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PROPOSAL

On the Ratification of the Audited, Consolidated and Separate Financial Statements and the 2022 Profit Distribution

To: Board of Directors

Pursuant to:

- Decree 93/2017/ND-CP dated 07/08/2017 providing for the financial regime applicable to credit institutions;
- Decree 93/2017/ND-CP dated 07/08/2017 providing for the financial regime applicable to credit institutions (“Eximbank”);
- The 2022 financial statements of Eximbank as audited by Ernst & Young Vietnam Ltd.,

The Board of Management would like to submit to the Board of Directors the followings for approval and ratification.

1. Bases for distribution of profit

1.1. Decree 93/2017/ND-CP dated 07/08/2017 providing for the financial regime applicable to credit institutions:

“Article 23. Distribution of profits after corporate income tax applicable to other credit institutions and branches of foreign banks

The profits of credit institutions and branches of foreign banks after deducting losses of previous year as prescribed in the Law on corporate income tax and paying corporate income tax shall be distributed as follows:

- 1. Distribute profits to the contributors under the signed contract (if any).*
- 2. Deduct the expired loss recovery in the previous year from the profits before corporate income tax.*
- 3. Add 5% of the profit to the charter capital addition reserve fund of the credit institution or to the provided capital accumulation reserve fund of the foreign bank branch. These funds must not exceed the charter capital of the credit institution or the provided capital of the foreign bank branch.*
- 4. Add 10% of the profit to the financial reserve fund.*
- 5. The distribution of the remaining profit shall be decided independently by branches of foreign banks and credit institutions.”*

1.2. Eximbank Charter as ratified by the General meeting of shareholders:

“Article 85. Deductions for funds

1. *The Bank shall make deductions for its funds and provisions in accordance with law stipulations.*

2. *Every year, the Bank shall use its profit after tax as follows:*

a) *Make deduction for the reserve for charter capital supplementation at the ratio of 5% (five percent) of its after-tax profit. The maximum amount of this fund shall not exceed the charter capital of the Bank as stipulated by law.*

b) *Make deduction for the financial reserve at the ratio of 10% (ten percent) of its after-tax profit.*

c) *Make deduction for the professional development fund, reward and welfare fund, and others in accordance with the decision of the General Meeting of Shareholders.*

d) *Pay dividend to shareholders.”*

1.3. Circular 200/2014/TT-BTC dated 22/12/2014 of the Ministry of Finance giving guidance on the accounting regime for enterprises:

“Article 74: *Undistributed post-tax profits ... dd) Parent companies are entitled to distribute profits to the owners which shall not exceed the undistributed post-tax profits on consolidated Financial statements after eliminating the impact of profits recorded from cheap purchase (negative goodwill). Where the undistributed post-tax profits on consolidated financial statements is higher than the undistributed post-tax profits on financial statement of the parent companies and if the profits decided to distribute exceed the undistributed post-tax profits on separate financial statement, the parent companies make distribution after transferring profits from subsidiary companies to the parent companies.”*

1.4 Law regulations on dividend payment plan:

Based on SBV Directive 01/CT-NHNN dated 17/01/2023 on the organization of performance of primary tasks within the banking industry in 2023, the State Bank directs that: *“credit institutions having ratings from average level or lower or charter capital lower than the target capital level specified in Decision No. 689/QĐ-TTg dated 08/6/2022 of the Prime Minister are not allowed to pay dividends in cash”*.

Based on Decision No. 689/QĐ-TTg dated 08/6/2022 of the Prime Minister approving the project *“Restructuring the system of credit institutions in association with bad debt settlement during 2021-2025”*, the target charter capital for domestic commercial banks to be financially competent, able to compete and scale up should be at least VND15,000 billion.

Upon completion of stock issuance for dividend payment out of the profits in

2017, 2018, 2019, 2020, and 2021, the current charter capital of Eximbank is VND 14,814 billion. Therefore, it needs raising more capital by means of dividend payment in stocks so as to reach the target charter capital in the spirit of Decision 689/QD-TTg dated 08/06/2022.

2. Proposal to the General meeting of shareholders for ratification of the consolidated and separate 2023 financial statements as audited with key figures as follows:

Unit: VND million

No.	Item	Separate	Consolidated
1	Total assets	185,309,066	185,056,051
2	Shareholders' equity	20,445,049	20,479,900
	<i>Of which: Charter capital</i>	12,355,229	12,355,229
3	Profit before tax	3,707,691	3,709,066
4	Profit after tax	2,944,377	2,945,752

(Summary of the consolidated and separate 2022 FS as enclosed)

3. Proposal to the General meeting of shareholders for ratification of the plan for distribution of 2023 profit:

Unit: VND million

No.	Item	Notes	Separate	Consolidated
1	Profit before corporate income tax	A	3,707,691	3,709,066
2	Corporate income tax	B	763,314	763,314
3	Profit after corporate income tax	C=A-B	2,944,377	2,945,752
4	Deduction of reserves	D=E+F+G	641,656	641,656
4.1	Reserve fund for charter capital supplementation (5%)	E=C*5%	147,219	147,219
4.2	Financial reserve fund (10%)	F=C*10%	294,437	294,437
4.3	Reward and welfare fund (nearly 7% of the profit after tax)	G=C*7%	200,000	200,000
5	Remaining profit in 2022 after deduction for funds	H=C-D	2,302,721	2,304,096

(4.1) Reserve fund for charter capital supplementation (consolidated FS) = 5% of the profit after tax as in the separate FS + 5% of the profit after tax of the subsidiary AMC

(4.2) Financial reserve fund (consolidated FS) = 10% of the profit after tax as in the separate FS + 10% of the profit after tax of the subsidiary AMC

4. Proposal to the General meeting of shareholders for ratification of the plan for dividend payment:

Unit: VND million

No.	Item	Notes	Separate
1	Remaining profits carried forward (*)	A	477,988
2	Profit in 2022 after deduction for funds	B	2,302,721
3	Undistributed profit accumulated up to 2022 after deduction for funds	C=A+B	2,780,709
4	Payment of dividends in stocks	D	2,655,567
5	Ratio		18%
6	Undistributed profit remaining after dividend payment (**)	E=C-D	125,142

() The incremental VND46 million of remaining profit carried forward is because of the cancellation of 4,625 fractional shares when executing the plan of share issuance for dividend payment out of the remaining profits in 2017,2018,2019,2020, and 2021*

*(**) The undistributed profit remaining after dividend payment is retained to strengthen and enhance the Bank's financial capabilities*

5. Management's proposals

The Management would like to submit to the Board of Directors for escalation to the General meeting of shareholders for the ratification of:

- i. Consolidated and separate 2022 financial statements as audited;
- ii. Plan for distribution of 2022 profit;
- iii. Plan for dividend payment.

Yours sincerely,

CHIEF EXECUTIVE OFFICER

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