



**SAIGON BANK FOR
INDUSTRY AND TRADE**

No. SAIGON /SGB-HĐQT-TTr

Proposal for Issuance of Shares to Increase
Capital from Shareholders' Equity

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

HCM city, April , 2025

DRAFT

To: Shareholders of Saigon Bank for Industry and Trade

Pursuant to:

- *The Law on Credit Institutions No. 32/2024/QH15 (amended and supplemented);*
- *The Law on Enterprises No. 59/2020/QH14 (amended and supplemented);*
- *The Securities Law No. 54/2019/QH14 (amended and supplemented);*
- *Decree No. 155/2020/ND-CP dated December 31, 2020, by the Government, detailing the implementation of several provisions of the Securities Law;*
- *Circular No. 118/2020/TT-BTC dated December 31, 2020, by the Ministry of Finance, guiding content related to the sale, issuance of securities, public offering, share buyback, and the registration of public companies;*
- *Circular No. 50/2018/TT-NHNN dated December 31, 2018, by the State Bank of Vietnam on the approval process for certain changes in the operations of commercial banks and branches of foreign banks (amended and supplemented);*
- *The Charter of Saigon Bank for Industry and Trade*

The Board of Directors of Saigon Bank for Industry and Trade (SAIGONBANK) hereby presents to the Shareholders' Annual General Meeting in 2025 the proposal for the issuance of shares to increase capital from the Shareholders' Equity as follows:

I. Necessity of Increasing Capital

- On June 8, 2022, the Prime Minister approved Decision No. 689/QĐ-TTĐ regarding the restructuring of the credit institution system associated with handling bad debts in the 2021-2025 period, which required:

"2. Specific objectives: ... b) Credit institutions must take measures to ensure their charter capital in 2025 as follows: ... For commercial banks: (i) Group of large domestic commercial banks with financial potential, competitive capacity, and scale: minimum charter capital of VND 15,000 billion; (ii) Group of small and medium-sized domestic commercial banks and foreign-invested commercial banks: minimum charter capital of VND 5,000 billion; ..."

- According to the restructuring plan associated with the non-performing loan resolution for the period 2021-2025, which was approved by the Board of Directors of SAIGONBANK following the directives of the State Bank of Vietnam, SAIGONBANK has established goals and directions for restructuring SAIGONBANK until 2025:

“2. Specific objectives, directions for restructuring SAIGONBANK until 2025:”

- Continue restructuring SAIGONBANK’s operations in areas such as enhancing financial capacity and credit quality; improving management, operations, transparency, and accountability to ensure that SAIGONBANK operates safely and effectively; increasing charter capital, ensuring the minimum charter capital of VND 5,000 billion in compliance with regulations, with completion by the end of 2025.”

- Enhance financial capacity to meet the requirements of Circular No. 41/2016/TT-NHNN (amended and supplemented) and Circular No. 13/2018/TT-NHNN as stipulated by the State Bank of Vietnam and improve SAIGONBANK’s operations towards safer and more efficient performance according to the Basel Committee’s capital adequacy regulations (Basel II and updated documents).

- Increase the scale of operations and competitiveness; progressively meet the State Bank of Vietnam’s requirements regarding the commercial bank network.

- Improve the ability to meet safety and security ratio requirements in operations.

- Increase total credit outstanding to customers, contributing to expanding the customer base.

- Increase medium- and long-term capital of SAIGONBANK, thereby enhancing its ability to meet the maximum short-term capital-to-medium-long-term lending ratio requirements as regulated by the State Bank of Vietnam (according to Circular No. 22/2019/TT-NHNN on safety ratio regulations for commercial banks, foreign bank branches and related amendments).

- Increase capital to invest in business solutions, banking technology development, and risk management systems.

II. Plan to increase charter capital

SAIGONBANK plans to issue shares to increase its capital from Shareholders’ Equity, with the specific details as follows:

- | | |
|---|-----------------------|
| - Share Type: Common Shares; | |
| - Par Value: VND 10.000 per share (ten thousand Vietnamese dong per share); | |
| - Number of shares currently in circulation: | 338.799.141 shares; |
| - Number of treasury shares: | None |
| - Pre-issue charter capital: | VND 3.387.991.410.000 |
| - Number of shares expected to be issued | 33.879.914 shares |
| - Total expected issuance value at par: | VND 338.799.141.000; |
| - Expected post-issue charter capital: | VND 3.726.790.551.000 |

- Sources to Increase charter capital:

SAIGONBANK plans to issue shares to increase capital from shareholders’ equity, based on the audited consolidated financial statements of SAIGONBANK. The issuance rate will be 10%, with a total value of VND 338,799 billion. The source of funds for the issuance:

No.	Items	Data as of 31/12/2024 according to the standalone audited financial statement	Data as of 31/12/2024 according to the consolidated audited financial statement	Amount used to increase capital
1	Reserve Fund for Supplementing Charter Capital	94.055.786.704	94.055.786.704	94.055.786.704
2	Shareholders' Equity - Share Premium	715.830.000	715.830.000	715.830.000
3	Shareholders' Equity - Retained profits of prior years	290.167.243.084	290.461.043.054	
3.1	<i>Profit used for issuing shares to increase charter capital from shareholders' equity</i>	235.243.864.654	235.210.493.734	235.243.864.654
	<i>- Undistributed profit in 2024</i>	24.244.148.080	24.210.777.160	
	<i>- Undivided profit</i>	210.999.716.574	210.999.716.574	
3.2	<i>Reserves appropriated from 2024 profit after tax</i>	15.833.505.302	15.833.505.302	
	<i>- Charter capital supplementary reserve (10%)</i>	7.916.752.651	7.916.752.651	
	<i>- Financial reserve (10%)</i>	7.916.752.651	7.916.752.651	
3.3	<i>The remaining undistributed profit for 2024 after issuing shares to increase the share capital from the shareholders' equity and after allocating the statutory reserves.</i>	39.089.873.128	39.417.044.018	
4	Other Funds			
4.1	Financial Reserve Fund	307.790.798.645	307.790.798.645	
4.2	Development Investment Fund	8.783.659.642	8.817.030.562	8.783.659.642
Amount used to increase capital from Shareholders' Equity				338.799.141.000

- **Method of Capital increase:** Issuance of shares to increase charter capital from Shareholders' equity.

- **Targeted recipients:** Current shareholders listed in the shareholder registry as of the record date who are entitled to receive additional shares from Shareholders' Equity increase.

- **Subscription ratio:** 10%. Therefore, a shareholder holding 100 shares at the record date will receive 10 additional shares.

- **Implementation time:** Expected in 2025, after approval from the 2025 Annual General Meeting and completion of other legal procedures. After completing the necessary procedures with relevant state authorities, the Board of Directors of SAIGONBANK will decide and announce the record date for shareholders to receive additional shares from capital increase.

- **Treatment of fractional shares:** Fractional shares issued to existing shareholders will be rounded down to the nearest whole number, with decimal parts being cancelled.

For example: if a shareholder holds 115 shares, they will receive 11.5 shares, rounded down to 11 shares.

- Expected changes to the Ownership Structure and Shareholding Ratios of Shareholders Holding 5% or More; List of Foreign Investors (Appendix 1 attached).

III. Plan for the Use of funds from the share issuance to increase charter capital

The increased charter capital will be used in SAIGONBANK's business operations with the principle of ensuring safety, effectiveness and maximum benefits for shareholders. It is planned to be used in the following areas:

- Investment in infrastructure and technology, investment in digital transformation IT infrastructure: technology and fixed assets.

- Gradually meet the required charter capital as per Circular No. 32/2024/TT-NHNN dated June 30, 2024, by the State Bank of Vietnam on the network operations of commercial banks.

- Expand credit activities, capital business, and other business activities of SAIGONBANK.

The Board of Directors is responsible for balancing and allocating the funds from the capital increase to these purposes in a reasonable manner, ensuring efficiency and benefits for the Bank and its shareholders.

IV. Capital management capability after the increase in charter capital

- The increase in charter capital requires corresponding improvements in management, administration, and supervision at SAIGONBANK.

- As of now, the Board of Directors of SAIGONBANK consists of 7 members who are individuals with extensive experience in public administration, corporate management, and banking finance, with a strategic vision. All issues are thoroughly discussed and decided by majority vote, ensuring stability and sustainability in

SAIGONBANK's operations. The Board of Directors plays a role in building overall strategic direction and long-term operational plans for SAIGONBANK and directs the construction of business performance indicators to be presented to the General Shareholders Meeting for approval.

- The Executive Board of SAIGONBANK includes individuals with expertise and experience in management, capable of implementing the general strategy and goals set by the General Shareholders Meeting and Board of Directors. The Executive Board is responsible for turning the general strategy and targets into concrete plans and business models; advising the Board of Directors on strategic and policy issues, and directly managing all operations of SAIGONBANK.

- SAIGONBANK has established a management and governance system according to international standards in banking activities, in accordance with the capital adequacy requirements of the Basel Committee (Basel II and updated documents).

