



**SAIGON – HANOI
COMMERCIAL JS BANK**

**SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness**

Hanoi, January 30, 2019

No: 25/HĐQT

**CORPORATE GOVERNANCE REPORT
(2019)**

TRANSLATION

**Respectfully to: The State Securities Commission
Hanoi Stock Exchange**

Company name: Saigon – Hanoi Commercial Joint-Stock Bank
Head-office’s address: No 77 Tran Hung Dao Street, Hoan Kiem District, Hanoi
Telephone: 04 3942 3388 Fax: 04 3941 1086
Charter capital: 12,036,161,100,000 VND
Security code: SHB

I. Activities of the General Meeting of Shareholders

Information on meetings and Resolutions/Decisions of the General Meeting of Shareholders (including resolutions of the General Meeting of Shareholders passed in the form of written opinions).

No	Resolution No.	Date	Description
1	01/NQ-ĐHĐCĐ	27/04/2017	<ol style="list-style-type: none">1. Approve the Report of BOD on performance in 2018 and plan in 2019 of BOD;2. Approve the Report on SHB’s business performance in 2018 and development plan for 2019;3. Approve the Report on assessment result SHB’s financial status in 2018, performance in 2018 and action plan in 2019 of the Supervisory Board;4. Approve 2018’s profit distribution and provision plan5. Approve the Charter capital increase in 2019.6. Approve the expansion plan of SHB to Ivory Coast.7. Approve the amendment and supplementation of business lines.8. Approve the selection of independent auditor to conduct the audit on SHB’s 2019 financial statements.

			9. Approve the plan on international bond issuance and listing.
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II. Operation of the Board of Directors (BOD):

1. Information about members of BOD

No	BOD's member	Position	Day becoming/ no longer member of the BODs	Number of meetings attended	Perce ntage	Reason for absence
1	Mr. Do Quang Hien	Chairman	Appointed on 27/04/2017	4/4	100%	
2	Mr. Vo Duc Tien	Vice Chairman	Appointed on 27/04/2017	4/4	100%	
3	Mr. Nguyen Van Le	BOD member and CEO	Appointed on 27/04/2017	4/4	100%	
4	Mr. Thai Quoc Minh	BOD member	Appointed on 27/04/2017	4/4	100%	
5	Mr. Do Quang Huy	BOD member	Appointed on 27/04/2017	4/4	100%	
6	Mr. Pham Cong Doan	BOD member	Appointed on 27/04/2017	4/4	100%	
7	Mr. Trinh Thanh Hai	BOD independent member	Appointed on 23/04/2018	4/4	100%	

2. Supervision by BOD over the Board of Management (BOM):

The Board of Directors was elected and empowered by the General Meeting of Shareholders to carry out corporate governance. The Board of Directors has always closely monitored all operations of the Bank, supervised the Board of Management in implementing guidelines and policies passed by General Assembly of Shareholders and Board of Directors. Accordingly, SHB focused on increasing market share of the Bank's core businesses while applying strict risk control and managementsystem wide. In addition, the BOD also requested the Board of Management to direct the prompt recovery of NPLs, overdue loans, strengthening the pre-, during and post-lendinginspection to minimize new NPLs, raise credit quality throughout the system to ensure the stability,

sustainable development and completion of plans assigned by the General Assembly of Shareholders.

The Board of Directors regularly participated in meetings with the Board of Directors and business units in the system to grasp the business operation of the units, thereby promptly removed difficulties and created motivation for business development. In addition, the Committees under BOD frequently reported to the Board all issues within their responsibilities to ensure the most comprehensive information provision to the Board of Directors and compliance with laws and resolutions of the General Assembly of Shareholders.

The BOD has conducted specific task delegation to each member of BOD. Each member of BOD is assigned to perform the supervision and governance in different core business activities of the Bank to give timely direction to the Board of Management in implementing and adjusting business activities from time to time to make sure the plans assigned by the General Assembly of Shareholders are fulfilled.

3. Activities of the BOD's committees:

3.1. HR Committee

HR Committee was organized and performed several functions on human resource management and remuneration as authorized by the BOD. Key tasks of the HR Committee include:

- Advised the BOD in promulgating regulations and policies in HR management in accordance with the law and Charter of SHB.
- Advised the BOD in handling HR matters regarding the election, appointment, removal of BOD members, SB members and BOM members in accordance with the law and Charter of SHB.
- Made research and advised the BOD in promulgating internal regulations of the Bank under the approval authority of the BOD relating to salary, compensation, bonus and recruitment of staff, training, and other compensation policies to the BOM, managers and staff of the Bank.
- Conducted examination, inspection and assessment of the implementation of HR regulations and policies. Based on that, the Committee advised the BOD to revise existing regulations and/or to promulgate new regulations in accordance with the practical situation and development strategy of SHB.

