

UNDERSTANDING

CONCERNING BANK EQUITY

1. With respect to capital contribution in the form of buying shares of commercial banks, within five years from the date of entry into force of this Agreement, Vietnamese authorities shall favourably consider the proposal by the Union's financial institutions to allow the total equity held by foreign investors in two joint-stock commercial banks of Viet Nam of up to 49 per cent of the enterprise's chartered capital.
2. Paragraph 1 does not apply to four commercial banks in which the Government of Viet Nam is currently holding the majority of equity, namely the Bank for Investment and Development of Viet Nam - BIDV, the Viet Nam Joint Stock Commercial Bank for Industry and Trade - Vietinbank, the Joint Stock Commercial Bank for Foreign Trade of Viet Nam - Vietcombank and the Viet Nam Bank for Agriculture and Rural Development (Agribank).
3. Paragraph 1 applies subject to a mutual and voluntary agreement between relevant joint stock commercial banks of Viet Nam and the financial institutions of the Union.
4. The acquisition of the equity by financial institutions of the Union in the two joint-stock commercial banks in Viet Nam referred to in paragraph 1 shall be in full compliance with the relevant merger and acquisition procedures as well as other prudential and competition requirements, including limitations or caps on the percentage of ownership of shares applicable to each individual or institutional investor on national treatment basis, under the laws and regulations of Viet Nam.