

**JSC BANK FOR FOREIGN  
TRADE OF VIETNAM**

Address: 198 Tran Quang Khai, Hanoi

Business Registration No. 0100112437

(13<sup>th</sup> revision dated 16/01/2019)

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

*Hanoi, April 26<sup>th</sup> 2019*

**AGM PROPOSAL**

**ON THE CHARTER CAPITAL INCREASE PLAN FOR PERIOD 2019-2020**

To realize the strategic vision of building Vietcombank to be the No. 1 bank in Vietnam, one of the top 100 leading banks in Asia and top 300 largest financial institutions in the world, governed by the best international practices in 2020; to improve the financial capability to meet the business development requirement and risk management, the BOD would like to present the charter capital increase plan for period 2019 - 2020 as follows:

**1. The expected charter capital increase:**

***1.1. Issuance of share to increase charter capital from shareholder equity (share premium and accumulated retained earnings) at maximum 40% ratio for existing shareholders***

- Charter capital pre-issuance: VND 37,088,774,480,000
- Expected charter capital increase post-issuance: VND 14,835,509,790,000 (Actual numbers may vary due to round number of odd stocks)
- Expected charter capital post issuance: VND 51,924,284,270,000

***1.2. New share issuance via public offering, private placement with the proportion of 6.5% of the VCB Charter Capital at the time offering (after share issuance to increase charter capital from shareholder equity at 40% ratio for existing shareholders)***

- Charter capital pre-issuance: VND 51,924,284,270,000 (The pre-issuance Charter capital depends on the result of the share issuance from shareholder equity at Article 1.1)

- Expected charter capital increase post-issuance: VND 3,375,078,480,000

- Expected charter capital post-issuance: VND 55,299,362,750,000.

**2. Detailed plan of share issuance to increase charter capital from shareholder equity (share premium and accumulated retained earnings)**

**2.1. Type of share:** common share;

**2.2. Par value:** VND 10,000 (ten thousand dong);

**2.3. Number of outstanding shares:** 3,708,877,448 shares;

**2.4. Treasury shares:** 0 share.

**2.5. Expected maximum number of shares to be issued:** 1,483,550,979 shares

**2.6. Total maximum issuance value under by par value:** VND 14,835,509,790,000 (actual number may vary due to round number of odd stocks);

**2.7. Expected charter capital post-issuance:** maximum VND 51,924,284,270,000

**2.8. Issuance subjects:** Vietcombank's existing shareholders at the time of finalizing the right of receiving bonus shares in accordance with laws and regulations as well as capital increase plan that was approved in the Annual General Meeting of Shareholders.

**2.9. Issuance proportion:** The shareholder that possesses 100 shares at the time of issuance will receive 40 shares as bonus shares.

**2.10. Source:** From the accumulated retained earnings until December 31<sup>st</sup> 2018 of VCB (*including 2018 retain earning which has been allocated by the General meeting of shareholders*) and the equity surplus, pursuant to the provision of the Law;

**2.11. Implementation time:** in 2019. Details will be decided by the BOD upon obtaining approval of local state authorities;

**2.12. Handling of odd shares:** Number of bonus shares issued to shareholders will be rounded down and figures after the point (.) will be ignored.

For example, the shareholder holding 368 shares at the time of subject shareholder list finalization will receive 147 shares as bonus shares.

### **3. Detailed plan of new share issuance:**

**3.1. Share issuance via public offering or private placement with the maximum expected scale of 337,507,848 shares, equivalent to 6.5% of VCB Charter capital at the time offering (*after share issuance to increase charter capital from shareholder equity at 40% ratio for existing shareholders*).**

**3.2. Type of share:** common share.

**3.3. Par value:** VND 10,000 (ten thousand dong).

**3.4. The number of shares to be offered:** maximum 337,507,848 shares (equivalent to 6.5% of total outstanding shares after the implementation of share issuance to increase charter capital from shareholder equity at 40% ratio; the number of shares to be issued shall be adjusted according to the charter capital at the time of offering)

#### **3.5. Issuance subjects:**

- Public offering: Vietnamese individual and organizations; foreign individual and organizations;
- Private placement: Investors meeting the following criteria: domestic and foreign institutional investors, having strong financial capability that may include one or several existing shareholders of VCB, maximum 100 investors.

**3.6. Principles for determining offering price:** on the principle of market price, in accordance with the approval of the local state authorities and pursuant to the current provision of the Law.

