

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

108 Tran Hung Dao, Hoan Kiem, Hanoi

*Tel: 024.39421030**Business Registration Certificate No.**0100111948**12th revision dated September 8th, 2021***SOCIALIST REPUBLIC OF VIETNAM***Independence – Freedom – Happiness**Hanoi, April 2023***DRAFT****PROPOSAL TO THE ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

Ref. Plan on charter capital increase through issue of stock dividend from remaining profit in 2021 and remaining profit accumulated as of 2016-end

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, rank in Top 20 strongest banks in the Asia-Pacific region; 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; 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 Annual General Meeting of Shareholders (AGM) for the Plan on charter capital increase through issue of stock dividend from the remaining profit in 2021 and the remaining profit accumulated as of 2016-end, 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 for minimum CAR target of 10 - 11% in 2023; of 11-12% by 2025 according to Decision No. 689/QD-TTg dated June 8th, 2022 on approving the Plan on "Restructuring the system of credit institutions in association with NPL settlement in the period of 2021-2025" and have a provision buffer in adherence to Circular 13/2018/TT-NHNN.
- 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 State Bank.

II. LEGAL GROUNDS

- Law on Enterprises No. 59/2020/QH14 dated June 17th, 2020 and guiding documents;
- Law on Credit Institutions No. 47/2010/QH12 dated June 16th, 2010; Law amending and supplementing a number of articles of the Law on Credit Institutions No. 17/2017/QH14 dated November 20th, 2017;
- Law on management and use of state capital investment in production and business at enterprises No. 69/2014/QH13 dated November 26th, 2014;
- Decree No. 91/2015/ND-CP dated October 13th, 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 8th, 2018 amending and supplementing a number of articles of Decree No. 91/2015/ND-CP; Decree No. 121/2020/ND-CP dated October 9th, 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 30th, 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 31st, 2020 elaborating on a number of articles of the Law on Securities;
- Circular No. 118/2020/TT-BTC dated December 31st, 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 31st, 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 20th, 2021;
- Regulation on listing and trading of listed securities promulgated under Decision No. 17/QD-HDTV dated March 31st, 2022 by the Vietnam Stock Exchange.

- Statute on the rights of securities owners issued under Decision No. 109/QD-VSD dated August 20th, 2021 by the Vietnam Securities Depository (VSD);
- Statute on registration and transfer of securities ownership issued under Decision No. 108/QD-VSD dated August 20th, 2021 by VSD;
- Charter on organization and operation of VietinBank;
- Other relevant Vietnamese legal documents.

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

1. Amount of incremental charter capital

- *In case the charter capital increase from the remaining profit in 2020 has not been completed:*
 - Current charter capital: VND 48,057,506,090,000.
 - Expected charter capital increase through issue of stock dividend: VND 12,329,970,160,000.
 - Expected charter capital after successful issue of full amount of shares for dividend payout: VND 60,387,476,250,000 (up 25.6567% compared to pre-issuance).
- *In case the charter capital increase from the remaining profit in 2020 has been completed:*
 - Current charter capital: VND 53,700,178,160,000.
 - Expected charter capital increase through issue of stock dividend: VND 12,329,990,500,000.
 - Expected charter capital after successful issue of full amount of shares for dividend payout: VND 66,030,168,660,000 (up 22.9608% compared to pre-issuance).

2. Detailed plan on issue of stock dividend

- *Type of shares:* Common share.
- *Par value:* VND 10,000/share (Ten thousand dong per share).
- *Number of outstanding shares:* 4,805,750,609 shares.
- *Number of treasury shares:* 0 share.
- *Volume, total value, ratio of issue:*
 - + *In case the charter capital increase from the remaining profit in 2020 has not been completed:*
 - Maximum number of shares to be issued: 1,232,997,016 shares.
 - Total value of issued shares at par value: VND 12,329,970,160,000
 - Expected issue ratio: 25.6567% of expected outstanding shares.

