**VBB: Annual General Mandate 2024**

On April 26, 2024, Viet Nam Thuong Tin Commercial Joint Stock Bank announced General Mandate No. 01/2024/NQ-DHDCD as follows:

1. Approve the Report on the production and business results in 2023 and the business plan for 2024.
2. Approve the Report on business performance results in 2023 and the Business plan for 2024:

* Scale indicators: Unit: Billion VND, %

|  |  |  |  |
| --- | --- | --- | --- |
| Targets | Results 2023 | Compared to Plan 2023 | |
| Plan 2023 | % of Plan 2023 |
| Total assets | 138,258 | 125,000 | 111 |
| Total outstanding credit (\*) | 80,754 | 79,100 | 102 |
| Total mobilized capital (\*\*) | 101,547 | 100,000 | 102 |
| Charter capital | 4,777 |  |  |
| Profit before tax | 812 | 960 | 84.6 |

(\*) Total outstanding credit includes Loans to customers and Corporate bonds.

(\*\*) Total mobilized capital includes Customer deposits and Issuance of valuable papers.

* Business performance indicators: Unit: Billion VND, %

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. | Targets | Results  2023 | Plan 2023 | % Completion of Plan 2023 | Increase/Decrease of Plan 2023  2023 | |
| 1 | Total operating income | 2,397 |  |  |  | |
| 2 | Total operating expenses | 1,470 |  |  |  |
| 3 | Operating profit (=1-2) | 927 |  |  |  |
| 4 | Expenses (Reversal) | 115 |  |  |  |
| 5 | Profit before tax (=3-4) | 812 | 960 | 84.6 | -148 |

Notes: Results Results; Plan: Plan; Increase/Decrease TH: Actual; KH: Plan; +/-: Increase/Decrease or remaining difference compared to; %: percentage achieved compared to.

* Operational safety rates:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Targets | 2023 | State Bank's Regulations | Compared to Regulations | Increase/Decrease of Results  2022 |
| Non-performing loan rate as per Circular 11/State's Bank | 1.79% | ≤ 3% | Achieved | -0.68% |
| Minimum capital adequacy rate - As per Circular 41/State's Bank | 10.39% | ≥ 8% | Achieved | 0.15% |
| Loan-to-Deposit Rate | 64.62% | ≤ 85% | Achieved | 1.02% |
| Bank's short-term funds used for medium and long-term loans rate | 13.37% | ≤ 30% | Achieved | -19.73% |

Notes: Non-performing loan rate in 2023 and 2022 as per regulations in Circular 11/State's Bank

1. The business plan for 2024:

* Base plan:

Unit: Billion VND

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Targets | Base Plan 2024 | Results 2023 | Increase vs. 2023 | % Increase vs. 2023 |
| Total assets | 145,000 | 138,258 | 6,742 | 5 |
| Mobilize from customers (including valuable papers) | 110,000 | 101,547 | 8,453 | 8 |
| Total loan amount | 90,000 (\*) | 80,754 | 9,246 | 11 |
| Investment securities portfolio | 23,750 | 17,517 | 6,233 | 36 |
| Profit before tax | 950 | 812 | 138 | 17 |
| Non-performing loan rate (N345/Total credit exposure as per Circular 11/State's Bank) | ≤ 2.5% | 1.79% |  |  |

* Aspirational plan:

Unit: Billion VND

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Targets | Aspirational Plan 2024 | Results 2023 | Increase vs. 2023 | % Increase vs. 2023 |
| Total assets | 150,000 | 138,258 | 11,742 | 8 |
| Mobilize from customers (including valuable papers) | 116,000 | 101,547 | 14,453 | 14 |
| Total loan amount | 95,000 (\*) | 80,754 | 14,246 | 18 |
| Investment securities portfolio | 24,500 | 17,517 | 6,983 | 40 |
| Profit before tax | 1,050 | 812 | 238 | 29 |
| Non-performing loan rate (N345/Total credit exposure as per Circular 11/State's Bank) | ≤ 2.5% | 1.79% |  |  |

Notes: Vietbank's aspirational credit growth plan will be adjusted in 2024 in accordance with the credit growth room granted by the State Bank, based on Official Dispatch 10167/NHNN-CSTT dated December 31, 2023 or a replacement document (if any).