3.2. Risk Management Committee:

Risk Management Committee was organized and operated in accordance with Regulations on organization and functions of Risk Management Committee developed and promulgated by the BOD. Main activities of the Risk Management Committee during the year included:

- Monitored the implementation of Circular 41, Basel II and development of an internal control system in compliance with Circular 13; the Risk Committee has proactively advised BOD on completing SHB's Risk Management model in a 3 lines of defense approach in order to recognize, measure, monitor, control, report and minimize material risks in the Bank's operations.
- The BOD has promulgated Decisions No. 410 and 412 dated October 09, 2019 on adjusting and issuing a new Regulation on the organization and operations of Risk

Management Committee; following the new Regulation, the Risk Committee has conducted specific task delegation to each member of the Committee. The Committee has also conducted regular meetings and made advisory recommendations to BOD for approval upon the Risk Committee's resolutions.

- Made recommendations on strengthening the structure, personnel arrangement and operations of Credit Council, Risk Council, Capital Management Council, ALCO, Compliance Department under CEO in a simplified and professional manner to improve the efficiency of risk management at SHB, complying Basel II standards.
- Gave advice and recommendations on approving the development and promulgation of Risk Appetite statement in line with Basel II standards, as well as requirements of the SBV; and thereby, set overall risk limits, control limits, alert and action thresholds as guideline for SHB's operations, as well as provided a basis for the Bank to assign specific risk limits and control thresholds in compliance with the law; Based on the Risk Appetite statement, Risk Management Committee shall continuously make recommendations and proposals to the Board of Management to promulgate detailed guidelines and regulations to control and assign risk limits, develop credit risk, operational risk, market risk and liquidity risk measures;
- Proactively assisted and supported the BOD and BOM in controlling limits and prudential ratios in operations of SHB as required by SBV, focused on implementing relevant works to comply with CAR requirements according to Circular 41/2016/TT-NHNN dated December 30, 2016.
- Continuously provided support and advice on developing qualified reports on internal risk management, and other reports concerning risk management as required by the SBV, as well as other requirements on transparency and information disclosure in compliance with the law. Regularly reviewed and provided periodical alerts, recommendations on material risks following SHB's risk limits and SBV's regulations;
- Advised the BOD on approving crisis management model in order for CEO to apply and implement. Reviewed and advised the BOD in promulgating internal documents on controlling material risks to best support business activities of the Bank, ensuring effectiveness and efficiency of SHB's risk management in the following years (including credit risks, operational risks, market risks, liquidity risks, concentrated risks, and book interest risks);
- Reviewed and made recommendations on amending regulations in relation to risk management; gave opinions and advice to the BOD on approving the supplementations and amendments of risk management regulations and policies as required by SBV inspectors and in line with practical situations at the Bank, including: risk management framework, risk management policies on credit risk, operational risk, market risk, book interest risk, liquidity risk and limit control, CAR management regulation, credit orientation in 2019;
- Monitored the implementation of post-inspection recommendations and SHB's directions related to risk management and compliance.

Ensure quality of reports on risk management as required by SBV, and other requirements on transparency and information disclosure as regulated by the MOF, SSC and Stock Exchanges.

3.3. Assets and Liabilities Management Committee (the ALCO):

- The ALCO is responsible for giving advice to the BOD on the scale, structure and growth of SHB's assets and liabilities in line with the scale of its operation and development strategy in each period, forecasting and timely responding to market changes; Reviewed and ensured prudential ratios and limits in business activities in accordance with regulations of SBV and SHB.
- Advise the BOD on building market development strategies, fund management policies, liquidity risk management, market risk management policies, etc.

3.4. Other Councils:

- Investment Council: Advised the BOD on investment activities; Appraised investment plans and allocated investment in allowed sectors to increase income and profits for SHB;
- Problem Loan Management and Collection Council: Advised the BOD in developing measures to prevent and mitigate overdue and non-performing loans in order to achieve goals of safe and effective operation of SHB; Directed loan management and handling throughout the system, approved measures to handle problem loans, organized the development of problem loans prevention and handling strategies in the entire Bank.
- Credit Council: Advised the BOD in targeted structure of the loan portfolio of the bank by sectors, products or geographic locations; Approved credit policies including interest rates, fees, credit conditions, credit risk prevention measures applied to each type of customers and related parties; Approved loans exceeding the approval limit of the CEO such as loans exceeding 10% of SHB's equity and other loans exceeding credit limits.

4. Resolutions of the BOD:

No	Resolution No.	Date	Description
1	01/NQ-HĐQT	18/02/2019	Prepare list of shareholders and organize the 2019 Annual General Meeting of Shareholders
2	02/NQ-HĐQT	23/03/2019	Issue VND 3.000 billion in deposit certificates and promisory notes of SHB
3	03/NQ-HĐQT	16/04/2019	Establishment of Shareholders Eligibility Inspection Committee in the 27 th Annual General Meeting of Shareholders of SHB
4	04/NQ-HĐQT	21/06/2019	Establishment of SHB Ivory Coast Joint Stock Bank in the form of contributing share capital
5	05/NQ-HĐQT	21/06/2019	Open 06 branches and 17 transaction offices of SHB
6	06/NQ-HĐQT	27/06/2019	Approve the signing of Loan Agreement; approve the terms and conditions of the Loan Agreement and Mortgage portfolio agreement between SHB and IIB
7	07/NQ-HĐQT	23/07/2019	Regarding the last day to prepare the list of shareholders of SHB for opinion collection in written form
8	08/NQ-HĐQT	25/07/2019	Approve SHB international bond issuance

