

Hanoi, March 29, 2022

**PROPOSAL TO THE GENERAL MEETING OF SHAREHOLDERS  
ON ABBANK'S CHARTER CAPITAL INCREASE PLAN**

*(To be submitted to the General Meeting of Shareholders on April 20, 2022)*

**I. THE NEED TO INCREASE THE LEVEL OF CHARTER CAPITAL**

In the year 2021, according to the provisions of law; Resolution of the General Meeting of Shareholders, Plan to increase ABBANK's charter capital; written approval of the State Bank of Vietnam, Certificate of Registration of additional public offering of shares, written confirmation of the application for shares issuance to employees under the ESOP Program, written confirmation of the application for shares issuance to increase capital from equity (issuance of bonus shares) of the State Securities Commission, ABBANK has implemented the increase of charter capital in 2 phases:

- Phase 1: Offering shares to existing shareholders and issuing shares under the ESOP program. In which, ABBANK offered 114,262,271 new shares (20% of charter capital) to existing shareholders, the total par value of offered shares was VND 1,142,622,710,000 and issued an additional 11,426,227 shares (2% of charter capital) for employees under the ESOP Program, the total par value is VND 114,262,270,000. On December 31, 2021 ABBANK completed the first phase of capital raising with the total number of shares offered and additional issuance of 125,688,498 shares, with a total par value of VND 1,256,884,980,000 (the issuance of shares according to The ESOP program has an issue surplus of VND 34,278,681,000). ABBANK has completed the capital increase phase 1 with the rate of 100% of shares successfully offered and issued, with the charter capital of ABBANK increased from VND 5,713,113,550,000 to VND 6,969,998,530,000.

- Phase 2: Issuing shares to increase capital from equity sources (bonus shares). Immediately after the completion of the capital increase phase 1, ABBANK also implemented the capital increase phase 2 through the issuance of bonus shares. On February 11, 2022 ABBANK completed the capital increase in phase 2 through the issuance of 243,947,229 bonus shares (35% of charter capital after capital increase in phase 1), with a total par value of VND 2,439,472,290,000. Accordingly, the charter capital of ABBANK continued to increase from VND 6,969,998,530,000 to VND 9,409,470,820,000.

The capital obtained from the stock offering and share issuance is supplemented to increase the capital size for ABBANK's business activities, improve financial capacity, meet ABBANK's demand for sufficient capital and requirements to comply with regulations of the SBV, and at the same time to meet the criteria for improving the rating level by international independent credit rating organizations in line with the Bank's strategic orientation.

In 2022, ABBANK plan to continue to increase its charter capital for the following reasons and purposes:

- Use undistributed after-tax profits to pay dividends in stock, meet shareholders' demand for dividends, in line with the Bank's business results and the State Bank's direction on dividend distribution - pay dividends in stock.

- Issuing a number of shares under the Employee Stock Ownership Plan (ESOP Plan) with the aim of facilitating the implementation of the remuneration policy to attract and retain qualified and experienced personnel, and to consolidate and strengthen quality human resources for ABBANK in the transition.

The Board of Directors would like to submit to the General Meeting of Shareholders the plan to increase the charter capital in 2022 with the following main contents:

## II. PLAN TO INCREASE THE CHARTER CAPITAL

### 1. Total charter capital and expected increase:

1.1. The current charter capital is VND 9,409,470,820,000 (In words: Nine thousand four hundred and nine billion, four hundred and seventy million, eight hundred and twenty thousand dong) divided into 940,947,082 shares, par value VND10,000/share. All these shares are common shares, ABBANK has no preferred shares and treasury shares.

1.2. Total expected increase in charter capital: 990,947,080,000 VND (In words: Nine hundred and ninety billion, nine hundred and forty seven million, zero hundred and eighty thousand dong) corresponding to the expected number of additional shares to be issued 99,094,708 common shares, par value VND10,000/share.

1.3. Total expected charter capital after the increase: VND 10,400,417,900,000 (In words: Ten thousand four hundred billion, four hundred seventeen million, nine hundred thousand dong) corresponding to 1,040,041,790 common shares, par value VND10,000/share (In words: One thousand zero hundred and forty million, zero hundred and forty one thousand, seven hundred and ninety shares).