1. Approve the audited Financial Statements for 2023 with the following key financial indicators:

Unit: Million VND

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Target | 2023 | |
| Audited Separate Financial Statements | Audited Consolidated Financial Statements |
| Business-related indicators | |  |  |
| 1 | Total assets | 138,262,087 | 138,258,073 |
| 2 | Loans to customers (before loan loss reserves) | 80,754,430 | 80,754,430 |
| Loans to customers (after loan loss reserves) | 79,976,558 | 79,976,558 |
| 3 | Deposits from other credit institutions | 23,139,484 | 23,139,484 |
| Deposits from customers | 90,000,811 | 89,995,715 |
| 4 | Profit before tax | 811,945 | 811,945 |
| Equity-related indicators | |  |  |
| 1 | Total owner’s equity | 6,895,659 | 6,895,659 |
| 1.1 | Charter capital | 4,776,827 | 4,776,827 |
| 1.2 | Reserve funds | 495,800 | 495,800 |
| 1.3 | Undistributed profit | 1,623,032 | 1,623,032 |

1. Approve the Report of the Board of Directors on governance and performance results of the Board of Directors; results of performance evaluation of members of the Board of Directors, Committees and Sub-committees under the Board of Directors.
2. Approve the Report of the Supervisory Board on: Vietbank's business results, the performance results of the Board of Directors and the General Manager; self-assessment of the Supervisory Board's performance and evaluation results of the performance of Supervisory Board members.
3. Approve the Report on the results of the implementation of the capital increase dossier and listing of shares on the securities market in accordance with the General Mandate No. 01/2022/NQ-DHDCD dated April 26, 2022, General Mandate No. 01/2023/NQ-DHDCD dated April 26, 2023. Accordingly:
4. Regarding the charter capital increase as per the General Mandate 2023, the General Meeting of Shareholders agrees to: Assign the Board of Directors to decide on related issues, work with the State Bank and other relevant agencies to carry out the next steps to complete the procedures for implementing the capital increase in accordance with regulations.
5. Regarding the listing of shares on the securities market, the General Meeting of Shareholders agrees to:
   1. Transfer the trading of VBB shares from the Upcom trading system to the official listing on the Ho Chi Minh City Stock Exchange (HOSE) when the timing and market conditions are favorable, based on meeting the conditions prescribed by law.
   2. Assign/authorize the Board of Directors to decide on all issues related to the above work, direct the Executive Board, Divisions/Centers/Departments, and the Office of the Board of Directors to carry out related procedures in accordance with the law.
6. Approve the profit distribution plan 2023, specifically as follows:
7. The profit distribution plan:

Unit: VND

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Target | DESCRIPTION | AMOUNT |
| 1 | Profit before tax of the bank alone |  | 811,945,298,423 |
| 2 | Profit after tax of the bank alone |  | 646,866,026,767 |
| 3 | Appropriation for reserve fund to supplement charter capital | (2) x 5% | 32,343,301,338 |
| 4 | Appropriation to Financial reserve fund | (2) x 10% | 64,686,602,676 |
| 5 | Remaining profit after tax and appropriation to compulsory funds | (2)-(3)-(4) | 549,836,122,753 |
| 6 | Appropriation to bonus and welfare funds |  | 30,000,000,000 |
| 6.1 | * Bonus fund |  | 24,000,000,000 |
| 6.2 | * Welfare fund: |  | 6,000,000,000 |
| 7 | Retained earnings after appropriation to funds in 2023 | (5)-(6) | 519,836,122,753 |
| 8 | Retained earnings after appropriation to funds up to 2022 |  | 1,073,195,661,611 |
| 9 | Total retained earnings after appropriation to funds up to 2023 | (7)+(8) | 1,593,031,784,364 |
| 10 | Form of dividend payment | Shares |  |
| 11 | Profit used for dividend payment (expected to be equivalent to 25% of total outstanding common share capital at the time of recording the list of shareholders entitled to receive dividends) |  | 1,427,883,180,000 |
| 12 | Retained profit in 2023 not distributed | (9)-(11) | 165,148,604,364 |

