

**ANNEX 06**

*Hanoi, April , 2019*

## **PLAN FOR RAISING CHARTER CAPITAL 2019**

- Pursuant to Law on Credit Institutions 2010;
- Pursuant to Law on Enterprises 2015;
- Pursuant to Law on Securities and Law on amendment and supplementation to a number of articles of law on securities;
- Decree No.58/2012/NĐ-CP dated 20/07/2012 on stipulation in detail and guidance on the implementation of a number of articles of Law on Securities and Law on amendment and supplementation to a number of articles of law on securities and Decree No. 60/2015/NĐ-CP dated June 26, 2015 of the Government;
- Circular No. 162/2015/TT-BTC dated October 26, 2015 on guidelines on public offering, stock swap, issuance of additional stocks, repurchase of stocks, sale of treasury stocks and tender offer;
- Pursuant to VPBank's Charter;
- Pursuant to other relevant legal regulations.

### **1. Need for raising charter capital**

The annual aggressive business plan requires the raise in owner's equity and charter capital to support business, ensure prudential ratios.

The raise in charter capital aims at supporting the business activities, as follows:

- Contribute capital into subsidiaries and other business segments which may support and supplement the bank's business.
- Invest in infrastructures which serve the development needs of both head office and network branch.
- Grow mid- and long-term capital to serve credit growth.
- Improve capital and operational prudential ratios.

### **2. Plan for raising charter capital**

#### **2.1 Plan for raising charter capital by issuing shares to VPBank staff under Employee Stock Option Program (ESOP)**

- ✓ Share name: Vietnam Prosperity Joint Stock Commercial Bank
- ✓ Type of shares: common
- ✓ Face value: VND 10,000
- ✓ Purpose: to retain talented employees who have made significant contributions to the development and generated profit for the bank.\

- ✓ Quantity of shares planned to issue: 31,000,000
- ✓ Issued price: VND 10,000/ share
- ✓ Total issue value by face value/the increase in charter capital: VND 310,000,000,000
- ✓ Transfer restriction: Employees who can buy treasury shares at preferential prices are subject to three-year transfer restriction and shall be gradually unlocked as follows: 30% of the shares shall be unlocked after one year; 35% of the shares shall be unlocked after two years; 35% of the shares shall be unlocked after three years from the finalization date of the issuance batch.
- ✓ Timing: tentatively 2019, after getting approval from the SSC and the State Bank of Vietnam.
- ✓ Eligible buyers: staff of Vietnam Prosperity Joint Stock Commercial Bank as per the criteria and list approved by the BOD. Not sold to non-executive members of the BOD.
- ✓ Plan for remaining shares after the issue: the remaining shares shall be subject to the BOD's decision, either to sell to other members of the staff at the price of at least VND 10,000/share or to cancel. Only record the actual number of shares sold.
- ✓ The plan for using proceeds from the issuance: The total proceeds from the share issuance to staff, tentatively VND 310,000,000,000, will supplement the bank's capital for lending activities.

## 2.2 Plan for raising charter capital by private placement

- **Purpose of issuance:** to increase capital support for operation and business growth
- **Type of shares:** common
- **Face value:** VND 10,000/share
- **Maximum offer:** Around 260 million shares. The specific number of shares issued shall be calculated at the time of issuance to lift the foreign ownership ratio to the maximum of 30%.
- **Implementation method:** Private placements to local and international investors.
- **Eligible buyers:** less than 100 local and/or foreign investors who meet the requirements to purchase shares issued by a Vietnam credit institution as per applicable laws.
- **Price:** to be determined by book building or other suitable methods, striving for the ultimate goal of bringing efficiency for the bank.
- **Number of placement in the year:** 01.
- **Timing:** within the period of 2019-2020. Specific timing shall be subject to the market's conditions and procedures stipulated by laws.
- **Restriction time:** at least 1 year as stipulated by laws.
- **The proceeding from such placement** shall be invested in fixed assets and supplementing middle-and-long-term capital of VPBank.
- **Placement method:** delegate BOD to decide after completion of required procedures with competent authorities and applicable laws.
- The placement method is not applicable to BOD, Supervisory Board and CEO of VPBank.