1.4. Roadmap and form of increasing charter capital:

<i>Content</i>	<i>Expected charter capital after increase (VND)</i>	<i>Expected additional charter capital (VND)</i>	<i>Maximum number of additional shares (shares)</i>	<i>Minimum issue price per share (VND)</i>
	<b>10,400,417,900,000</b>	<b>990,947,080,000</b>	<b>99,094,708</b>	
<i>Issuing shares to pay dividends (10%) from remaining undistributed after-tax profits</i>		<i>940,947,080,000</i>	<i>94,094,708</i>	-
<i>Issuance of shares under the Employee Stock Ownership Plan (ESOP Plan) after completing the issuance of shares to pay dividends.</i>		<i>50,000,000,000</i>	<i>5,000,000</i>	<i>10,000</i>

### 2. Specific plan to increase charter capital:

**2.1. The plan to issue shares to pay dividends from retained earnings (undistributed after-tax profit):**

a) Type of shares: Common shares

b) Par value of share: 10,000 VND

c) Maximum number of shares to be issued: 94,094,708 shares

d) Maximum total issuance value based on par value: 940,947,080,000 VND

e) Beneficiaries: Issuing shares to pay dividends to existing shareholders named in the List of Shareholders of ABBANK at the closing date according to the provisions of the laws.

f) Issuance rate: 100:10. Accordingly, at the time of closing date, shareholders owning every 100 shares will receive 10 shares as dividends.

g) Capital for implementation: From undistributed after-tax profits. Specific information about funds determined according to the audited financial statements for 2021 is as follows:

No	Criteria	Separate financial statements as at December 31, 2021 (audited)	Consolidated financial statements as of December 31, 2021 (audited)	Maximum amount expected used to issue share to pay dividend (VND)
1	Undistributed profit after tax (*)	3,648,105,577,553	3,666,507,907,009	940,947,080,000
1.1	Bonus and Welfare Funds are expected to be added	31,764,124,094	31,764,124,094	0
1.2	Undistributed after-tax profit after setting up mandatory funds	3,616,341,453,459	3,634,743,782,915	940,947,080,000
	- Undistributed after-tax profit was used to issue 35% bonus shares on 11/02/2022;	2,256,067,430,000	2,256,067,430,000	
	- Remaining undistributed after-tax profit can be used to pay dividends	1,360,274,023,459	1,378,676,352,915	940,947,080,000
2	Supplement charter capital fund	262,815,170,701	280,627,988,904	0
	- In which, Supplement charter capital fund was used to issue 35% bonus shares on 11/02/2022	183,404,860,000	183,404,860,000	
3	Financial provision fund	724,153,622,740	724,153,622,740	0
4	Other equity funds	18,107,432,060	52,501,420,617	0
5	Share premium	34,278,681,000	34,278,681,000	0
	<b>Total</b>	<b>4,687,460,484,054</b>	<b>4,758,069,620,270</b>	<b>940,947,080,000</b>

(\*): The data of undistributed profit after tax as of December 31, 2021 in the audited financial statements is the data including the Bonus and Welfare funds, which are expected to allocate

*an additional VND 31,764,124,094 according to the Submission to the General Meeting of Shareholders for approval.*

Thus, the source of capital to increase capital through issuing shares to pay dividends to shareholders from undistributed profit after tax does not exceed the amount of undistributed profit after tax that can be used on both audited financial statements: consolidated and separate financial statements for 2021 of ABBANK (after partially used to issue 35% bonus shares on 11/02/2022).

Undistributed after-tax profit on ABBANK's 2021 audited financial statements is the source of retained earnings after ABBANK has fulfilled its tax and other financial obligations as prescribed by laws; has fully allocated the Bank's mandatory funds in accordance with regulations and offset previous losses in accordance with the laws and ABBANK's Charter; at the same time, right after issuing shares to pay dividends, ABBANK still ensures to pay all due debts and other property obligations. Therefore, the issuance of shares to pay dividends of ABBANK from retained earnings fully meets the conditions specified in Clause 2, Article 135 of the Law on Enterprise 2020 and relevant legal documents.

h) The plan for handling odd share: The number of issued shares will be rounded down to the number of units, the decimal part will be canceled.

*For example: At the closing date, shareholder A owns 1,979 shares, according to the ratio of the right to receive stock dividends is 100:10, then the amount of shares that shareholder A receives is:  $(1,979/100) \times 10 = 197.9$  shares. According to regulation on handling odd share, shareholder A will receive 197 shares as paid dividends.*

i) Expected time of issuance: In 2022, the specific time is decided by the Board of Directors.

Shareholders and investors who are organizations/individuals receiving stock dividends are responsible for complying with relevant laws, regulations of the SBV, and ABBANK's Charter. Organizations and individuals receiving stock dividends will be treated equally and fully enjoy the benefits of ABBANK's shareholders after completing the share issuance under this Plan.