+ ***In case the charter capital increase from the remaining profit in 2020 has been completed:***

- Maximum number of shares to be issued: 1,232,999,050 shares.
- Total value of issued shares at par value: VND 12,329,990,500,000
- Expected issue ratio: 22.9608% 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 AGM and in compliance with current legal provisions.
 - ***Source of fund:*** from the remaining profit in 2021 and the remaining profit accumulated as of 2016-end *(please see details in part 2, Appendix 1 enclosed herewith).*
 - ***Issue date:*** The AGM 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 25 shares *(in case the charter capital increase from the remaining profit in 2020 has not been completed)* or 22 shares *(in case the charter capital increase from the remaining profit in 2020 has been completed)*
- 3. Registration, listing of additional shares for trading:** Additional shares will be registered with VSD, and listed on the HOSE 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, 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, help to realize the vision to become the most multi-functional, modern and effective bank in Vietnam, rank among Top 20 strongest banks in the Asia-Pacific region; 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, bring increasing higher returns on the capital paid up by shareholders.
 - Based on the capital increase plan and 2023 business plan, VietinBank sets forth some financial targets as follows:

Indicators	Targets for 2023
Total assets	Grow by 5% – 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 exposure	< 1.8%
Separate profit before tax	As approved by the competent State agency (<i>VietinBank continues to drastically improve business performance, demonstrate the roles as the key bank, pillar and mainstay of the economy</i>).
Dividend	The dividend payout ratio and structure (<i>cash, stock dividends</i>) comply with approval of the competent State agency and applicable laws.
Prudent ratios	As regulated by the SBV

3. Rights and obligations of shareholders as recipient of additional shares

- Organizations and individuals as recipients of additional shares issued to increase charter capital of VietinBank are responsible for complying with the provisions of applicable laws, the regulations of the SBV, the Charter of VietinBank and the provisions of the Charter Capital Increase Plan enclosed herewith.
- Organizations and individuals as recipients of additional shares issued to increase charter capital of VietinBank are treated fairly and entitled to all benefits of VietinBank shareholders in accordance with the applicable laws.

V. CURRENT SHAREHOLDING STRUCTURE AND EXPECTED STRUCTURE AFTER CHARTER CAPITAL INCREASE

Please see the current and post-capital-increase shareholding structure in the Appendix 2 attached hereto.

VI. PROPOSAL TO THE AGM OF VIETINBANK

The BoD would like to seek approval from the AGM for the following:

1. Approving the “Plan on charter capital increase through issue of stock dividend from the remaining profit in 2021 and the remaining profit accumulated as of 2016-end” which is now being submitted by VietinBank to the competent State agencies for approval.
2. Approving the amendment to the Charter on Organization and Operation of VietinBank in accordance with the incremental charter capital and additional shares.
3. Approving the depository registration, registration of additional shares for trading, and listing of additional shares.
4. Authorizing and assigning the BoD to:
 - a) Decide or update the “Plan on charter capital increase through issue of stock dividend from the remaining profit in 2021 and the remaining profit accumulated as of 2016-end” based on the approval by the competent State agency.
 - b) Approve the amendment to and promulgate the Charter on Organization and Operation of VietinBank in accordance with the incremental charter capital and additional shares.
 - c) Decide and approve the necessary contents to implement the procedures for: charter capital increase, issue of stock dividend, amendment to the License for establishment and operation & Certificate of business registration, depository registration, 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 General Meeting of Shareholders for approval

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

Tran Minh Binh

APPENDIX 1: SOURCES OF FUND FOR CHARTER CAPITAL INCREASE

Unit: VND million

No.	Indicators	Formula	Amount
1	Separate profit after tax in 2021	(1)	13,622,346
2	Appropriation to the Charter Capital	(2)=(1)*5%	681,117
3	Appropriation to the Financial	(3)=(1)*10%	1,362,235
4	Appropriation to Bonus and Welfare	(4)	1,954,606
5	Other adjustments (*)	(5)	27,113
6	Remaining profit after tax and appropriation to funds in 2021	(6)=(1)-(2)-(3)-(4)-(5)	9,597,275
7	Remaining profit accumulated as of 2016-end	(7)	2,732,717
8	Total amount of remaining profit in 2021 and remaining profit accumulated as of 2016-end	(8)=(6)+(7)	12,329,992
In case the charter capital increase from the remaining profit in 2020 has not been completed:			
9	Stock dividend payout: entire remaining profit after tax, appropriation to funds and cash dividend payout of 2020 (*)	(9)= Charter capital*25.6567%	12,329,970
10	Remaining profit after tax, appropriation to funds and dividend payout (**)	(10) = (8) - (9)	21
In case the charter capital increase from the remaining profit in 2020 has been completed:			
11	Stock dividend payout: entire remaining profit after tax, appropriation to funds and cash dividend payout of 2020 (*)	(11)= Charter capital *22.9608%	12,329,991
12	Remaining profit after tax, appropriation to funds and dividend payout (**)	(12) = (8) - (11)	2

(*) Accounting adjustment after the preparation of annual financial statements

(**) 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 1., 2023)