**3.7. Expected increased charter capital:** VND 3,375,078,480,000 (equivalent to 6,5% of the charter capital after the implementation of share issuance from shareholder equity with 40% ratio, the increased amount shall be adjusted according to the issuance results);

**3.8. Lock up period:** The share issued under private placement method will be restricted to transfer in accordance with the current regulations of the Vietnamese Law.

**3.9. Implementation time:** expected to be implemented during 2019-2020, after share issuance to increase charter capital from shareholder equity for existing shareholders, details will be decided by the BOD upon obtaining approval of local state authorities;

**4. Custody and supplemental listing:**

Additional issued shares will be centrally registered at Vietnam Securities Depository (VSD) and additionally listed at Ho Chi Minh City Stock Exchange (HOSE) in accordance with the provisions of the law.

**5. Usage plan for the increased capital**

The increased capital will be used for Vietcombank's business operation appropriately based on the principle of safety, efficiency and optimization of benefit to all shareholders. Details are as follows:

- To make investment in facilities, information technology: to build Vietcombank offices, to widen branch network, to invest in technology and fixed assets (~ VND 500 bil);

- To develop credit operation, treasury operation as well as other business operations (~ the remaining proceeds from the share issuance);

**6. Some ratios after the capital increase (estimated)**

- Total assets in 2019 are expected to grow by 12%; fund mobilization is expected to grow by 11% to 13% and credit balance is expected to grow by 15%; Profit before tax is expected to grow by ~9.5%.

- CAR: >9% (under Basel II standards).

- ROAE: ~22%

*(Please refer to the "Charter Capital Increase Plan" attached herewith for further details)*

**7. Rights and obligations of investor(s) receiving/purchasing Vietcombank's additionally issued shares**

- Organizations/ individuals receiving/ purchasing Vietcombank's additionally issued shares have the obligations to comply with the laws, regulations set by the State Bank of Vietnam, Vietcombank's Charter as well as

all the regulations mentioned in the “Charter Capital Increase Plan” attached herewith.

- Organizations/ individuals receiving/ purchasing Vietcombank’s additionally issued shares are treated equally and are entitled to all the benefits of Vietcombank’s shareholders once the new Business Certificate is issued by the Hanoi Department of Planning and Investment (with new contents relating to the amended charter capital).

**BOD would like to propose the AGM to**

1. Approve the capital increase plan for 2019-2020 period with main contents as mentioned in this Proposal and the detailed Plan attached herewith;

2. Approve the amendment of Vietcombank’s Charter relating to the new charter capital after share issuances in accordance with the approved issuance plan and actual issuance results.

3. Approve that the bank’s existing shareholders refuse their pre-emptive rights (if any) to the additional shares issued by Vietcombank under private placement plan, except for existing shareholders with the intention to participate in the private placement (the process will then comply with laws).

4. Authorize the BOD to:

- Decide on the time to conduct share issuance to increase charter capital from shareholder equity and decide on the last registration date to finalize shareholder list to have bonus share receiving rights;

- Based on the actual situation, actively select method of share issuance (*public offering or private placement*), develop detailed issuance plans, implement reporting procedures, get approval of relevant local state authorities and review and modify the Plan as required by the local state authorities in accordance with the provisions of Law;

- Decide on the selection criteria and the list of investors to be offered; the volume of private placement shares to be issued to each investor; timing of the issuance; share price (based upon price determining mechanism approved by local state authorities); negotiate and decide the terms and conditions of relating

contracts; negotiate and decide on the conditions and regulations of the above contracts related to the share issuance;

- Decide the detailed plan for capital increase based on the approval of the local state authorities in accordance with the relevant laws and regulations;

- Proceed with all the necessary procedures to successfully issue Vietcombank shares, register Vietcombank's new charter capital (to reflect the actual successfully increased amount) with the relevant state authorities, amend Vietcombank's Charter (relating to the new charter capital), complete all the procedures after the capital increase, to list the additionally issued shares on the Hochiminh Stock Exchange after the issuance is completed;

- Flexibly adjust and allocate the raised capital from the share issuance for the usage plan mentioned in the share issuance plan;

- Actively handle unallocated shares (if any) in accordance with the current provision of the Law; and

- Decide all the other issues relating or incurring from the capital increase.

- Respectfully to the AGM's perusal and approval.

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

**Nghiem Xuan Thanh**