1. Assign/authorize the Board of Directors: (i) in case the Law on Credit Institutions in 2024 and legal documents for implementation (effective after the General Meeting of Shareholders approves this Proposal) have provisions or requirements on the percentage of funds to be appropriated in 2023 that are different from the above rates, the Board of Directors shall decide and implement the appropriation of funds to comply with the law; (ii) organize the distribution of profits and decide on the use of undistributed profits after tax and other equity sources on the basis of harmonizing the interests of Vietbank and shareholders, in accordance with the law; (iii) implement the plan to increase charter capital in 2024 through dividend payment by shares from the source of Retained Earnings up to 2023 to carry out procedures for seeking approval from the State Bank, the actual amount of dividend payment by shares depends on the Share Capital on the date of recording the list of shareholders for share distribution. The remaining amount due to rounding after share distribution will be included in the owner's equity as prescribed.
2. Approve the Proposal on increasing Charter Capital in 2024, accordingly, the General Meeting of Shareholders approves:
3. Increase in charter capital:

* Charter capital as of December 31, 2023: VND 4,776,826,690,000, corresponding to 447,682,669 shares, of which
* Common share 477,682,669 shares;
* Preferred shares: 0;
* Treasury shares: 0.
* Total charter capital increase: VND 2,362,589,190,000, in which:
* Increase from issuance of shares to existing shareholders according to the Plan to increase charter capital approved by the Annual General Meeting of Shareholders in 2023 in General Mandate No. 01/2023/NQ-DHCDCD dated April 26, 2023 and approved by the State Bank according to Document No. 5872/NHNN - TTGSNH dated July 25, 2023; the State Securities Commission announced the Certificate of Registration for additional public offering of shares No. 437/GCN-UBCK dated December 19, 2023, extending the Certificate of Registration for additional public offering of shares for another 30 days according to Decision No. 229/QD-UBCK dated February 26, 2024 and Document No. 2478/UBCK-QLCB dated April 19, 2024 confirming the offering results: VND 934,706,010,000.
* Expected additional charter capital from the implementation of the new Plan to increase charter capital in 2024: VND 1,427,883,180,000, an increase of 25% compared to the expected additional charter capital;
* New expected Charter Capital after completing the capital increase: VND 7,139,415,880,000.

1. Plan on increasing charter capital
   1. Continue to implement the Plan to increase capital through offering shares to existing shareholders (approved by the State Bank of Vietnam according to Document No. 5872/NHNN - TTGSNH dated July 25, 2023; the State Securities Commission announced the Certificate of Registration for additional public offering of shares No. 437/GCN-UBCK dated December 19, 2023, extending the Certificate of Registration for additional public offering of shares for another 30 days according to Decision No. 229/QD-UBCK dated February 26, 2024):

* Total capital increase amount: VND 934,706,010,000.
* As of now, the offering of shares to existing shareholders has been completed and the State Securities Commission has confirmed the offering results according to Document No. 2478/UBCK-QLCB dated April 19, 2024 with the number of successfully offered shares being 93,470,601 shares, corresponding to the charter capital increase of: VND 934,706,010,000.
* Currently, Vietbank is carrying out procedures to request the State Bank of Vietnam to approve the amendment of Vietbank's Operating License regarding the content of Charter Capital.
* Expected completion time: Q2, Q3/2024.
  1. Plan to increase charter capital through issuance of shares for dividend payment:

Increase charter capital by an additional VND 1,427,883,180,000 through the issuance of 142,788,318 common shares for dividend payment (equivalent to 25% of the total outstanding common shares - including shares issued to existing shareholders in item 7.2.(i)).