			plan
9	09/NQ-HĐQT	25/07/2019	Approve SHB domestic bond issuance in 2019
10	10/NQ-HĐQT	12/08/2019	Personnel changes of Council of Members and Supervisory Board of SHBFC
11	11/NQ-HĐQT	06/09/2019	Approve SHB 2 nd tranche bond issuance
12	12/NQ-HĐQT	12/09/2019	Approve the signing of contract with SHS for issuing domestic valuable papers of SHB
13	13/NQ-HĐQT	24/10/2019	Implementation of share issuance plan to raise charter capital
14	14/NQ-HĐQT	25/10/2019	Approve the registration documents to offer shares to the public
15	15/NQ-HĐQT	18/11/2019	Amendment and supplementation to the charter capital increase plan
16	16/NQ-HĐQT	29/11/2019	Termination of Decision No. 137/QĐ-HĐQT dated March 20, 2018 of the BOD
17	17/NQ-HĐQT	03/12/2019	Signing loan agreement with Commerzbank Aktiengesellschaft and approving the capital use plan
18	18/NQ-HĐQT	17/12/2019	Amendment and supplementation to the international bond issuance plan of SHB
19	19/NQ-HĐQT	19/12/2019	Implementation of share issuance plan to raise charter capital
20	20/NQ-HĐQT	19/12/2019	Approve the registration documents to offer shares to the public
21	21/NQ-HĐQT	27/12/2019	Approve the registration documents to offer shares to the public
22	22/NQ-HĐQT	27/12/2019	Implementation of share issuance plan to raise charter capital
23	23/NQ-HĐQT	31/12/2019	Credit extension with collaterals to SHS
24	24/NQ-HĐQT	31/12/2019	Approval on Mr. Nguyen Ba Duc's resignation from the position of Member of Council of Members of SHBFC and termination of labor contract
25	25/NQ-HĐQT	31/12/2019	SHB Laos' charter capital increase

III. Supervisory Board:

1. Information about members of Supervisory Board:

No.	Members of Supervisory Board	Position	Day becoming/n o longer member of the BODs	Number of meetings attended	Percentage	Reason for absence
1	Mr. Nguyen	Head	Appointed	4/4	100%	

2	Hoa Binh Ms Nguyen Thi Hoat	Deputy Head	on 27/04/2017 Appointed on 27/04/2017	4/4	100%	
3	Mr Nguyen Huu Duc	Member	Appointed on 27/04/2017	4/4	100%	
4	Ms Le Thanh Cam	Member	Appointed on 27/04/2017	4/4	100%	
5	Ms Pham Thi Bich Hong	Member	Appointed on 27/04/2017	4/4	100%	

2. Surveillance activities of the Supervisory Board over the Board of Directors, CEO and shareholders

2.1. Board of Directors:

- The BOD has fully exercised its powers and duties as provided for in applicable laws, SHB's Charter and relevant internal regulations with high sense of responsibility and efficiency in system governance.
- The BOD has implemented the business orientations, strategies, medium and long-term development plans and annual business plans of SHB, as well as other rights and obligations of the BOD as regulated in the Bank Charter, applicable law and Resolutions of the General Assembly of Shareholders. The BOD has directed the whole Bank to follow major directions, which include: effectively implemented business initiatives, in line with market trends and developments to complete business criteria in 2019, as well as to reach long-term targets in 2025; conducted the Bank modernization strategy in order to design and develop high-tech, high quality products in line with the 4.0 trend; strengthened the Bank's organization structure in principle of simplicity, transparency, efficiency and safety; completed the risk management framework in accordance with Basel II standards; complied with regulations relating to corporate governance following international standards.
- The BOD has successfully organized the 27th annual General Meeting of Shareholders of SHB on April 23, 2019 in Hanoi and directed the CEO to implement the Bank's 2019 business plan as approved by the 27th annual General Meeting of Shareholders and in accordance with Resolution No. 01/NQ-DHDCD dated April 23, 2019 by the AGM.
- In 2019, the BOD has promulgated several resolutions concerning the strengthening of the organization structure of divisions/departments/centers at SHB HO under the BOD's recruitment and appointment authority to ensure smooth and safe operations at the HO and business units across the Bank.

- The BOD has always closely monitored and directed the review and strengthening of SHB's internal control system in accordance with Circular 13/2018/TT-NHNN dated May 18, 2018 of the SBV; implementation of Circular 41/2016/TT-NHNN of the SBV; implementation of Basel II Project.
- The BOD has directed Committees under BOD and BOM to develop and complete the internal control system as regulated in Circular 13/2018/TT-NHNN by the SBV.
- Based on the task delegation specified in Resolution No. 13/NQ-HDQT dated April 26, 2018, BOD's members worked with relevant Divisions/Departments/Centers at SHB HO or SHB subsidiaries on a monthly or ad hoc basis to give timely directions to solve arising problems in the Bank's operations.
- The BOD has organized quarterly meetings as regulated and attended BOM meetings give directions on SHB's business activities from time to time following the set targets and orientation of the BOD.
- The BOD has appropriately perform other tasks in accordance with SHB's Charter and applicable laws.

