

**VIETNAM JOINT STOCK COMMERCIAL  
BANK FOR INDUSTRY AND TRADE**

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

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Business Registration Certificate No.

0100111948

13<sup>th</sup> revision dated January 8<sup>th</sup>, 2024

Hanoi, April 17<sup>th</sup>, 2025

## **PROPOSAL**

*Ref. Plan on charter capital increase through the issuance of stock dividend from remaining profits of 2021, 2022 and of 2009-2016 period*

### **For the attention of: The General Meeting of Shareholders of Vietnam Joint Stock Commercial Bank for Industry and Trade**

To realize the vision of developing Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) to become the most multi-functional, modern and effective bank in Vietnam, one among the best banks in the Asia-Pacific region by 2030; to be the strongest and most prestigious bank in Vietnam, one of the leading banks in the Asia-Pacific region and highly trusted bank in the world by 2045; to further enhance financial capacity in line with business scale and strategic objectives, the Board of Directors (BoD) of VietinBank would like to seek approval from the General Meeting of Shareholders (GMS) for the Plan on charter capital increase through the issuance of stock dividend from the remaining profits of in 2021, 2022 and of 2009 – 2016 period, specifically as follows:

#### **I. RATIONALE FOR CHARTER CAPITAL INCREASE**

- Over the last few years, VietinBank has always taken the initiative in thorough adoption of multiple solutions to strengthen financial capacity, from successfully implementing the privatization, selecting strategic partners to collaborate on business development; to aggressively restructuring business operations towards efficiency, safety and sustainability in order to accumulate financial resources for incremental Tier 1 capital; restructuring the portfolio of assets in the direction of reducing the proportion of high risk-weighted assets, issuing subordinated bonds to increase tier 2 capital. To meet VietinBank's development needs in the coming time, promote the role of a key bank, a pillar of the economy in execution of the policies and orientations of the State Bank of Vietnam (SBV) and the Government, one of the prerequisites is that VietinBank needs to further improve financial capacity, meet capital requirement to comply with regulations on capital adequacy ratio (CAR) as prescribed in Circular 41/2016/TT-NHNN, strive towards CAR target according to Decision No. 689/QD-TTg dated June 8<sup>th</sup>, 2022 on approving the Plan on "Restructuring the system of credit institutions in association with bad debt recovery in the period of 2021-2025" and Decision No. 412/QD-TTg dated March 31<sup>st</sup>, 2022 approving the Project to improve sovereign credit rating by 2030.

- Charter capital is one of the critical considerations taken by international credit rating agencies during evaluation to decide whether to upgrade or downgrade the credit rating of VietinBank; thereby, affecting the forecast of international credit rating agencies on the outlook of Vietnam's banking and finance industry in particular and Vietnam's economy in general.
- In addition, the charter capital serves as the basis for determining fixed asset investment, equity investment, and credit limits, etc. Therefore, raising charter capital is a prerequisite to meet the demand for business expansion through increasing credit, investment limits, etc.; thereby, enhancing the ability to extend credit to the economy, helping to promote economic growth and ensuring social security, delivering macro-economic objectives as directed by the Government and the SBV.

## II. LEGAL GROUNDS

- Law on Enterprises No. 59/2020/QH14 dated June 17<sup>th</sup>, 2020 and guiding documents;
- Law on Credit Institutions No. 32/2024/QH15 dated January 18<sup>th</sup>, 2024;
- Law on management and use of state capital investment in production and business at enterprises No. 69/2014/QH13 dated November 26<sup>th</sup>, 2014;
- Decree No. 91/2015/ND-CP dated October 13<sup>th</sup>, 2015 on state capital investment at enterprises and management and use of capital and assets at enterprises; Decree No. 32/2018/ND-CP dated March 8<sup>th</sup>, 2018 amending and supplementing a number of articles of Decree No. 91/2015/ND-CP; Decree No. 121/2020/ND-CP dated October 9<sup>th</sup>, 2020 amending and supplementing Clause 2, Article 12 of Decree No. 91/2015/ND-CP, which was amended and supplemented in Clause 5, Article 1 of Decree No. 32/2018 /ND-CP; Decree No. 140/2020/ND-CP dated November 30<sup>th</sup>, 2020 amending and supplementing a number of articles of Decree No. 126/2017/ND-CP, Decree No. 91/2015/ND-CP and Decree No. 32/2018/ Decree-CP;
- Decree No. 155/2020/ND-CP dated December 31<sup>st</sup>, 2020 elaborating on a number of articles of the Law on Securities;
- Circular No.118/2020/TT-BTC dated December 31<sup>st</sup>, 2020 providing several guidelines on offering, issue of securities, tender offer, repurchase of shares, listing and delisting of public companies;
- Circular 50/2018/TT-NHNN dated December 31<sup>st</sup>, 2018 stipulating the documents, processes, and procedures for approval of a number of changes in commercial banks and foreign bank branches;
- Statute on direct owners' representatives, State capital representatives at credit institutions, financial institutions and enterprises managed by the State Bank of Vietnam, issued under Decision No. 1500/QD-NHNN dated September 20<sup>th</sup>, 2021;
- Regulation on listing and trading of listed securities promulgated under Decision No. 17/QD-HDTV dated March 31<sup>st</sup>, 2022 by the Vietnam Stock Exchange.