I. In case the charter capital increase from the remaining profit in 2020 has not been completed:

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	3,097,932,535	64.46%	No. 49 Ly Thai To, Hoan Kiem, Hanoi	Nguyen Thi Hong	Governor	794,827,256	7,948,272,560,000	3,892,759,791	64.46%
	Represented by:										
1.1	Mr. Tran Minh Binh - Chairman of the Board of Directors of VietinBank, representing 40% of State capital		1,239,173,015	25.78%				317,930,902	3,179,309,020,000	1,557,103,917	25.78%
1.2	Mr. Tran Van Tan - Member of the Board of Directors, representing 30% of State capital		929,379,760	19.34%				238,448,176	2,384,481,760,000	1,167,827,936	19.34%
1.3	Mr. Le Thanh Tung - Member of the Board of Directors, representing 30% of State capital		929,379,760	19.34%				238,448,176	2,384,481,760,000	1,167,827,936	19.34%

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
2	MUFG Bank. Ltd.	0100-01-008846	948,150,205	19.73%	2-7-1. Marunouchi. Chiyoda-ku. Tokyo.Japan	Kenichi Yamato	Senior Managing Executive Officer	345,729,852	3,457,298,520,000	1,693,252,537	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	1,349,279,235	28.08%	346,180,525	3,461,805,250,000	1,695,459,760	28.08%

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

II. In case the charter capital increase from the remaining profit in 2020 has been completed:

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

1.1. *List of shareholders with ownership ratio of 5% or more (tentatively after completed charter capital increase from the remaining profit in 2020)*

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 dividends	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	3,097,932,535	64.46%	No. 49 Ly Thai To, Hoan Kiem, Hanoi	Nguyen Thi Hong	Governor	363,743,748	3,637,437,480,000	3,461,676,283	64.46%
	Represented by:										
1.1	Mr. Tran Minh Binh - Chairman of the Board of Directors of VietinBank, representing 40% of State capital		1,239,173,015	25.78%				145,497,499	1,454,974,990,000	1,384,670,514	25.78%
1.2	Mr. Tran Van Tan - Member of the Board of Directors, representing 30% of State capital		929,379,760	19.34%				109,123,124	1,091,231,240,000	1,038,502,884	19.34%
1.3	Mr. Le Thanh Tung - Member of the Board of Directors, representing 30% of State capital		929,379,760	19.34%				109,123,124	1,091,231,240,000	1,038,502,884	19.34%
2	MUFG Bank. Ltd.	0100-01-008846	948,150,205	19.73%	2-7-1. Marunouchi. Chiyoda-ku. Tokyo. Japan	Kenichi Yamato	Senior Managing Executive Officer	111,327,056	1,113,270,560,000	1,059,477,261	19.73%

1.2. List of shareholders with ownership ratio of 5% or more (tentatively after completed charter capital increase from the remaining profit in 2021 and the remaining profit accumulated as of 2016-end)

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 dividends	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	794,828,567	7,948,285,670,000	4,256,504,850	64.46%
	Represented by:										
1.1	Mr. Tran Minh Binh - Chairman of the Board of Directors of VietinBank, representing 40% of State capital		1,384,670,514	25.78%				317,931,427	3,179,314,270,000	1,702,601,941	25.78%
1.2	Mr. Tran Van Tan - Member of the Board of Directors, representing 30% of State capital		1,038,502,884	19.34%				238,448,570	2,384,485,700,000	1,276,951,454	19.34%
1.3	Mr. Le Thanh Tung - Member of the Board of Directors, representing 30% of State capital		1,038,502,884	19.34%				238,448,570	2,384,485,700,000	1,276,951,454	19.34%
2	MUFG Bank. Ltd.	0100-01-008846	1,059,477,261	19,73%	2-7-1. Marunouchi. Chiyoda-ku. Tokyo. Japan	Kenichi Yamato	Senior Managing Executive Officer	243,264,454	2,432,644,540,000	1,302,741,715	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

3.1. Information about the total ownership ratio of foreign investors (tentatively after completed charter capital increase from the remaining profit in 2020)

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	1,349,279,235	28.08%	158,245,621	1,584,256,210,000	1,507,704,856	28.08%

3.2. Information about the total ownership ratio of foreign investors (tentatively after completed charter capital increase from the remaining profit in 2021 and the remaining profit accumulated as of 2016-end)

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	1,507,704,856	28.08%	346,181,096	3,461,810,960,000	1,853,885,952	28.08%

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