- The Board of Supervisors of SAIGONBANK currently has five members, including four specialists. The compliance control is carried out according to regulations, and the team in charge of control and internal audit has been strengthened both in quantity and quality.

- SAIGONBANK's information technology system is modern, with computerized management processes and a network connecting the entire system to meet high management requirements. This is also an important factor helping SAIGONBANK increase its ability to provide modern banking products and services to customers.

V. Projected business operations plan after Capital Increase

After increasing the charter capital and implementing the stock issuance plan to raise capital as stated above, SAIGONBANK will continue to grow in terms of operational scale (Appendix 2 attached).

VI. Contents to Present to the General Meeting of Shareholders

The Board of Directors of SAIGONBANK respectfully submits to the 2025 Shareholders' Annual General Meeting for review and approval:

1. Approval of the "Issuance of Shares to Increase Capital from Shareholders' Equity" for submission to the competent state authorities.

2. To facilitate the "Issuance of Shares to Increase Capital from Shareholders' Equity" as mentioned above, the Board of Directors of SAIGONBANK respectfully submits to the General Meeting of Shareholders to authorize the Board of Directors to carry out and approve the Board's Decisions for the following tasks:

- Supplement/amend the "Issuance of Shares to Increase Capital from Shareholders' Equity" according to the requirements of the competent state authorities in compliance with legal regulations.

- Implement necessary procedures and carry out tasks related to stock issuance to increase charter capital, including registering stock issuance with the State Bank of Vietnam, the State Securities Commission, and other competent authorities.

- Decide to sign documents related to the capital increase.

- Decide on the specific capital increase based on the approval from the competent state authorities as per legal regulations and the actual issuance results.
- Decide on the final registration date to close the shareholder list for exercising rights and proceed with the stock issuance after receiving approval from the competent state authorities.
- The Board of Directors of SAIGONBANK is fully authorized to carry out the necessary procedures to amend the Operating License and business registration with the competent state authorities after completing the capital increase plan.
- Amend the provisions related to charter capital, shares, and stocks in SAIGONBANK's Charter after the completion of the issuance.
- Flexibly adjust and allocate the capital for the purposes stated in the stock issuance plan to increase charter capital, in line with operational realities and compliance with current regulations.
- Decide on other related matters to complete the stock issuance process to increase charter capital.

Regards./.

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

Recipients:

- As above;
- Banking Supervision Agency;
- Board of Director;
- Board of supervisors
- General director;
- HR and Administration Dept, BOD office (filing).

VU QUANG LAM

II. Shareholders and related persons with share ownership ratio of 15% or more

No	Shareholder name	Name of person related to shareholder	NSH No	Legal Representative Information	Address	Current situation			Expected situation after capital increase			
						Number of shares owned as at 25/03/2025	Ownership ratio on charter capital	Ownership Ratio on Voting Share Capital	Shares	Number of shares owned	Ownership ratio on charter capital	Ownership Ratio on Voting Share Capital
1	Ho Chi Minh City Party Committee Office		2079-QĐ/TU	- Mr. Pham Hong Son - Identity No: 079081005676 - Date of issue: 06/12/2021 - Place of issue: Police Department for	127 Trương Dinh street, Vo Thi Sau Ward, District 3, HCM City	61.610.533	18,18%	18,18%	6.161.053,30 (rounded to 6.161.053 shares)	67.771.586	18,18%	18,18%
		Phu Nhuan Construction and Housing Trading Company limited		- Mr. Pham Van Thang - Identity No: 072069007975 - Date of issue: 13/01/2022 - Place of issue: Police Department for administrative management of social order	99 Nguyen Van Troi street, Ward 12, Phu Nhuan District, HCM City	56.375.000	16,64%	16,64%	5.637.500	62.012.500	16,64%	16,64%
		Ky Hoa Tourist Trading one member limited liability Company	0300516370		238 Đường 3/2 P12, Q10, Tp Hcm	55.400.943	16,35%	16,35%	5.540.094,30 (rounded to 5.540.094 shares)	60.941.037	16,35%	16,35%
		Ho Chi Minh City Petroleum Company Limited	0300507707	- Mr. Pham Van Thoai - Identity No: 079064008984 - Date of issue: 27/12/2023 - Place of issue: Police Department for	27 Nguyen Thong street, Ward 7, District 3, HCM City	47.708.053	14,08%	14,08%	4.770.805,30 (rounded to 4.770.805 shares)	52.478.858	14,08%	14,08%