* Subjects of the issuance: existing shareholders named in Vietbank's shareholder list at the time of closing the list of shareholders to receive dividends in common shares in accordance with the law from time to time;
* Number of shares expected to be issued: 142,788,318 shares, par value of VND 10,000/share;
* Total par value of issued bond: VND 1,427,883,180,000;
* Supplementary capital reserve fund as of December 31, 2023: VND 166,465,878,960;
* Accumulated undistributed profit as of December 31, 2023: VND 329,334,126,442;
* Accumulated undistributed profit as of December 31, 2023 VND 1,623,031,784,364
* Source for implementation: from accumulated undistributed profit as of December 31, 2023, in accordance with regulations, of which:
* Consolidated profit after tax of Vietbank in 2023: VND 646,866,026,767;
* Separate profit after tax of Vietbank in 2023: VND 646,866,026,767;
* Accumulated consolidated undistributed profit after tax of Vietbank up to 2023: VND 1,623,031,784,364;
* Accumulated consolidated undistributed profit after tax of Vietbank up to 2023 after appropriation to funds: VND 1,593,031,784,364;
* Accumulated separate undistributed profit after tax of Vietbank up to 2023: VND 1,623,031,784,364;
* Accumulated separate undistributed profit after tax of Vietbank up to 2023 after appropriation to funds: VND 1,593,031,784,364.
* List of shareholders and ownership percentage of shareholders with ownership of 5% or more compared to voting share capital and charter capital at the current time and expected after the capital increase - attached.
* List of shareholders and related persons with share ownership of 20% or more compared to the charter capital at the current time and expected after the capital increase - attached.
* The current total foreign investor ownership is 0.00% and is expected to be 0.00% after the capital increase.
* Transfer restriction time: Not subject to transfer restrictions;
* Implementation time: Expected from Q4/2024 to Q1/2025. The specific implementation time is assigned to the Board of Directors to decide on the basis of compliance with the License/Approval of the competent State management agency and in accordance with market conditions.
* Plan for handling fractional shares:
* The number of shares issued is calculated by integers, the decimal part will be rounded down (to 0 shares);
* Fractional shares arising (if any) are assigned to the Board of Directors to decide;
* Plan to use the raised capital:

The entire capital increase of VND 1,427,883,180,000 from the share issuance in 2024 is expected to be used entirely for asset investment, supplementing capital sources for development, expanding the operating network, ensuring compliance with safety rates in operations, generating profits for Vietbank's business activities, ensuring compliance with the SBV's regulations on the ratio of fixed asset investment for credit institutions.

1. Business efficiency on the new Charter Capital level:

Regarding the above plan to increase charter capital and use the additional charter capital, Vietbank expects some key business plan targets for 2024 as follows:

Unit: Billion VND

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | Target | | Results 2023 | | Plan 2024 | | | |
| Targets | | Growth rate | |
| 1 | Charter capital | | 4,777 | | 7,139 | | 49.45% | |
| 2 | Credit exposure (a + b) | | 80,754 | | 95,000 | | 18% | |
| a | Loans to customers | | 80,754 | |  | |  | |
| b | Balance of purchased and invested corporate bonds | | - | |  | |  | |
| 3 | Deposits from customers (including valuable papers) | | 101,552 | | 116,000 | | 14% | |
| 4 | Deposits at and loans to other credit institutions | | 26,548 | | 22,786 | | -14% | |
| 5 | Deposits from and loans from other credit institutions | | 26,622 | | 21,565 | | -19% | |
| 6 | Total assets | | 138,262 | | 150,000 | | 8% | |
| 7 | Profit before tax | | 812 | | 1,050 | | 29% | |
| 8 | Non-performing loan rate (NPL) | | 1.8% | | ≤ 2.5% | |  | |
| 9 | Capital Adequacy Rate (CAR) according to Circular 41 | | 10.39% | | 11% | | 5.87% | |
| 10 | Other safety rates | Comply with State Bank regulations | | Ensure compliance with State Bank regulations | | | |
| 11 | Profit after tax over Return on Average Equity (ROAE) | 9.83% | | 10.70% | | 9% | |
| 12 | Profit after tax over return on assets (ROA) | 0.52% | | 0.60% | | 16% | |

