



**JSC. BANK FOR FOREIGN TRADE OF  
VIETNAM**

Head Office: 198 Tran Quang Khai, Ha Noi  
Corp Code: 0100112437, issued the 7<sup>th</sup> time 10/1/2012

**THE SOCIAL REPUBLIC OF VIETNAM  
INDEPENDENCE-FREEDOM-HAPPINESS**

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*Ha Noi, 02 April, 2012*

**PROPOSAL TO THE VIETCOMBANK GENERAL SHAREHOLDERS' MEETINGS ON THE  
SCHEME OF INTERNATIONAL BOND ISSUANCE**

Relating to the issuance of International Bond of the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), the Board of Directors respectfully report and submit to General Shareholders Meeting as follow:

**1. The relevant of the issuance of international bonds**

- Foreign exchange activity is an advantage and an important part in the business activities of Vietcombank. Currently, foreign currency deposit accounts for ~30% of total deposits from individual and corporate clients, foreign currency credit accounts for ~32,43% of total outstanding loans, the foreign currency credit/foreign currency deposit ratio is ~83,77%. Recently, foreign currency deposit has been negatively affected by the low ceiling interest rate imposed by the State Bank of Vietnam, while the demand for foreign currency credit has not decreased. Therefore, long-term and stable foreign currency funding through the issuance of international bond is essential to the business activities of Vietcombank in this current period as well as to the development plans in the future;
- The increase in mid-term and long-term foreign currency funding through the issuance of international bond helps to meet the capital needs for the existing mid-term and long-term credit projects as well as the mid-term and long-term credit commitments that Vietcombank has signed with corporate clients;
- The issuance of international bond help to diversify forms of long-term foreign currency funding in addition to loans from institutions, international banking, foreign currency bonds



issued on-shore... in an attempt to improve the reputation, competitiveness and the efficiency of funding activities of Vietcombank;

## **2. The legal basis for international bond issuance**

The legal framework for the issuance of international bonds by institutes that are state-owned commercial banks such as Vietcombank has relatively completed including:

- Decree No. 90/2011/ND-CP dated 14/10/2011 of the Government on the issuance of corporate bonds;
- Decree No. 134/2005/ND-CP dated 11/01/2005 of the Government on Promulgating the management regulations of foreign borrowing and repayment;
- Decree No. 59/2009/ND-CP dated 16/07/2009 of the Government on organization and corporate governance of commercial banks;
- Decree No. 160/2006/ND-CP dated 28/12/2006 of the Government detailing the implementation of Ordinance on Foreign Exchange;
- Circular No. 18/2011/TT-NHNN dated 23/08/2011 of the State Bank of Vietnam guidelines on managing foreign exchange of medium and long-term foreign currency loans of commercial banks that are state-owned enterprise;
- Circular No. 19/2011/TT-NHNN dated 24/08/2011 of the State Bank of Vietnam guidelines on managing foreign exchange for the issuance of international bond of corporate that are not guaranteed by the Government.

## **3. Conditions for international bond issuance:**

For international bond issuance, Vietcombank must meet the following minimum compulsory conditions according to the legal regulation as well as market practices:

- Vietcombank issuance of international bond needs to be approved by Vietcombank Shareholders' General Meeting.



- Having the plans for issuance of international bond approved by State Bank of Vietnam and related authorities.
- The value of international bond issuance of Vietcombank must be within the total quota of foreign commercial loan of the country approved by the Prime Minister annually; meet the requirements of the international market on code of practice for issue.

On that basis, Board of Director respectfully submits to Vietcombank Shareholders' General Meeting:

- (i) Approve the plan for issuance of international bonds of Vietcombank with the main contents as follow:
  - Issuing amount: maximum USD 1.000.000.000 (*in words: one billion US Dollar*);
  - Tenor: maximum 10 years;
  - Date of issue: tentatively in 2012 or an appropriate time;
  - Coupon: in accordance with market conditions at the time of issuance.
- (ii) Authorize the Board of Directors of Vietcombank has full authorization to make all relevant decisions in order to implement the issuance of international bond successfully, efficiently, and in accordance with the laws and the Charter of Vietcombank.

*Respectfully submitted,*

**ON BEHALF OF BOARD OF DIRECTORS  
CHAIRMAN**

**NGUYEN HOA BINH**