. Simultaneously, regular and meticulous monitoring of actions pertaining to consumer information is conducted.

The responsibility of safeguarding the database from any cyberattacks is carried out by the Information Technology System Security Department of MSB. By utilizing a SIEM orchestration solution, the Security Operations Center (SOC) may automate the handling of low-level to medium-level information security violation events and alarms.

MSB prioritizes initiatives aimed at enhancing employee knowledge about the protection of customer information through comprehensive training programs and the implementation of disciplinary procedures that outline precise obligations and consequences for any infractions. Furthermore, aside from its endeavors to prevent data loss, MSB also requires proactive safeguarding from its customers. When performing online banking transactions, we establish certain security standards and consistently alert customers through media channels about fraud tactics and cybercriminals' theft of transaction information. Our goal is to enhance customer knowledge regarding the protection of their personal information.

MSB has not any attacks that have had significant influence on MSB's information systems, and no grievances have been received about infringements of Customer Information Security Rights.

### Measurement of customer satisfaction

Customer satisfaction is one of key focus of MSB and the bank regularly assesses it. Customer satisfaction surveys for gathering feedback from customers who have engaged with the bank are periodically processed and based on customer experiences from key procedures like account opening, loan application, and investment product subscription. Each key process is assessed and monitored based on the following indicators:

- Recommendation rate
- Satisfaction

MSB understands that customer satisfaction is a bank's greatest success, so we always strive to create a comprehensive experience of products and services for customers.

**Customer satisfaction results across channels revealed that 91% of customers were satisfied with MSB's products and services (up 5% compared to 2022).**



### Handling of customer complaints

The Management team and MSB employees are consistently committed to swiftly and effectively receiving and addressing customer feedback received while utilizing MSB's products and services. MSB's commitment to customer centricity ensures that the genuine interests and experiences of customers are consistently honored and prioritized. MSB prioritizes customers and ensures that they are the focus of every decision and behavior. The Chairman of the Board of Directors and management team prioritize this core value above all others.

MSB has implemented a strategy to rapidly and effectively address customer complaints. This policy has been regularly updated to ensure that customer feedback is handled in a timely, accurate, and satisfactory manner. The goal is to enhance the quality, efficiency, and overall happiness of customers who use MSB's services. The method of managing feedback from customers at MSB is implemented across the whole MSB system, encompassing the Head Office, Branches, Transaction Offices, Representative Offices, Specialized Banks, Operational Divisions, and other related business units. The procedure for receiving and managing complaints and disputes with MSB customers is as follows:



At MSB, there are different channels to receive customer feedback, including but not limited to the following channels:

- Telephone reception channel: telephone switchboard runs 24/24 hours a day, 7/7 days a week or call directly to the Transaction Office with call recording mode during business hours; Hotline: 190060 (individual) - 18006260 (business); Priority customer support-MFirst: 1800.599999 (toll-free).
- At the transaction counter;
- Via Internet Banking, via email, website <https://www.msb.com.vn/vi/lien-he.html>;
- Via mail;
- Via fanpage, social networks;
- Through MSB staff;
- Customer satisfaction survey.

If the customer still requires further clarification after responding, MSB will engage in additional discussions to address the issue and ensure customer satisfaction. We do this to protect the legitimate rights and interests of customers, as well as the reputation and image of MSB and all associated individuals and organizations.

MSB consistently provides training programs to improve the abilities of its employees, thereby enhancing the customer experience. When dealing with customer complaints, MSB staff should comply to both the general customer feedback handling method and the principles of receiving and reacting to customers. Behavior principle is considered as one of our criteria in recruitment process, particularly for frontline positions in Sales, Customer Service, Call Center, Branch Managers, and customer experience-related employees. Interviews utilize customer behavior-centered inquiries. The service quality mindset is tested before the transition into full-time employment and is performed on a yearly basis for all personnel. Customer experience is a mandatory training module for all employee, including those in both front and back office roles, and at all levels of the bank.

