

Số: /TT-HĐQT

PROPOSAL

**Ref: Divestment of SHB at SHB Finance Company Limited
to foreign strategic investors**

To: GENERAL ASSEMBLY OF SHAREHOLDERS

- Pursuant to the Law on Credit Institutions 2010; Law amending and supplementing a number of articles of the Law on Credit Institutions 2017;
- Pursuant to Circular No.36/2014/TT-NHNN dated November 20, 2014 of the State Bank of Vietnam on regulations on limits and prudential ratios;
- Pursuant to Circular No.19/2017/TT-NHNN dated December 28, 2017 of the State Bank of Vietnam on Amending and Supplementing a number of articles of Circular No.36/2014 /TT-NHNN;
- Pursuant to Circular No.36/2015/TT-NHNN dated December 31, 2015 of the State Bank of Vietnam providing for the reorganization of credit institutions;
- Pursuant to the Charter of Saigon - Hanoi Commercial Joint Stock Bank issued in conjunction with Decision No.261/QĐ-HĐQT dated June 26, 2018 of the Board of Directors of SHB;

SHB Finance Company Limited (SHB FC) was granted the establishment and operation license No.77/GP-NHNN dated December 17, 2016 by the State Bank of Vietnam. Since its establishment, SHB FC has achieved some positive business results such as: Profitable operation in 3 consecutive years (2018-2020); Estimated Total Assets of VND 5,200 billion in 2020; Operation network across 34 cities and provinces, Large and experienced sales force; Accumulation of a large customer portfolio with full information; Modern risk management system close to international standards; Modern and synchronous information technology system; Experienced, enthusiastic and united key staff. With the above favorable conditions, SHB FC has all favorable conditions to find foreign partners, aiming to develop at a higher level.

Based on the Plan of establishing SHB FC approved by the State Bank, from the second year, considering the development needs of the company, SHB will look for foreign strategic partners to transfer a part of SHB's capital in SHB FC in accordance with current laws. The participation of foreign investors in SHB FC will bring great efficiency for both SHB and SHB FC, specifically as follows:

For SHB: The divestment at SHB FC to foreign strategic partners will bring to SHB and shareholders a significant capital surplus; at the same time, enhancing prestige and image of SHB in the domestic and foreign financial and monetary markets. Foreign strategic investors will also become a bridge for SHB to expand its other activities to international market.

For SHB FC: The participation of foreign strategic investors at SHB FC will enhance the management capacity with direct participation of foreign partners experienced in developed markets; SHB FC will have access to and get advice on applying modern information technology systems from partners, making a difference in business model, products and services that have been successfully deployed in developed markets; SHB FC will have access to and implement advanced risk management and debt recovery technologies.

Therefore, on the basis of the above report, the Board of Directors submits to the General Assembly of Shareholders for approval the following specific contents:

- 1. Approve the divestment of SHB at SHB Finance Company Limited to foreign strategic investors.***
- 2. Assign the Board of Directors to proactively decide the maximum ownership ratio of foreign strategic investors in accordance with the Plan of establishment of SHB FC approved by the State Bank;***
- 3. Assign the Board of Directors to actively seek, negotiate and decide on foreign strategic partners to implement the divestment at SHB FC;***
- 4. Assign the Board of Directors, the Chairman of the Board of Directors and the General Director of SHB to carry out all the necessary tasks and procedures to organize the divestment transaction at SHB FC, including the complete negotiation, signing, implementation of the Transfer Contract and deploy all work arising after the capital transfer.***

Respectfully submitted for approval./.

**FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS**