

No. 138/2021/CV-VPB

Hanoi, July 15, 2021

PROPOSAL

(On the plan for increasing VPBank's charter capital 2021)

Attention: VPBANK'S VALUED SHAREHOLDERS

According to existing laws and regulations, some ratios on capital adequacy and operational prudence are calculated based on bank's charter capital. As some of VPBank's ratios are currently close to the cap, the bank has not been able to fully grasp all new opportunities during its business operations. With an aim to tackle this problem in the upcoming time, the Board of Directors views the increase of the bank's charter capital is crucial to:

- Make sure that the ratio of investment in and acquisition of subsidiaries and/or capital contribution to other businesses can assist and beef up the bank's operations in accordance with existing laws and regulations. (As of now, VPBank has fully used such ratios and is unable to conduct any further investment or capital contribution until its charter capital is increased).
- Improve the ratios which are calculated based on charter capital to improve the bank's flexibility in business operations, such as those on lending for securities trading, financing corporate bond investment, etc.
- Officially register the charter capital and increase medium- and long-term funding to meet credit growth demands.
- Improve other capital adequacy and prudential ratios.

According to the audited financial statements and 2019, 2020, 2021 AGM minutes, the bank retained its profit and did not distributed to investment and development funds nor reserve fund to supplement charter capital from 2018 to 2020. In particular, as of December 31, 2020, the accumulated undistributed profit and investment and development fund reached nearly VND 19,511 billion, and the reserve to supplement charter capital was around VND 808 billion, etc., which can be used to increase the charter capital as mentioned above by paying dividend in the form of shares and issuing new shares.

The Board of Directors propose a the plan for using the abovementioned sources to issue 1,975,798,700 shares to increase the charter capital from VND 25,299,679,660,000 to VND 45,057,666,660,000 in 2021, equivalent to nearly 80% payout ratio (both dividend and bonus shares) to pay the existing holders of common shares as at the list finalization.

We kindly seek your approval of the plan for share issuance/charter capital increase 2021 as per the AGM draft resolution and the ballot attached to this proposal.

Recipients:

- *VPBank's shareholders;*
- *BOD Office (for filing)*

P.P. BOARD OF DIRECTORS

CHAIRMAN

(signed)

Ngo Chi Dzung



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Telephone: 1900545415
Business licence no. 0100233583 by the Ministry of Planning and Investment issued for the first time on September 8, 1993 and 41st time on November 27, 2018
Operating licence No. 94/GP-NHNN dated September 28, 2018 by the State Bank of Vietnam
Website: www.vpbank.com.vn Email: ir@vpbank.com.vn
Ha Noi, (month) 2021

DRAFT

RESOLUTIONS OF THE VPBANK ANNUAL GENERAL MEETING

No. /2021/NQ-DHDCD

- Pursuant to Law on the State Bank of Vietnam No. 46/2010/QH12 dated June 16, 2010;
- Pursuant to Law No. 47/2010/QH12 on Credit Institutions dated June 16, 2010 and Law No. 17/2017/QH14 on the Amendment and Supplement of Some Articles of Law on Credit Institutions dated November 20, 2017;
- Pursuant to Law No. 59/2020/QH14 dated June 17, 2020 on enterprises
- Pursuant to Law No. 54/2019/QH14 on Securities adopted by the National Assembly on November 26, 2019
- Pursuant to Decree No. 155/2020/NĐ-CP dated December 31, 2020 of the Government on detailing the implementation of a number of Law on securities,
- Pursuant to VPBank Charter Capital 2021;
- Based on the Proposal No. 138/2021/CV-VPB dated July 15, 2021 on the plan on raising VPBank's charter capital in 2021;
- Based on the polling result at Minute on polling result seeking for VPBank shareholders' opinion as per Proposal No. 138 /2021/CV-VPB dated July 15, 2021.

RESOLVES:

Article 1. To pass “The plan on raising VPBank’ charter capital in 2021” by issuance of shares for dividend payments and issuance of shares from Investment and development fund and reserve to supplement charter capital with details as follows:

- Purpose: to raise charter capital, enhance business capability and meet the requirements regarding prudential ratio as per regulations of Law on credit institutions.
- Stock name: Vietnam Prosperity Joint Stock Commercial Bank (VPBank)
- Stock symbol: VPB
- Face value: VND 10,000
- Number of issued shares as at June 30, 2021: 2,529,967,966 shares
In which:
 - + Number of outstanding shares: 2,454,748,366 shares
 - + Number of treasury shares: 75,219,600 shares
- Number of tentative issued shares as at the date on which list of shareholders finalized to execute the charter capital raising plan: 2,529,967,966 shares
In which:
 - + Number of outstanding shares: 2,469,748,366 shares
 - + Number of treasury shares: 60,219,600 shares