2.2. Board of Management:

- CEO has fully exercised his powers and duties in accordance with SHB's Charter and relevant regulations.
- Has directed the implementation of strategic targets and development goals of SHB as set out by the BOD at Point 2.1 above. Proactively adopted business initiatives in 2019 to implement 2019 business plan of SHB as approved by the BOD and the 27th AGM.
- Successfully organized the Conference on 2018 Business results and 2019 Business plan of SHB, from February 22, 2019 until February 24, 2019 in Da Nang.
- Has directed and managed SHB's business activities according to the powers and duties of CEO as regulated in SHB's Charter; strictly follow Resolution No. 01/NQ-DHDCD of SHB's 27th AGM, as well as Resolutions, Decisions and directions of the BOD, contributed to ensuring SHB's business efficiency, completing 2019 business plan as approved by the BOD and AGM.
- The Board of Management has held meetings with the Directors of Divisions/Departments / Centers at SHB HO to direct the implementation of KPI in 2019 of the units at SHB following BOD's direction on changes in salary policy, applying payrolls associated with the performance of employees at SHB.
- Has directed the Basel II Project Steering Committee to operate according to the set plan and schedule; directed and assigned the units at HO to implement the guidelines on developing, amending and supplementing SHB's internal rules and regulations in accordance with Circular No. 13/2018 / TT-NHNN of the SBV ; directed the Project Committee to implement and apply relevant management softwares approved by the Board of Directors with purpose of Bank modernization.
- Timely directed, reviewed and resolved the problems in business activities at SHB's units in 2019, ensuring the business activities of the units are smooth, safe and effective. Directed vertical functional management units (Divisions / Departments / Centers) at HO and Internal Audit Division to closely supervise the operations of the units and

strictly handle existing problems and mistakes made by individuals and units following the recommendations of the Internal Audit Division, and recommendations of functional units.

- Submitted to the Board of Directors for consideration and directions on issues arising beyond the CEO's authority in accordance with SHB's Charter.
- The CEO has made written authorization, assigning tasks to the DCEOs and Directors of functional Divisions at SHB HO to carry out specific work contents under CEO's authority during the time when the CEO is away on business trips, ensuring business continuity and efficiency.
- The CEO has complied with the rights and duties prescribed and the authorization documents of the CEO.
- The CEO has directed SHB's units to review SHB's internal mechanisms and regulations, in order to develop new or amend or supplement contents and regulations which are no longer suitable to promulgate or submit to the BOD for approval within its authority. In 2019, the Board of Directors and the CEO has promulgated many legal documents of SHB, in accordance with the provisions of the Law, the State and ensured the legal corridor for smooth, safe and effective operation of SHB, as well as ensured risk prevention. CEO has directed Divisions / Departments / Centers at SHB HO to give advice and recommendations on developing and completing the internal control system in accordance with Circular No. 13/2018 / TT-NHNN of SBV, effective from January 01, 2019.
- The CEO has fully implemented the regime of reporting to the Board of Directors, the Supervisory Board, and State management agencies on business activities of SHB on a monthly, quarterly and annual basis in accordance with regulations of the Law, the State and SHB.
- The CEO has performed other duties according to his authority, under the direction of the Board of Directors, AGM, SHB's Charter and applicable laws.

2.3. Shareholders:

- A list of major shareholders and related persons of BOD's members, Supervisory Board's members and CEO had been established, maintained and regularly updated in accordance with provisions in Clause 10, Article 60 of SHB's Charter.
- In 2019, share-holding ratio of major shareholders (including Individual shareholders and Institutional shareholders) and related persons of BOD's members, Supervisory Board's members and CEO was within the threshold set out by the SBV and the Law.

3. Coordination between the Supervisory Board with the BOD, BOM and other managers

3.1. The Board of Directors:

- The Head of the Supervisory Board has attended the meetings of the Board of Directors in accordance with the provisions of SHB's Charter, gave opinions and made recommendations, but did not vote on the resolutions of the Board. The Supervisory Board regularly informed the Board of Directors about the results of the Supervisory Board's activities.

