**VBB: Annual General Mandate 2020**

On 22 May 2020, Viet Nam Thuong Tin Commercial Joint Stock Bank announced the Annual General Mandate 2020 as follows:

1. Approve the report on operation results of 2019 and operation plan for 2020 as follows:

a. Operation results of 2019 with following main indicators:

- Scale indicators:

Unit: VND billion

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Indicator | Realization 2019 | Plan 2019 | % Plan 2019 | +/- Plan 2019 |
| 1 | Total assets | 68,928 | 65,600 | 105% | 3,328 |
| 2 | Total outstanding debts lending to customers  | 40,919 | 44,000 | 93% | -3,081 |
| 3 | Total proceeds | 51,947 | 57,500 | 90% | -5,553 |
| 4 | Charter capital | 4,190 | 4,256 | 98% | -66 |

- Operation indicators

Unit: VND billion

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | Indicator | Realization 2019 | Plan 2019 | % Plan 2019 | +/- Plan 2019 |
| 1 | Total operation income | 1,744 |  |  |  |
| 2 | Total operation expense | 1,077 |  |  |  |
| 3 | Profit of previous contract (=1-2) | 667 |  |  |  |
| 4 | CP (writing back) DP PRTD | 54 |  |  |  |
| 5 | Profit before tax (=3-4) | 613 | 540 | 114% | 73 |

- Operation safety indicators:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No | Indicator | Year 2019 | Regulation of the State Bank | Compared to the regulation | Year 2018 | +/- Plan 2018 |
| 1 | Bad debt rate | 1.32% | ≤ 3% | Accepted | 1.25% | 0.07% |
| 2 | CAR (minimum safety coefficient) | 8.34% | ≥ 8% | Accepted | 11.10% | -2.76% |
| 3 | LDR (CV/ total contract) | 67.75% | ≤ 80% | Accepted | 71.79% | -4.04% |
| 4 | Capital resources rate NH CV TDH | 32.39% | ≤ 40% | Accepted | 35.40% | -3.01% |

b. Operation plan for 2020

- Minimum operation plan (according to the credit growth indicator in 2020 assigned by the State Bank: VND 44,908 billion)

Unit: VND billion

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Indicator | Realization 2019 | Plan 2020 | +/- compared to 2019 |
| 1 | Total assets | 68,947 | 79,289 | 10,342 |
| 2 | Total outstanding debts  | 40,919 | 44,908 | 3,989 |
| 3 | Total proceeds (including GTCG) | 51,965 | 59,760 | 7,795 |
| 4 | Average proceeds | 44,243 | 55,900 | 11,657 |
| 5 | Profit before tax  | 613 | 300 | -313 |
| 6 | Bad debt rate | 1.32% | < 2% |  |

- Operation plan for 2020: adjusting the credit growth rate after approval of the State Bank

Unit: VND billion

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Indicator | Realization 2019 | Plan 2020 | +/- compared to 2019 |
| 1 | Total assets | 68,947 | 82,736 | 13,789 |
| 2 | Total outstanding debts  | 40,919 | 47,057 | 6,138 |
| 3 | Total proceeds (including GTCG) | 51,965 | 62,359 | 10,394 |
| 4 | Average proceeds | 44,243 | 57,200 | 12,957 |
| 5 | Profit before tax  | 613 | 550 | -63 |
| 6 | Bad debt rate | 1.32% | < 2% |  |

- Operation plan (after approval of the State Bank related to the credit growth indicator)

Unit: VND billion

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Indicator | Realization 2019 | Plan 2020 | +/- compared to 2019 |
| 1 | Total assets | 68,947 | 90,000 | 21,053 |
| 2 | Total outstanding debts  | 40,919 | 50,000 | 9,081 |
| 3 | Total proceeds (including GTCG) | 51,965 | 65,000 | 13,035 |
| 4 | Average proceeds | 44,243 | 58,000 | 13,757 |
| 5 | Profit before tax  | 613 | 613 | 0 |
| 6 | Bad debt rate | 1.32% | < 2% |  |