- Statute on the rights of securities owners issued under Decision No. 09/QD-HDTV dated August 10<sup>th</sup>, 2023 by the Vietnam Securities Depository and Clearing Corporation (VSDC);
- Statute on registration and transfer of securities ownership issued under Decision No. 50/QD-HDTV dated November 1<sup>st</sup>, 2024 by VSDC;
- Charter on organization and operation of VietinBank;
- Other relevant Vietnamese legal documents.

### III. PLAN ON CHARTER CAPITAL INCREASE THROUGH THE ISSUANCE OF SHARES FOR STOCK DIVIDEND PAYMENT (*VIETINBANK IS NOW SEEKING FOR APPROVAL FROM THE COMPETENT STATE AGENCIES*)

#### 1. Amount of incremental charter capital

- **Current charter capital:** VND 53,699,917,480,000.
- **Expected charter capital increase through the issuance of stock dividend:** VND 23,971,052,460,000.
- **Expected charter capital after successful issuance of full amount of shares for dividend payout:** VND 77,670,969,940,000 (up 44.64% compared to pre-issuance).

#### 2. Detailed plan on the issuance of stock dividend

- **Type of shares:** Common share.
- **Par value:** VND 10,000/share (Ten thousand dong per share).
- **Number of outstanding shares:** 5,369,991,748 shares.
- **Number of treasury shares:** 0 share.
- **Volume, total value, ratio of issue:**
  - Maximum number of shares to be issued: 2,397,105,246 shares.
  - Total value of issued shares at par value: VND 23,971,052,460,000.
  - Expected issue ratio: 44.64% of expected outstanding shares.

*(The issue volume, total value of issued shares at par value, and specific issue ratio follow the approval of the competent State agency).*

- **Issued to:** existing shareholders in VietinBank's list of shareholders as at the time of closing the list of shareholders receiving stock dividend under the capital increase plan approved by the GMS and in compliance with current legal provisions.
- **Source of fund:** from the remaining profits in 2021, 2022 and of 2009-2016 period *(please see details in part 2, Appendix 01 enclosed herewith).*
- **Issue date:** The GMS authorizes the BoD to make decision on the issue date after obtaining the approval by competent authorities for the issue plan.
- **Completion date:** The time to complete the charter capital increase is in accordance with the permit/approval by the competent authorities.
- **Solution for dealing with fractional shares:** The number of shares issued to pay dividend to shareholders will be rounded down to whole-number part, any decimal

part will be removed. For example, a shareholder who holds 100 shares at the time of closing the list of existing shareholders will receive a stock dividend of 44 shares.

- 3. Registration, listing of additional shares for trading:** Additional shares will be registered with VSDC, and listed on the Ho Chi Minh City Stock Exchange in compliance with current provisions of laws.

#### **IV. PLAN ON USE OF INCREMENTAL CHARTER CAPITAL AND CAPITAL EFFICIENCY**

##### **1. Plan on use of incremental charter capital**

The entire incremental charter capital is expected to be used for and allocated to VietinBank's business activities with an appropriate structure on the principle of ensuring safety, efficiency and bringing the highest benefits to shareholders.

The progress of using the incremental charter capital for business activities is in line with the capital use demand and market situation, subject to the authority of the BoD (or otherwise as delegated and authorized by the BoD). It is expected to be used for the following areas:

- Investing in infrastructure, technology platforms, and services development: Investing in projects to modernize, enhance banking governance capacity; upgrading technical and technology infrastructure, boosting modern products and services, increasing customer offerings.
- Expanding VietinBank's credit, investment activities and other business activities;

##### **2. Capital efficiency**

- Charter capital increase lays the foundation for VietinBank to enhance financial capacity, position and competitiveness in line with the bank's business scale. It also serves as a basis to ensure consistent compliance with capital adequacy ratio under Basel II, aiming towards Basel III and further promote the role as a credit supplier to the economy and align with the common development trend of Vietnam's banking industry, secure the successful delivery of business strategic objectives, improve profitability, bring increasing higher returns on the capital paid up by shareholders.
- Based on the capital increase plan and 2025 business plan, VietinBank sets forth some financial targets as follows:

Indicators	Targets for 2025
Total assets	Grow by 8% – 10%
Credit exposure	Follow the credit growth quota as approved by the SBV and the credit management policy as directed by the SBV from time to time
Deposits	In line with credit growth rate to secure liquidity ratios
NPL ratio out of credit	< 1.8%



- c) Decide and approve the necessary contents to implement the procedures for: charter capital increase, issuance of stock dividend, amendment to the License for establishment and operation and relevant contents, registration of additional shares for trading, listing of additional shares, and other procedures as provided for by Laws.
- d) Decide other issues related to the charter capital increase of VietinBank.