Content	2022	2023
Number of employees trained in Service Quality courses	10,554	11,335
Number of training courses on Service Quality	99	110

## POSITIVE IMPACT ON THE COMMUNITY

MSB allocates a portion of its sponsorship and Corporate Social Responsibility (CSR) funds towards supporting charitable initiatives as part of its sustainable development plan. This initiative serves to showcase social responsibility and contribute towards improving the lives of individuals in the community, particularly those facing challenging situations.

In June 2023, MSB provided a funding of VND 2 billion for the construction of Huy Giap Secondary Boarding School for Ethnic Minorities in Huy Giap Commune, Bao Lac District, Cao Bang Province. Bao Lac is a mountainous district on the border with Cao Bang Province. It has a challenging topography and a poverty rate of 63% for those classified as poor or near-poor. Then the local education environment faces a lot of difficulties, particularly in the form of inadequate facilities and a scarcity of learning materials. MSB focuses its efforts on establishing a secure, ample, and efficient learning atmosphere for children, fostering literacy aspirations, and collaborating to further innovation in local education.

In October 2023, MSB provided financial support for the construction of 22 houses in Bao Lam District, Cao Bang Province. These dwellings were specifically intended for impoverished and low-income households. This act not only establishes a basis for social well-being and enables impoverished individuals to transform and enhance their lives, but it also serves as a perpetuation and advancement of the long-standing heritage of communal affection and togetherness. In response to the Prime Minister's National Target Program on Sustainable Poverty Reduction for the period of 2021–2025.

MSB also allocated several houses to underprivileged households in Quang Nam and Thanh Hoa. MSB aims to convey gifts with a compassionate message and promote a sense of community among the local residents. This initiative is intended to inspire people to establish roots and find greater motivation to succeed, aligning with the spirit of the "With the needy in mind—no one left behind" movement. Additionally, it is a collaborative effort



to gradually achieve the Government's objectives of eliminating hunger and poverty, as well as fostering national development and innovation.

Apart from supporting those who are financially unfortunate, MSB employees also gave particular focus to other difficult situations, usually including cancer patients and those with cardiovascular illnesses. MSB thus urged its employees to actively register to participate in the "Humanitarian Blood Donation Program" in a sequence of birthday celebration events with the theme "Fresh M32," so supporting the core values of "Humanity" and "Responsibility," people and the spirit of responsibility to the community. More than 200 staff members felt pleased to take pragmatic action to join hands to love life, "a life is spared for every unit of blood donated."

Sustainable development encompasses more than simply adopting cutting-edge energy-saving technology or transitioning to renewable energy sources. Each individual needs to prioritize sustainability in both their personal and professional lives on a daily basis. The management team of MSB, as bank employees, have actively contributed to the



process of green transformation and the promotion of sustainable development mindset through their daily activities. We perceive this as a crucial factor in the bank's ongoing path towards sustainable development. The banking structure is influenced by the direction of sustainable development in all aspect. Consequently, it is necessary to implement policies and solutions in a systematic and consistent manner, following a well-defined roadmap, and continually striving for improvement. MSB is presently formulating a Sustainable Development Strategy that is integrated into the bank's business strategy to establish a framework for implementing sustainable business activities for MSB, with a focus on environmental standards, society, and governance. The bank's efforts in this regard are widely recognized and valued both domestically and internationally. Developing a Sustainable Development Strategy enables MSB to effectively and comprehensively mitigate risks while capturing new business opportunities. This strategy positions MSB as a pioneer among banks in Vietnam by establishing standardized, top-tier sustainable development criteria. Consequently, MSB's creditworthiness is enhanced, and its brand identity is positively perceived on both regional and global levels.





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**VIETNAM MARITIME COMMERCIAL JOINT STOCK BANK**

54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam.

Tel: (024) 3771 8989 • Fax: (024) 3771 8899

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[www.msb.com.vn](http://www.msb.com.vn)