- The Supervisory Board has worked closely with the Board of Directors. Members of the Supervisory Board are provided with necessary documents and information necessary for the activities of the Supervisory Board by the Board of Directors, the CEO and other units in the SHB system. The Supervisory Board operates independently and objectively in the process of inspecting and controlling the activities of the Bank. At the same time, the Supervisory Board is responsible to coordinate with the Board of Directors to monitor and direct the process of rectifying and handling violations as recommended by the Supervisory Board after each inspection.
- In addition to supervising the compliance with the laws and SHB's Charter by BOD, the Supervisory Board and assisting units also supported the BOD in supervising all activities of the Bank, proposing and consulting solutions to strengthen the internal control system, ensure safety and efficiency for the Bank's operations.
- The Supervisory Board prepared reports and presented the reports of the Supervisory Board at quarterly, semi-annual and annual meetings of the Board of Directors, reporting on the performance of assigned tasks of the Supervisory Board, evaluation results of the consolidated financial statements evaluation (6 months and annual financial statements) as stipulated in SHB's Charter. Consulted the Board of Directors before submitting the annual report to the AGM of SHB.
- The Supervisory Board has reviewed the issues requested by the BOD, including checking the compliance of units and individuals of SHB according to the contents of complaints and denunciations sent by the Chairman of BOD to the Supervisory Board (if any) to review in accordance with the provisions of the law and SHB's Charter.

3.2. Board of Management, Heads of SHB's units:

- The Supervisory Board frequently discussed with the BOM, Head of SHB's units about findings and recommendations, listened to feedbacks of BOM and relevant heads of units to make reasonable conclusions and proposals before sending report to BOD, AGM.
- The Supervisory Board has reviewed the issues requested by the CEO, including checking the compliance of units and individuals of SHB according to the contents of complaints and denunciations sent by the CEO to the Supervisory Board (if any) to review in accordance with the provisions of the law and SHB's Charter.

3.3. Internal Audit Division:

- Directed the Internal Audit Division to review and conduct independent, objective assessment on internal control system, including risk identification and management system, capital assessment method, financial report and management information system and internal procedures and regulations of SHB.
- Reviewed and assessed to ensure the effectiveness of internal audit; took main responsibility for ensuring the quality of internal audit activities.

- Ensured internal audit works play an appropriate role in SHB and does not have any unreasonable obstacles to the operation of the Internal Audit Division.
- Directed the development, amendment, supplementation and regularly update on the Internal Audit Regulation, Regulations on organization, operation, functions and duties of the Internal Audit Division, and submitted to the Supervisory Board for signing and promulgation as prescribed in SHB's Charter.
- Approved internal audit policies (except for the cases under promulgation authority of the BOD); approved and adjusted the annual internal audit plan at the request of the Director of the Internal Audit Division, ensuring that the internal audit plan is risk-oriented; made decisions to set up internal audit teams according to the approved internal audit plan or irregular audits and directed the handling of the internal audit results; appointed Internal Audit units and officials to participate in inspection delegations under the decisions of BOD and CEO (may not inform the audited and inspected units in advance).
- Ensured the Internal Audit Division effectively coordinated with the Independent Audit, State Audit, SBV.
- Appointed, dismissed, rewarded and disciplined the Director of the Internal Audit Division, Deputy Director of the Internal Audit Division, and other titles of the Internal Audit Division in accordance with Law No. 17 of the National Assembly amending and supplementing the Law on Credit Institutions in 2010.
- Decided the salary, bonus and other benefits of the Director of Internal Audit Division, Deputy Director of the Internal Audit Division, and other titles of the Internal Audit Division in accordance with Law No. 17 of the National Assembly amending and supplementing the Law on Credit Institutions in 2010.
- Considered and decided to mobilize the internal audit staff in the area in accordance with the actual personnel conditions of the Internal Audit Division, ensuring safe and effective internal audit activities; or suggested BOD to internally transfer, rotate specialists in Internal Audit Division based on the proposal of the Internal Audit Director.
- Every quarter/ 6 month/ 1 year (except for Quarter 2 and Quarter 4), the Head of Internal Audit Division prepared a consolidated report on the implementation results of the Internal Audit plan, report on monitoring and evaluation of key activities of SHB; report on management activities, system-wide compliance, and the revision of recommendations in relevant inspection reports to submit to the Supervisory Board and competent authorities as regulated.
- Directed the Internal Audit Division to advise and develop to submit to the Supervisory Board for approval, signing and promulgating policies on Internal Audit such as:
 - + Regulation on organization and operation of the Internal Audit Division, issued under Decision No. 42A / 2019 / QD-BKS dated June 6, 2019 of the Supervisory Board; in accordance with Law No. 17 of the National Assembly; Circular No. 13/2018 / TT-NHNN of SBV and SHB Charter.
 - + Regulation on professional ethical standards of SHB internal auditors, issued under Decision No. 43A / 2019 / QD-BKS dated June 6, 2019 of the Supervisory Board; to

implement Clause 1, Article 67; Item (i), Point b, Clause 2, Article 68 of Circular No. 13/2018 / TT-NHNN of the SBV.

+ Regulation on hiring external experts and organizations to implement Internal Audit at SHB, issued under Decision No. 240/2019 / QD-BKS dated 11/11/2019 of the Supervisory Board, in order to implement Circular No. 13/2018 / TT-NHNN by SBV.

+ Regulation on criteria for determining the critical level, level of risk and frequency of Internal Audit SHB, issued under the Decision No. 258/2019 / QD-BKS dated December 24, 2019 of the Supervisory Board, in order to comply with Circular No. 13 / 2018 / TT-NHNN by SBV.