2. Approve the audited financial statement of 2019 as follows: (Unit: VND million)

|  |  |  |  |
| --- | --- | --- | --- |
| No | Indicator | Separate financial statement  | Consolidated financial statement  |
| Indicators related to business |
| 1 | Total assets | 68,946,502 | 68,928,115 |
| 2 | Total outstanding debts (after DPRRTD) | 40,574,424 | 40,574,424 |
|  | Total outstanding debts (before DPRRTD) | 40,918,793 | 40,918,793 |
| 3 | Total proceeds |  |  |
|  | - From other TCTD | 10,371,598 | 10,371,598 |
|  | - From customers | 49,465,495 | 49,446,570 |
| 4 | Profit before tax  | 612,972 | 612,974 |
| Indicators related to the equity |
| 1 | Equity | 5,018,384 | 5,018,384 |
| 2 | Charter capital | 4,190,199 | 4,190,199 |
| 3 | Reserves | 199,455 | 199,455 |
| 4 | Retained accumulated profit (loss)  | 628,730 | 628,730 |

3. Approve the Board of Directors' report on the performance of the Board of Directors and the performance evaluation results of members of the Board of Directors, councils, committees under the Board of Directors

4. Approve the Report of the Supervisory Board regarding: business results of Vietbank, on the operation results of the Board of Directors, General Director; self-assessing the operation results of the Supervisory Board and performance evaluation results of members of the Supervisory Board

5. Approving the report on granting credits to subjects in accordance with Clause 1, Article 127 of Law on credit institutions

6. Approve the Report on changing the plan on use of proceeds/ purpose of use of the proceeds from the increase in charter capital in 2018 and 2019 compared to the plan on increase in charter capital in 2018 approved by the annual General Meeting of Shareholders and the State Bank of Vietnam

7. Approve the profit distribution plan for 2019, specifically as follows:

Unit: VND million

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Item | Note | Rate | Amount |
| 1 | Profit before tax  |  |  | 612,974 |
| 2 | Payable corporate income tax |  |  | 127,324 |
| A | Retained after-tax profit of 2019 | 1. – (2)
 |  | 485,650 |
| B | Total profit for distribution in 2019 | A |  | 485,650 |
| C | Extraction to the additional reserves to charter capital |  | 5% | 24,283 |
| D | Extraction to the financial provision fund |  | 10% | 48,565 |
| E | Remaining after-tax profit extracted to the compulsory funds | B – C - D |  | 412,802 |
| F | Extraction to the Welfare and Reward Fund  | 0.5 monthly salary |  | 15.500 |
| G | Extraction to bonus due to exceeding the after-tax profit plan based on the General Mandate  |  |  |  |
| a) | Realized profit before tax in 2019 |  | 612,974 |  |
| b) | Profit before tax assigned to plan 2019 |  | 492,000 |  |
| c) | Profit before tax exceeding the plan (a – b) |  | 120,974 |  |
| d) | Corporate income tax |  | 24,195 |  |
| e) | After-tax profit exceeding the plan (c - d) |  | 96,779 |  |
| f) | Extraction to the additional reserves for charter capital |  | 4,839 |  |
| g) | Extraction to the financial provision fund |  | 9,678 |  |
| h) | Profit exceeding the plan and compulsory fund (e-f-g) |  | 82,262 |  |
| i) | Extraction to the bonus exceeding the plan on after-tax profit based on Board resolution 01/ 2018-DHDCD | h X | 30% | 24.679 |
| H | Dividend payment (charter capital x dividend payment rate) | 4,190,199 | 0% | - |
| I | Retained profit | F – G – H - I |  | 372,623 |

8. Approve the Plan on increase in charter capital in 2020 with the following basic contents:

- Charter capital at the end of 2019: VND 4,190,199,040,000; all are ordinary shares

- Increase in the chartered capital (expected): VND 628,729,860,000, an increase of 15% compared to the end of 2019

- The new charter capital expected after completing the capital increase in 2020: VND 4,818,928,900,000

- Sources used to increase charter capital: from retained profit of 2017-2019 with the amount of VND 628,729,860,000

- Method of implementation: Vietbank issues shares to pay dividend to existing shareholders with the rate of distribution of issued shares: Expected 15% of the outstanding shares on December 31, 2019. Existing shareholders are entitled to receive additionally issued shares with a distribution ratio of 100: 15 (shareholders owning 100 shares receive 15 additionally issued shares)