- Note: Investors purchasing shares of VPBank in such private placement are responsible to their source of funding. VPBank's BOD takes no responsibility in examining the investors's source of funding.

Assuming VPBank's success in issuing 31,000,000 shares under ESOP and 260,000,000 shares from the placement, the structure of charter capital shall be as follows:

| <b>Item</b>           | <b>Before issuance</b> | <b>After issuance</b> |
|-----------------------|------------------------|-----------------------|
| Total shares          | 2,529,967,966          | 2,820,967,966         |
| Charter capital (VND) | 25,299,679,660,000     | 28,209,679,660,000    |

**The plan to use capital surplus:**

In addition to the major goal of strengthening financial capacity, ensuring operational safety and capital safety targets, VPBank plans to increase medium and long-term capital to support for credit growth. Passing the proposed business plan corresponding to the capital increase plan attached.

**Additional depository registration and supplemental listing of additional shares issued:**

After raising charter capital by taking the above actions, VPBank shall conduct additional depository registration for all the additional shares issued with Vietnam Securities Depository and supplemental listing of all the new shares at Ho Chi Minh Stock Exchange.

**Changing the share ownership ratio of the Board of Directors, Supervisory Board, and CEO:** Appendix attached to the plan to increase capital

**Agreement on contents related to capital raise and authorized tasks to the BOD:** To facilitate the aforementioned processes of raising charter capital, the AGM delegates and authorizes the BOD to perform the following tasks:

- Authorization for the BOD to approve the criteria, timing and list of eligible staff; decide on policies/requirements related to ESOP shares; make decisions on policies, regulations, and conditions related to re-purchasing the shares of the leaving staff, including the authorization for the HO Labour Union of VPBank to represent, the conditions on distribution to other staff, the funding for share buyback by the Labour Union, purchase agreement between the bank and the staff and other relevant issues.
- The BOD is authorized to decide on specific time to implement of raising capital, depending on the procedures/time approved by competent agencies, the actual situation of the Bank, and negotiations with other relevant parties.

- Decide on the foreign ownership ratio/charter capital of the bank (if necessary) that is suitable to and beneficial for the actual situation of each period of issuance/distribution and implement supplementation/registration procedures with competent agencies.
- Decide on the offer price, negotiation plans, plans on conducting buying/selling transactions, criteria for selecting investors and the selection of particular investors to offer for sale during private placement.
- Decide on the raised/issued amount of charter capital/shares in comparison with the estimated figures in the aforementioned charter capital raising plan as a result of performing the following tasks: (i) sell treasury share with prerentail price under ESOP, (ii) results of private placements to investors, ....
- Decide on continuing to carry out capital raise plans in 2020 or adopting appropriate measures on the basis of actual situations and for the interest of shareholders in case VPBank fails to raise its charter capital in 2019.
- Decide on signing contracts, transaction materials, and related documents to carry out the aforementioned capital raises.
- Implement the procedures required for raising charter capital as stipulated by the law (including procedures of certificate and Charter amendment, business registration, depository registration and supplemental listing of all shares issued, and other relevant ones), decide on amending, supplementing and finalizing all issues and contents of the plan for raising charter capital (including contents which have not been stated in plan), and finalize other documents required for raising charter capital.
- Authorization for the BOD to delegate authority to the Chairman or the CEO to execute the rights/tasks above.

We kindly propose the AGM to consider and approve the above plan to raise capital so that VPBank's BOD can grasp market opportunities and ensure benefits of its shareholders and of the bank.

Sincerely,

*Recipients:*

*As above*

*State Bank of Vietnam, State*

*Securities Commission*

*BOD's office (filing)*

**P.P BOARD OF DIRECTORS  
CHAIRMAN**

**(signed)**

**Ngo Chi Dzung**