+ Regulation on monitoring and evaluation of the Internal Audit Division on the implementation of the recommendations of the Supervisory Board to units, divisions and individuals at SHB, issued under Decision No. 259/2019 / QD-BKS dated December 24, 2019. of the Supervisory Board, in order to comply with the Circular No. 13/2018 / TT-NHNN of SBV.

+ The Supervisory Board continued to direct the Internal Audit Division to conduct research, supplement and complete the Internal Audit process issued under the Decision No. 107/2018 / QD-BKS dated December 27, 2018 of the Supervisory Board, the Internal Audit Manual issued under the Decision No. 20 / QD-BKS dated 3/3/2010 of the Supervisory Board; Regulation on handling violations in Internal Audit activities issued under Decision No. 449 / QD-HDQT of July 29, 2013 of BOD, in accordance with the SBV's Circular No. 13/2018 / TT-NHNN, and Regulation on Organization organization of the Internal Audit Division issued under the Decision No. 42A / 2019 / QD-BKS dated June 6, 2019 of the Supervisory Board.

- The Supervisory Board has directed other activities of SHB Internal Audit in compliance with SHB's Charter, SBV regulations and relevant laws.
- The Supervisory Board has assigned the Deputy Head of the Supervisory Board, a specialized member of the Supervisory Board to attend monthly meetings of the Internal Audit Division to timely guide the works of the Internal Audit Division.
- The Supervisory Board has directed the Internal Audit Division to perform the work according to the 2019 Internal Audit Plan No. 1118/2018 / KH-K.KTNB dated November 29, 2018; and the Adjusted Internal Audit Plan for the last 6 months of 2019 No. 495B / 2019 / KH-K.KTNB dated June 20, 2019 of the Internal Audit Division, approved by the Head of the Supervisory Board.
- The Supervisory Board has directed the Internal Audit Division to perform remote monitoring as follows:
 - + Monitored prudential ratios in accordance with SBV regulations;
 - + Applied modern technologies and coordinating with IT Division to develop monitoring methods, techniques and tools.
- The Supervisory Board has directed the training of the Internal Audit Division as follows:
 - + Conducted training on the new Internal Audit procedure according to Decision No. 107/2018 / QD-BKS dated December 27, 2018 of the Supervisory Board.
 - + A number of IA Heads/ Deputy Heads have participated in a training course on "Basic leadership and management skills" organized by SHB Training Center.

- + Has attended the course "Updated risk and internal control following COSO standards" in Quarter II / 2019.
- + All staff of the Internal Audit Division have participated in the online test on "Information security".
- Internal training activities of Internal Audit Division: Auditing Centers at SHB HO discussed and handled problems during the implementation of works related to Regional Internal Audit Departments.
- Internal Audit Division has performed other tasks arising in the period under the direction and requirements of BOD, Supervisory Board, and CEO.

3.4. General Assembly of Shareholders:

- The Supervisory Board is elected by AGM, responsible for controlling and evaluating the compliance with internal regulations, legal provisions, SHB's Charter and implementing guidelines and resolutions of the General Meeting of Shareholders and BOD; auditing business operations and financial statements of SHB.
- The Supervisory Board prepared annual report on the performance of assigned tasks and powers of the Supervisory Board in the reporting year; results of appraisal of annual financial statements of SHB and directions and tasks of the Supervisory Board for the next year, submitted to AGM of SHB.
- The Supervisory Board supervised the Bank's operation, took responsibilities and reported to the Annual General Meeting of Shareholders the Bank's business performance as per provisions in SHB's Charter and the law.
- The Supervisory Board has periodically informed BOD and CEO about the internal control system; made recommendations and proposals to amend and improve the internal control system (comply with Clause 6, Article 60 of the SHB's Charter) as follows:
 - + The Supervisory Board has informed BOD and CEO of the internal control system through quarterly meeting minutes of the Supervisory Board in 2019.
 - + Approved the reports on the implementation of the assigned powers and duties of the Supervisory Board in 2019 and submitted to BOD and CEO.

4. Other activities of the Supervisory Board:

- Carried out evaluation of the SHB's financial statements (according to Clause 7, Article 60 of the SHB Charter): The Supervisory Board has reviewed the financial statements of SHB for the BOD and AGM; and appraised the audited financial statements for the first 6 months of 2019 of SHB as regulated.
- Checked accounting books, other documents and the management and operation of SHB (in accordance with Clause 8, Article 60 of SHB's Charter): The Supervisory Board has maintained this regular operation by directing the Internal Audit Division to conduct audits in 2019 according to the 2019 internal audit plan and the adjustment plan in the last 6 months of 2019 of the Internal Audit Division as approved by the Head of the Supervisory Board.