Respectfully submit to the GMS for approval

**P.P. THE BOARD OF DIRECTORS  
CHAIRMAN**



**Tran Minh Binh**



## APPENDIX 1: SOURCES OF FUND FOR CHARTER CAPITAL INCREASE

Unit: VND

Indicator	Amount
<b>Charter capital</b>	<b>53,699,917,480,000</b>
Remaining profits after tax, appropriation to funds and cash dividends of 2009-2016 period	2,725,859,000,000
Remaining profit after tax, appropriation to funds of 2021	9,597,275,440,650
Remaining profit after tax, appropriation to funds of 2022	11,647,928,185,434
<i>Remaining profits after tax, appropriation to funds and cash dividends of 2009-2016 period, of 2021 and 2022</i>	<i>23,971,062,626,084</i>
Maximum stock dividend payment	23,971,052,460,000
<i>Equivalent to a stock dividend ratio (*)</i>	<i>44.64%</i>
<b>Expected increase in capital</b>	<b>23,971,052,460,000</b>
<b>Expected charter capital after stock dividends</b>	<b>77,670,969,940,000</b>

(\*) Based on the principle for handling fractional shares: the number of shares issued to pay dividend to shareholders will be rounded down to whole-number part, any decimal part will be removed.

**APPENDIX 2: CURRENT SHAREHOLDING STRUCTURE AND  
EXPECTED STRUCTURE AFTER CHARTER CAPITAL INCREASE**

*(as of the closing date of the list of shareholders on March 07<sup>th</sup>, 2025)*

**1. List of shareholders with ownership ratio of 5% or more**

No.	Name of shareholders	Business code/ Ownership registration number	Current number of shares	Ownership ratio	Address of the company's head office	Legal representative	Title	Number of additional shares to be issued as stock dividend	Value of additional shares to be issued	Expected number of shares after charter capital increase	Expected ownership ratio after charter capital increase
1	State shareholder (State Bank of Vietnam)	15/SL	3,461,676,283	64.46%	No, 49 Ly Thai To, Hoan Kiem, Hanoi	Nguyen Thi Hong	Governor	1,545,292,292	15,452,922,920,000	5,006,968,575	64.46%
	Represented by:										
1.1	Mr. Tran Minh Binh - Chairman of the Board of Directors of VietinBank, representing 25% of State capital		865,419,072	16.12%				386,323,074	3,863,230,740,000	1,251,742,146	16.12%
1.2	Mr. Nguyen Tran Manh Trung- Member of the Board of Directors and General Director representing 15% of State capital		519,251,443	9.67%				231,793,844	2,317,938,440,000	751,045,287	9.67%
1.3	Mr. Tran Van Tan - Member of the Board of Directors, representing 10% of State capital		346,167,628	6.45%				154,529,229	1,545,292,290,000	500,696,857	6.45%
1.4	Mr. Le Thanh Tung - Member of the Board of Directors, representing 10% of State capital		346,167,628	6.45%				154,529,229	1,545,292,290,000	500,696,857	6.45%
1.5	Mr. Nguyen The Huan - Member of the Board of Directors, representing 10% of State capital		346,167,628	6.45%				154,529,229	1,545,292,290,000	500,696,857	6.45%

No.	Name of shareholders	Business code/ Ownership registration number	Current number of shares	Ownership ratio	Address of the company's head office	Legal representative	Title	Number of additional shares to be issued as stock dividend	Value of additional shares to be issued	Expected number of shares after charter capital increase	Expected ownership ratio after charter capital increase
1.6	Ms. Pham Thi Thanh Hoai- Member of the Board of Directors, representing 10% of State capital		346,167,628	6.45%				154,529,229	1,545,292,290,000	500,696,857	6.45%
1.7	Mr. Nguyen Duc Thanh- Member of the Board of Directors, representing 10% of State capital		346,167,628	6.45%				154,529,229	1,545,292,290,000	500,696,857	6.45%
1.8	Mr. Nguyen Viet Dung - Member of the Board of Directors, representing 10% of State capital		346,167,628	6.45%				154,529,229	1,545,292,290,000	500,696,857	6.45%
2	MUFG Bank, Ltd,	0100-01-008846	1,059,477,261	19.73%	1-4-5, Marunouchi, Chiyoda-ku, Tokyo, Japan,	Junichi Hanzawa	President & CEO	472,950,649	4,729,506,490,000	1,532,427,910	19.73%

2. List of shareholders and related persons with ownership ratio of 20% or more: None

3. Information about the total ownership ratio of foreign investors

Shareholders	Current number of shares	Ownership ratio	Number of shares as at the time of issuance	Number of additional shares to be issued as stock dividends	Value of additional shares to be issued	Expected number of shares after charter capital increase
Foreign investors	1,434,825,448	26.72%	640,506,079	6,405,060,790,000	2,075,331,527	26.72%

(\*) Actual shareholding structure after charter capital increase is based on the results of issue of shares for dividend payout by VietinBank.