## **2.2. The plan to issue shares under the ESOP Program:**

a) Type of shares: Common shares

b) Par value of shares: 10,000 VND/share.

c) Maximum number of shares to be issued: 5,000,000 shares

d) Maximum total issuance value according to par value: VND 50,000,000,000

e) Principle of determining the issuing price: Minimum issuing price is 10,000 VND/share. The Board of Directors determines the specific issuing price that warrants this principle.

f) Beneficiaries: Staffs, employees working at ABBANK (referred to as employees) under the ESOP Program.

g) Transfer of the right to buy: Employees are not allowed to transfer the right to buy to others if they do not buy.

h) In case the employees do not buy all the shares issued and allocated under the ESOP Program, the Board of Directors has the right to sell the remaining shares to other employees on the basis of ensuring compliance with the provisions of current laws on conditions, procedures and limits on share ownership in Joint Stock Commercial Bank. The selling price

of unpurchased shares shall be decided by the Board of Directors but must not be lower than the initial issuing price.

i) Implementation time: Expected to be implemented in the Q.IV/2022, the specific time is decided by the Board of Directors.

j) Restrictions on transfer: Shares issued to employees under the ESOP Program and shares issued under the ESOP Program that staffs do not buy are sold to other employees with a restriction on transfer for 01 (one) year from the completion of the issuance as prescribed in Clause 8, Article 64 of Decree 155/2020/ND-CP dated December 31, 2020.

The General Meeting of Shareholders authorizes the Board of Directors to approve the criteria, list of employees eligible to participate in the Program, the principle of determining the number of shares to be distributed to employees and the implementation time.

The issuance of shares under ABBANK's ESOP Program meets the conditions specified in Clauses 1, 2, 3, Article 64 of Decree 155/2020/ND-CP and relevant legal documents.

### **III. PLAN FOR USING CHARTER CAPITAL INCREASE**

On the basis of the purpose and reasons for raising capital mentioned above, with the basic characteristics of banking activities being monetary business, the use of undistributed after-tax profits from issuing shares to pay dividends and additional charter capital raised from the issuance of shares under the ESOP Program will be used to supplement the business capital to provide banking services such as lending, investment in negotiable instruments, valuable papers such as government bonds, to invest in technology development, secure resources to successfully implement the medium-term goals of 2021-2025 and the subsequent development phases of ABBANK as well as digital transformation and business on the digital platform. With the increased charter capital, it will help improve ABBANK's position and reputation through strengthening financial capacity, improving capital adequacy ratios, and meeting the highest credit rating criteria of international independent rating agencies according to ABBANK's strategic orientation.

### **IV. RECOMMENDATION**

The Board of Directors, hereby submits to the General Meeting of Shareholders for approval the following contents:

1. Approve the plan to increase the charter capital (the attached plan) to submit to the General Meeting of Shareholders for approval for implementation in 2022.
2. Proposal to submit to the General Meeting of Shareholders to assign/authorize the Board of Directors:
  - a) Have the right to amend, supplement and adjust the increase the charter capital Plan on the principle of ensuring compliance with the following basic contents:
    - The type of shares to be issued is common shares;
    - The total number of shares to be issued (to pay dividends and to be issued under the ESOP Program) does not exceed the number and total par value allowed to be issued under the capital increase Plan approved by the General Meeting of Shareholders;
    - Ensure the principle of determining the issuing price of shares under the ESOP Program is at least 10,000 VND/share.
  - b) Approve the criteria and list of employees eligible to participate in the ESOP Program, the principle of determining the number of shares to be distributed to employees; approve the specific issuing price for employees under the ESOP Program

based on the principle of determining issuing price approved by the General Meeting of Shareholders, and specific implementation time.

- c) Carry out procedures and report to the SBV for approval to increase charter capital; submit the report on the issuance of shares to pay dividends and issuance of shares under the ESOP Program for the State Securities Commission to consider and approve; organize and direct the issuance of shares after being approved by the management agencies; report on issuance and increase of charter capital; fulfill the obligation to disclose information and register new charter capital of ABBANK based on the actual additional capital after issuance with competent state agencies.
- d) Update and amend ABBANK's Charter with contents related to charter capital, number of shares based on the results of issuance to increase capital reported and certified/approved by the competent authorities.
- e) Register for securities and register for additional transactions for the number of additionally issued shares as prescribed.
- f) Decide all other work and related arising issues to carry out the issuance to increase charter capital in accordance with the Plan approved by the General Meeting of Shareholders.
- g) The Board of Directors has the full right to consider and combine the issuance of shares to increase charter capital and the listing of ABB shares on the Ho Chi Minh Stock Exchange in order to bring efficiency to ABBANK and its shareholders. East ABBANK.

Sincerely yours.

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

*(Signed)*

**Dao Manh Khang**