- Made a list of major shareholders and related persons of BOD members, members of the Supervisory Board, CEO; coordinated with BOD's Office to formulate, store and update changes to this list (in accordance with Clause 10, Article 60 of the SHB Charter): In 2019, relevant persons of BOD, Supervisory Board, CEO, other institutional shareholders and individual shareholders of SHB have contributed capital to SHB, not exceeding the rate prescribed by law and SBV.
- Implementing the provisions in Clause 13, Article 60 of the Charter of SHB, Head of the Supervisory Board, Deputy Head of the Supervisory Board and members of the Supervisory Board fully attended the 27th AGM of SHB held on April 23, 2019 in Hanoi. In 2019, the Head of the Supervisory Board has attended BOD meetings, and monthly BOM meetings.
- The Supervisory Board has ensured effective coordination with the Independent Auditor, State Auditor, and SBV Inspectors when these agencies worked with SHB (in accordance with Clause 16, Article 60 of SHB's Charter).
- The Supervisory Board has carried out other powers and duties as stipulated in SHB's Charter, other internal regulations and provisions of the law (in accordance with Clause 17, Article 60 of SHB's Charter).

IV. Corporate governance training

SHB regularly sent its managers to attend training courses on corporate governance organized by Hanoi Stock Exchange, State Securities Commission (SSC). In addition, the Bank also sent its staff to attend workshops and training sessions on corporate governance organized by Hanoi Stock Exchange, State Securities Commission to update any changes in legal provisions on corporate governance. At the same time, training on management and governance skills was also regularly delivered to its staff.

V. List of related persons of Saigon – Hanoi Bank as specified in clause 34, Article 6 of the Securities Law and transactions of related persons of SHB with SHB

1. List of related persons of SHB: unchanged
2. Transaction between SHB and the related persons or between SHB and major shareholders, internal persons and related persons of internal persons: None
3. Transaction between internal persons of SHB and related persons of internal persons with SHB's subsidiaries, or the companies in which SHB takes controlling power: None.
4. Transaction between SHB and other objects: None

VI. Transactions of internal persons and their related persons

1. List of internal persons and their related persons: attached
2. Transactions of internal persons and their related persons:

No	Name of organization/ individual	Relationship	No. of shares at year beginning		No. of shares at year end		Reason for increase/ decrease
			No. of shares	Percentage	No. of shares	Percentage	

1	Saigon – Hanoi Insurance Corporation	Chairman of BOD of the listed company is also chairman of BOD of the company conducting the transaction	8,157,960	0.68%	0	0%	Subscription
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VII. Other significant issues: None

Respectfully submitted.

Recipients:

- As above;
- Archived: BOD's Office

**ON BEHALF OF SAIGON – HANOI BANK
CHAIRMAN OF THE BOARD**

DO QUANG HIEN

LIST OF INTERNAL SHAREHOLDERS AND RELATED PERSONS
(As of December 31, 2019)

No	Name of shareholders	Position	No. of shares	Percentage of ownership at year-end	Remarks
1	Do Quang Hien	Chairman of the Board	33,000,426	2.742	
2	Do Dang Thanh				
3	Le Thi Thanh				
4	Le Thanh Hoa				
5	Do Vinh Quang				
6	Do Quang Vinh				
7	Do Thi Thu Ha		24,679,800	2.050	
8	Do Thi Minh Nguyet		8,531,286	0.709	
9	T&T Group		119,976,773	9.968	
10	Saigon – Hanoi Securities Company		18,586,776	1.544	
11	Saigon – Hanoi Fund Management Company		-	-	
12	Saigon – Hanoi Insurance JSC		-	-	
13	Vo Duc Tien	Deputy Chairman of the Board	48,924	0.004	
14	Tran Thi Thanh				
15	Vo Dai Lam				
16	Vo Thuy Trang				
17	Vo Ngoc Quang				
18	Vo Duc Minh				
19	Vo Thi Ha				
20	Vo Thi Vinh				
21	Vo Kim Oanh				
22	Vo Thu Hanh				
23	Nguyen Van Le	BOD member & CEO	2,723,040	0.226	
24	Nguyen Van Tong				
25	Luong Thi Nganh				
26	Vu Thi le Quyen		368,777	0.031	
27	Nguyen Vu Phuong Vy				
28	Nguyen Minh Khai				
29	Nguyen Van Khoa				
30	Nguyen Ngoc Phung		365,067	0.030	
31	Nguyen Thi Phuong				
32	Trinh Thanh Hai	Independent BOD member			
33	Nguyen Thi Duyen				
34	Bach Tuyet Huong				
35	Trinh Duy Thanh				
36	Christine McLaughlin				
37	Trinh Duy Linh				