The number of issued shares is calculated according to whole number, the decimal will not be rounded into 01 share; The number of odd shares (if any) was assigned to the Board of Directors to decide

- Assigning and authorizing the Board of Directors to decide, including but not limited to:

+ Necessary issues and legal procedures, including the amendment and supplementation to the Plan for the State Management Authority to review and approve, based on the principles consistent with actual operational conditions of Vietbank; strictly comply with the law; and ensure shareholders' benefits

+ The time of issuance includes the time of stopping the share issue in accordance with the reality and the guidance of the competent State management agencies

+ Handling of odd shares

+ Amendments and supplements to the plan on using the proceeds to ensure compliance with the provisions of law, in accordance with business reality and bringing efficiency to Vietbank

- Amending and supplementing the registration file for depository transaction for additional securities according to the guidance of the competent State management agencies

- Carry out legal procedures for amendments and supplements to the operation license, business registration certificate, charter and other legal documents related to updating the new charter capital of Vietbank

- During the implementation of authorized tasks, the Board of Directors has the right to decide the contents within the scope of authorized duties; carry out and/ or direct and assign Vietbank's units to perform necessary tasks as prescribed by law; complete and sign relevant documents, papers and documents; work with competent State management agencies and related parties; carry out all other tasks and procedures necessary to carry out the assigned tasks, in accordance with the provisions of law

9. Approving the Statement on amendments and supplements to the Charter of Vietbank

10. Approving the listing of Vietbank shares on the domestic stock market, specifically as follows:

- Listing on the stock market for Vietbank shares shall be implemented when market conditions allow on the basis of meeting the conditions prescribed by law

- Assign/ authorize the Board of Directors to decide the specific listing time, documents, records and direct the Management Board, Divisions/ Centers /Boards and Office of the Board of Directors to carry out the procedures related to listing on the securities market mentioned above according to the provisions of law

11. Approve the Statement on remuneration, bonus, other benefits and operating budget of the Board of Directors and the Supervisor Board in 2020, specifically:

- Total remuneration in 2020 (excluding the personal income tax): VND 7,883,613,100. All related personnel income tax in accordance with regulations will be paid by Vietbank; assigning Chairman of the Board of Directors to decide the specific remuneration for each member

- The total operating budget in 2020: VND 3,000,000,000

12. Approve the Statement on deduction and use of the reward fund to buy treasury stocks and reward treasury stocks to employees

13. Approve the property investment, Lim 2 Building, specifically:

- Buy a part of Lim II Building (expected including 3 basements, ground floor to 11th floor) for the head office; Estimated purchasing area: 18,713 m2 including basement B3, B2, B1, 1st floor up to 11th floor including mezzanine

- Estimated maximum asset purchase price: VND 1,340 billion with VAT

For the rest of the Lim II Building, Vietbank will agree to continue purchasing for a maximum of 3 years, when Vietbank expands its operation and has more appropriate capital resources

- Time for conducting negotiation, agreement and procedures for trading in 18 months from the date of approval by the annual General Meeting of Shareholders

- Assign and authorize the Board of Directors to decide, including but not limited to:

+ Negotiate with partners with the best purchase price to match the market price and ensure the benefits of shareholders

+ Necessary legal issues and procedures when submitting to the competent State management agencies for consideration and approval

- Directing the relevant departments to carry out the legal procedures for registration and transfer the asset ownership name for Vietbank and other legal documents related to Vietbank's property investment

14. Approve the annual Report on disclosure of relevant benefits of the Board of Directors, the Supervisory Board and the Management Board (year 2019)

15. Approving the dismissal of the position of member of the Supervisory Board for Ms. Nguyen Thu Phuong according to personal wish

16. Approving the dismissal of the position of member of the Board of Directors for Mr. Tran Van Ta according to personal wish

17. Approving the additional election of member of the Board of Directors and Supervisory Board for the term of 2016-2020, specifically:

a. Electing additional members of the Board of Directors for the term of 2016-2020:

- Ms. Mai Hong Quy - Independent member of the Board of Directors

- Ms. Quach To Dung - Member of the Board of Directors

b. Elect additional members of the Supervisory Board for the term of 2016-2020:

- Mr. Mac Huu Danh - Full-time member of the Supervisory Board

- Mr. Hua Ngoc Nghia - Full-time member of the Supervisory Board