III. Information on total shareholding of foreign investors

Shareholders	Current situation			Shares	Expected situation after capital increase		
	Number of shares owned as at 25/03/2025	Ownership ratio on charter capital	Ownership Ratio on Voting Share Capital		Number of shares owned	Ownership ratio on charter capital	Ownership Ratio on Voting Share Capital
Foreign shareholders	33.761.810	9,97%	9,97%	3.376.181,00	37.137.991	9,97%	9,97%

Shareholder's name	Current situation		Expected situation after capital increase		
	Number of shares owned as at 25/03/2025	Ownership ratio on charter capital	Shares	Number of shares owned	Ownership ratio on charter capital
Board of directors	0				
Vũ Quang Lâm	0				
Nguyễn Thanh	0				
Trần Thanh G	0				
Tôn Thị Nhật	0				
Phạm Hoài N	0				
Phan Thị Bích	0				
Nguyễn Thị H	0				
Board of supervisors					
Trần Thế Tru	3.666	0,0011%	366,60 (rounded to 366 shares)	4.032	0,0011%
Nguyễn Ngọc	1.100	0,0003%	110	1.210	0,0003%
Vu Quỳnh M	17.084	0,0050%	1.708,40 (rounded to 1.708 shares)	18.792	0,0050%
Nguyễn Đạo F	193	0,0001%	19,30 (rounded to 19 shares)	212	0,0001%
General Dir	-				

I. List of Shareholders and their ownership percentage for shareholders holding 5% or more

No	Shareholders' name	Shareholder code	Address	Legal Representative Information	Current situation (Charter capital: 3.387,991 billion VND)			Expected situation after capital increase (Charter capital: 3.726,79 billion VND)			
					Number of shares owned as at 25/03/2025	Ownership ratio on charter capital	Ownership Ratio on Voting Share Capital	Shares	Number of shares owned	Ownership ratio on charter capital	Ownership Ratio on Voting Share Capital
1	Ho Chi Minh City Party Committee Office	2079-QĐ/TU	127 Truong Dinh street, Vo Thi Sau Ward, District 3, HCM City	- Mr. Pham Hong Son - Identity No: 079081005676 - Date of issue: 06/12/2021 - Place of issue: Police Department for administrative management of social order	61.610.533	18,18%	18,18%	6.161.053,30 (rounded to 6.161.053 shares)	67.771.586	18,18%	18,18%
2	Phu Nhuan Construction and Housing Trading Company limited	0300518459	99 Nguyen Van Troi street, Ward 12, Phu Nhuan District, HCM City	- Mr. Pham Van Thang - Identity No: 072069007975 - Date of issue: 13/01/2022 - Place of issue: Police Department for administrative management of social order	56.375.000	16,64%	16,64%	5.637.500	62.012.500	16,64%	16,64%
3	Ky Hoa Tourist Trading one member limited liability Company	0300516370	238 3/2 street, Ward 12, District 10, HCM City	- Mrs. Nguyen Kim Oanh - Identity No: 079179006616 - Date of issue: 09/05/2023 - Place of issue: Police Department for administrative management of social order	55.400.943	16,35%	16,35%	5.540.094,30 (rounded to 5.540.094 shares)	60.941.037	16,35%	16,35%
4	Ho Chi Minh City Petroleum Company Limited	0300507707	27 Nguyen Thong street, Ward 7, District 3, HCM City	- Mr. Pham Van Thoi - Identity No: 079064008984 - Date of issue: 27/12/2023 - Place of issue: Police Department for	47.708.053	14,08%	14,08%	4.770.805,30 (rounded to 4.770.805 shares)	52.478.858	14,08%	14,08%
5	Phat Dai cat Joint Stock company	0317124438	198 Nguyen Thi Minh Khai Street, Vo Thi Sau Ward, District 3, HCM City	Mr. Le Huynh Gia Hoang - Identity No: 079088005080 - Date of issue: 13/09/2018 - Place of issue: Police Department of Residence	33.502.602	9,89%	9,89%	3.350.260,20 (rounded to 3.350.260 shares)	36.852.862	9,89%	9,89%

Appendix 02

Appendix 02

SAIGONBANK's scale of operations after increasing charter capital

Unit: VND billion

Items	2024	2025 plan	Increase	
			Absolute value	Growth rate
1. Total assets	33.260	34.900	1.640	5%
2. Mobilized Funds	28.641	30.100	1.459	5%
3. Lending	22.495	24.700	2.205	10%
4. International settlement	284	330	46	16%
5. Items				
Debt ratio group 3-5	2,20%	According to the regulations of the State Bank		
6. Profit before tax	99,34	300	201	
7. Profit after tax	79,17	240	161	
8 Return on equity/average equity	1,94%	6%		