38	Trinh Thanh Hien				
39	Trinh Viet Thanh				
40	Trinh Thanh Hoa				
41	Trinh Viet Tuan				
42	Do Quang Huy	BOD member			
43	Do Dang Long				
44	Nguyen Phuong Thom				
45	Le Thi Lan Huong				
46	Do Quang Dat				
47	Do Kim Oanh				
48	Do Quang Thai				
49	Pham Cong Doan	BOD member			
50	Pham Van Huu				
51	Ta Thi Khai				
52	Trinh Thi Nu				
53	Pham Trung Thanh				
54	Pham Thi Thu Hien				
55	Pham Van Cang				
56	Pham Van Tang				
57	Pham Trung Tiep				
58	Pham Van Lieu				
59	Pham Thi Ket				
60	Thai Quoc Minh	BOD independent member			
61	Thai Van An				
62	Bui Thi Tuoc				
63	Thai Duong				
64	Thai Quynh My				
65	Thai Hung				
66	Thai Dung				
67	Thai Binh				
68	Thai Thi Thanh Ha				
69	Thai Viet Quan				
70	Pham Hoa Binh	Head of Supervisory Board	79,904	0.007	
71	Pham Van Lac (or Tran Thanh Hai)				
72	Nguyen Thi Hai				
73	Pham Thi Loan				
74	Pham Truong Son				
75	Pham Ngoc Thu				
76	Pham Hong Phuong				
77	Nguyen Kim Hoang				
78	Pham Ngoc Hoang Lan				
79	Nguyen Thi Hoat	Deputy Head of Supervisory Board			
80	Nguyen Quang Huy				
81	Nguyen Ngoc Han				
82	Nguyen Van Hieu				
83	Luong Thi That				
84	Nguyen Chi Linh				

85	Nguyen Huu Duc	BOS member			
86	Nguyen Huu Nhiem				
87	Dang Thi No				
88	Nguyen Huu Cho				
89	Nguyen Huu Dang				
90	Nguyen Thi Nu				
91	Nguyen Thi Bup				
92	Bui Thi Thanh				
93	Nguyen Duc Minh				
94	Nguyen Huyen Chi				
95	Le Thanh Cam	BOS member			
96	Le Tien Ban				
97	Nguyen Thi Luc				
98	Le Thi Minh Qui				
99	Le Thi Thu Vinh				
100	Le Thi Hien				
101	Nguyen Hong Lam				
102	Nguyen Cam Linh				
103	Nguyen Lam Tung				
104	Pham Thi Bich Hong	BOS member			
105	Pham Ba Than				
106	Luong Thi Cuc				
107	Pham Van Tuyen				
108	Pham Anh Quan				
109	Pham Nhat Minh				
110	Pham Ba Trung				
111	Pham Thi Hue				
112	Pham Ba Hung				
113	Pham Ba Dung				
114	Le Dang Khoa	Deputy General Director			
115	Nguyen Hong Hanh				
116	Le Trong Khue				
117	Le Trung Kien				
118	Ha Thi Hong				
119	Le Trong Khoi				
120	Le Huong Giang				
121	Ngo Thu Ha	Deputy General Director	1,054,128	0.088	
122	Nguyen Tuan Hung				
123	Ngo An Uy				
124	Tran Thi Thoa				
125	Ngo Trung Dung				
126	Nguyen Ha Minh				
127	Nguyen Ha Minh Ngoc				
128	Ninh Thi Lan Phuong	Deputy General Director	52,626	0.004	
129	Ninh Van Viet				
130	Luu Thi Suu				
131	Ninh Lan Huong				
132	Pham Thanh Nam		38,170	0.003	

133	Pham Thuy Linh				
134	Pham Ngoc Hung				
135	Dang To Loan	Deputy General Director	838,606	0.070	
136	Dang Van Long				
137	Pham Thi Mui				
138	Dang Sy Lam				
139	Dang Sy Luan				
140	Dang Hoa Ly				
141	Vo Gia Linh				
142	Nguyen Huy Tai	Deputy General Director			
143	Nguyen Viet Luong				
144	Tran Thi Hue				
145	Nguyen Huy Thanh				
146	Nguyen Thi Minh Hai				
147	Nguyen Thi Thu Hien				
148	Pham Thi Nguyet				
149	Nguyen Dien Thao				
150	Nguyen Thanh Huy				
151	Ngô Thi Van	Chief Accountant	2,694	0.000	
152	Nguyen Huu Dong				
153	Nguyen Thi Van Anh				
154	Nguyen Huu Luu Phuc				
155	Ngô Dang Lam				
156	Dinh Thi Quy				
157	Ngô Thi Thu Hien				
158	Ngô Dang Dung				
159	Ngô Dang Manh				
160	Nguyen Dinh Duong	Director of Internal Audit Division	22,564	0.002	
161	Tran Thi Thuy				
162	Nguyen Dinh Phu				
163	Bui Thi Liem				
164	Nguyen Thi Hai				
165	Nguyen Dinh Tuan				
166	Nguyen Anh Chuc				
167	Nguyen Dinh Phuc				
168	Vu Xuan Thuy Son	Deputy Director of Internal Audit Division			
169	Tran Thi Hue				
170	Vu Xuan Duong				
171	Tran Thi Tra				
172	Vu Thi Thu Giang				
173	Vu Xuan Dai				
174	Vu Tran Nam Khanh				
175	Vu Tran Ngoc Diep				
176	Nguyen Trong Vu	Deputy Director of Internal Audit Division			

177	Nguyen Trong Ku				
178	Vu Thi Lien				
179	Nguyen Vu Lien Anh				
180	Pham Thi Hong Tuyen	Controller of Fixed Income Dept. (SHB)			
181	Nguyen Trong Khoi An				