1. Approve the new charter capital level based on the successful implementation results of the Plan.
2. Assign/authorize the Board of Directors to decide, including but not limited to:
3. Regarding the Plan to increase charter capital through the issuance of shares to existing shareholders according to General Mandate No. 01/2023/NQ-DHDCD:

Assign the Board of Directors to decide on related issues, work with the State Bank and other relevant agencies to carry out the next steps to complete the procedures for implementing the capital increase in accordance with regulations.

1. Regarding the Plan to increase charter capital through the issuance of shares for dividend payment:

* Necessary legal issues and procedures, including amending and supplementing the Plan when submitting for consideration and approval by the competent State management agency, based on the principles consistent with the actual operating conditions of Vietbank; comply with the provisions of the law; and ensure the interests of shareholders;
* Issuance time, including the time to suspend the share issuance in accordance with the reality and guidance of the competent State management agency;
* Handle fractional shares;
* Amend and supplement the plan to use the raised capital, to ensure compliance with the law, in line with the actual business situation and bring efficiency to Vietbank;
* Amend and supplement the registration dossier for depository and trading of additional securities according to the guidance of the competent State management agency;
* Carry out legal procedures on amending and supplementing the Operating License, Enterprise Registration Certificate, Charter and other relevant legal documents to update Vietbank's new charter capital level.

1. During the implementation of the above core tasks, the Board of Directors has the right to decide on the contents within the scope of the assigned tasks; Implement and/or direct and assign Vietbank's units to perform necessary tasks in accordance with the law; Complete and finalize and sign relevant documents and papers; Work with competent State management agencies and related Parties; Perform all other necessary tasks and procedures to implement the assigned tasks, in accordance with the law.
2. Approve the Report on the progress and results of public bond issuance in 2021 - General Mandate No. 02/2021/NQ-DGDCD dated April 26, 2021 and related General Mandates, accordingly, the General Meeting of Shareholders agrees to assign the Board of Directors to continue to preside over and direct the completion of related procedures for depository and listing of bonds.

Result:

According to the plan for public bond issuance approved by the General Meeting of Shareholders and the Board of Directors (as authorized by the General Meeting of Shareholders) in the resolutions in 2021-2023, the total volume of bonds offered for sale according to the plan is VND 3,000 billion, of which:

* Round 01: total offering volume of VND 1,000 billion, of which successfully issued: VND 100 billion;
* Round 02: total offering volume of VND 1,900 billion (including VND 1,000 billion from batch 2 and VND 900 billion not successfully issued from Round 1); successfully issued: VND 1,900 billion;
* Round 03: total offering volume of VND 1,000 billion: successfully issued: VND 1,000 billion;

The offering results of Vietbank's public bond issuances are as follows.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Bonds | Date | | Issuance Volume (VND Billion) | Bond Status | | |
| Issuance | Maturity | Issuance | Depository Registration | Listing |
| 2022 - Round 1 | September 16, 2022 | September 16, 2029 | 100 | Complete | Complete | Complete |
| 2022 - Round 2 | June 30, 2023 | June 30, 2030 | 1,900 | Complete | Complete | In progress |
| Total December 31, 2023 | | | 1,900 |  |  |  |
| 2022 - Round 3 | March 27, 2024 | March 27, 2031 | 1,000 | Complete | In progress | In progress |
| Total March 31, 2024 | | | 3,000 |  | | |

Thus, as of March 31, 2024, Vietbank has successfully completed the public issuance of VND 3,000 billion of bonds in accordance with General Mandate No. 02/2021/NQ-DHDCD and related General Mandates.