- Preferential shares: None
- Eligibility: existing shareholders at the time of list finalization
- Tentative maximum share issuance: 1,975,798,700 shares
- Tentative value by face value: (VND) 19,757,987,000,000
- Tentative issuance rate (Number of tentative share issuance/Number of tentative shares in circulation at the time of right finalization): 80%, in which:
 - + Rate of share issuance for dividend pay-out : 62.15%
 - + Rate of share issuance from equity: 17.85%
- Tentative rates to exercise shareholders' rights:
 - + For dividend pay-out: 62.15%. In particular, the eligible holders of 10,000 common shares shall receive an addition of 6,215.
 - + For issuance from equity: 17.85%. In particular, the eligible holders of 10,000 common shares shall receive and addition of 1,785.
- Tentative total number of shares after the issuance: 4,505,766,666 shares
- Tentative actual charter capital after the issuance: VND 45,057,666,660,000
- Sources to increase charter capital:
 - ✓ Undistributed profit: VND 15,349,819,634,880;
 - ✓ Investment and development fund: VND 3,600,000,000,000;
 - ✓ Reserve to supplement charter capital: VND 808,167,365,120;
- As a result, the charter capital will tentatively increase from VND 25,299,679,660,000 to VND 45,057,666,660,000 (an increase of VND 19,757,987,000,000).
- Method: issuing shares to pay dividends from the accumulated distributable profit and increase charter capital from the reserve to supplement charter capital and investment and development fund.
- Plan for fractional shares: the amount of shares issued as per the right distributing ratio (for payment of dividends and bonus shares separately) for each shareholders will be presented in integral numbers with the decimal part not being rounded to represent one share. The fractional shares and undistributed shares (if any) will be subject to decisions of the Board of Directors, including but not limited to the distribution to VPBank's HO Trade Union and other purposes of the bank.
- Timing: the Board of Directors shall carry out the procedures with competent agencies in accordance with legal regulations. Tentatively Quarter 3 and/or Quarter 4 2021.

Article 2. To agree on the change of charter capital to VND 45,057,666,660,000 in the bank's operating license, business registration certificate, and Charter.

Article 3. To agree on the additional depository registration of the shares to be issued at Vietnam Securities Depository and list the shares on Ho Chi Minh Stock Exchange.

Article 4. Assign and delegate the Board of Directors to decide on relevant contents and implement plan for issuing shares to increase the bank's charter capital, including but not limited to the following tasks:

- Develop, complete, amend and supplement "the plan for increasing charter capital 2021" in line with legal regulations and the SBV's requirements, such as: sufficient capital proof to increase capital, assessment to the demand for capital increase, development of plan on using new charter capital, responding business plans after raising charter capital, etc. and relevant information.
- Develop, complete, amend and supplement materials and portfolio related to issuance plan, report of capital proof, etc. in line with regulations of securities law and competent agencies as implementing required procedures.

- Decide on the time of finalizing list of eligible shareholders, and specific time of share issuance, etc. in line with this capital increase plan and actual situation / requirements of competent agencies.
- Decide on the exact issuance ratio subject to the number of outstanding shares at the time of finalizing eligible shareholders, ensuring the abovementioned amount of capital increased.
- Carry out required procedures of competent agencies to implement and complete the plan for raising charter capital / share issuance for dividend payments and shares issuance from Investment and development fund and reserve to supplement charter capital
- Decide on and carry out all content, materials and other required procedures after increasing charter capital / share issuance such as registration, depository, additional registration, license amendment, business registration with new charter capital; information disclosure and other procedures/ tasks in line with the legal regulations.
- Be entitle to appoint / delegate / assign the Chairman of the Board of Directors and other persons and units in VPBank to: carry out required tasks in line with the regulation; complete and sign relevant materials and portfolio; work and implement all procedures with relevant parties to fulfill the assigned tasks.

Article 5. These resolutions take effect at the signing date. The Board of Directors shall be responsible for executing this resolution.

Recipients:

- *VPBank's shareholders*
- *The BOD, the Board of Directors*
- *BOD office (for filing)*

**ON BEHALF OF THE ANNUAL GENERAL
MEETING
CHAIRMAN OF THE BOARD OF DIRECTORS**

NGO CHI DZUNG