1. Approve the Report on the progress of implementing the investment in purchasing Lim 2 assets according to the General Mandate No. 01/2023/NQ-DHDCD dated April 26, 2023 and related General Mandates.
2. Approve the Report on credit granting to entities as prescribed in Clause 1, Article 127 of the Law on Credit Institutions.
3. Approve the Report on amending and supplementing the organizational structure of Vietbank's executive apparatus; at the same time, continue to authorize the Board of Directors according to General Mandate No. 01/2023/NQ-DHDCD to decide on the organizational structure and management apparatus of Vietbank in 2023 and the following years (including deciding on amendments, supplements, replacements...) and report back to the General Meeting of Shareholders at the nearest meeting (if there are any changes).
4. Approve the Report on the results of debt classification and risk provisioning in accordance with the provisions of Circular No. 11/2021/TT-NHNN.
5. Approve the Report on the development of the Restructuring Plan associated with bad debt handling for the period 2021-2025.
6. Approve the Proposal on remuneration levels and operating budget of the Board of Directors and Supervisory Board in 2024, specifically:
7. The total operating budget and remuneration of the Board of Directors and Supervisory Board in 2024 is VND 40,000,000,000. The total remuneration of members of the Board of Directors and Supervisory Board does not include personal income tax. All related personal income tax as prescribed will be paid by Vietbank.
8. The operating budget includes business trip allowances; airfare, conference expenses, reception, solemnity; postage and telephone expenses, guest reception expenses, partner gift expenses on holidays and Tet; working tools and equipment...).
9. Assign the Standing Board to decide on the specific remuneration level for each member of the Board of Directors and Supervisory Board; The Standing Board of Directors or the Chair of the Board of Directors and 01 member of the Board of Directors assigned by the Board of Directors will approve in detail the expenses of the Board of Directors and Supervisory Board.
10. Approve the Proposal on amending and supplementing the Set of Regulations on Governance and Control in accordance with the Law on Credit Institutions in 2024, accordingly, the General Meeting of Shareholders approves:
11. Approve the Set of Regulations on organization, governance, and control, including: (i) Charter on organization and operation; (ii) Internal regulations on corporate governance at Vietbank; (iii) Regulations on organization and operation of the Board of Directors; (iv) Regulations on organization and operation of the Supervisory Board based on the amended and supplemented contents according to the Proposal and the enclosed draft(s) and comparison table of amended contents.
12. Assign the Board of Directors to direct the Office of the Board of Directors and relevant Business Units to review and finalize the Set of Regulations for signing and promulgation with effect from July 1, 2024 to comply with the effectiveness of the Law on Credit Institutions in 2024.
13. Approve the selection of an independent audit company to perform the audit in 2024 and 2025, specifically:
14. Approve the results of selecting an independent audit company as stated in the Proposal.
15. In case there are changes in the independent audit company in 2024 and 2025 (including existing mandatory audit contents and scope, and additional ones as required by law), respectfully submit to the General Meeting of Shareholders for approval to select one (1) out of four (4) leading international audit companies in Vietnam (including PricewaterhouseCoopers - PWC, Deloitte, KPMG, EY) or one of the independent audit companies approved by the State Securities Commission. The selection will be specifically proposed by the Supervisory Board to the Board of Directors, and the implementation results will be reported at the next General Meeting of Shareholders.
16. Other contents related to independent audits will continue to be implemented in accordance with Resolution No. 01/2023/NQ-DHDCD dated April 26, 2023, approved by the General Meeting of Shareholders.
17. Approve the annual Report on the disclosure of related interests of members of the Board of Directors, Supervisory Board, and Board of Management (in 2023).
18. Assign the Board of Directors, Supervisory Board, General Manager, and relevant units throughout the system to implement the above Decisions of the General Meeting of Shareholders and report back to the General Meeting of Shareholders on decisions that have not been fully implemented and/or decisions with contents that require reporting back to the General Meeting of Shareholders.