SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No: 195 /TTr - MB - HĐQT

Hanoi, April 04th , 2022

PROPOSAL OF THE BOARD OF DIRECTORS OF MILITARY COMMERCIAL JOINT STOCK BANK

Regarding the approval on charter capital increase plan

To: **General Shareholders Meeting of Military Commercial Joint Stock Bank;**

Pursuant to the Enterprise Law No. 59/2020/QH14 and guiding documents;

Pursuant to the Law on Credit Institutions No. 47/2010/QH12, amendment and supplement of several articles of the Law on Credit Institutions No. 17/2017/QH14 and guiding documents;

Pursuant to the Securities Law No. 54/2019/QH14 and guiding documents;

Pursuant to the Charter of Military Commercial Joint Stock Bank;

Pursuant to relevant laws and regulations of the Military Commercial Joint Stock Bank;

Pursuant to the actual needs of the Military Commercial Joint Stock Bank;

The Board of Directors (BOD) of the Military Commercial Joint Stock Bank (MB) hereby submits this proposal to the General Shareholders Meeting (GSM) for its consideration and approval on the charter capital increase plan, specifically from VND 37,783,217,770,000 to VND 46,882,261,330,000:

I. THE NECESSITY OF THE CHARTER CAPITAL INCREASE PLAN

It is necessary and important for MB to continue to increase its charter capital in order to improve MB's financial and operational capacity as well as its competitiveness. In details:

- To continue to implement in 2022 the capital increase plans approved by the 2021 GSM to commit to the annual capital growth;
- To ensure the compliance with capital adequacy criteria in banking activities, and enhance risk management ability in banking activities;
- To enhance the investment in capacity and profitable businesses and expand its network.
- To maintain and increase the charter capital according to the law.

II. CHARTER CAPITAL INCREASE PLAN

1. Charter capital increase amount

- Charter capital as of 31 December 2021: **VND 37,783,217,770,000** *(In words: thirty-seven trillion seven hundred eighty-three billion two hundred seventeen million seven hundred seventy thousand dongs)*, in which:
  + Issued common shares: **3,778,321,777** shares;
  + Common shares in circulation: **3,778,321,777** shares;
  + Treasury shares: **0** shares;
  + Preferred shares: **0** shares.

- Total expected charter capital increase: **VND 9,099,043,560,000** *(In words: nine trillion ninety-nine billion forty-three million five hundred sixty thousand dongs),* including:

  + Expected capital increase according to the capital increase plan approved by the 2021 MB GSM[1] and the SBV[2]: **VND 892,400,000,000** (In words: eight hundred ninety-two billion four hundred million dongs). More information in Section No. 2.

  + Expected capital increase according to the newly approved capital increase plan in 2022: **VND 8,206,643,560,000** (In words: eight trillion two hundred six billion six hundred forty-three million five hundred sixty thousand dongs). More information in Section No. 3.

- Total charter capital as of the completion of the 2022 capital increase plan is expected to be **VND 46,882,261,330,000** (In words: forty-six trillion eight hundred eighty-two billion two hundred sixty-one million three hundred thirty thousand dongs).

2. Continue with the Capital increase plan of 2021 *(Section No. 2.2 and 2.3 of the Capital increase plan according to the 2021 GSM's Resolution No. 10/NQ-MB-ĐHĐCĐ dated April 27, 2021)* **with the timing adjustment as follows***:*

Execution time: in 2022. The BOD is assigned to decide on the implementation time after obtaining permissions/approvals of the State authorities and considering the favorable market conditions.

3. Capital increase plan through issuance of common shares for dividend payout

Increase the charter capital by **VND 7,556,643,560,000** through issuance of **755,664,356** common shares for dividend payout (accounting for 20% of total common shares in circulation as of December 31st , 2021)

- **Targeted holders**: Existing shareholders on the list of shareholders are entitled to receive dividends in common shares in accordance with the law from time to time.
- **Issued shares: 755,664,356** common shares with the par value of VND 10,000/share.
- **Total par value: VND** 7,556,643,560,000.
- **Source of implementation**: From the accumulated after-tax profit of MB in 2021 according to the regulations. In which:
  + MB's consolidated after-tax profit in 2021: VND 13,221,438,025,735;
  + MB's separate after-tax profit in 2021: VND 11,554,421,934,768;
  + MB's undistributed after-tax profit in 2021: VND 12,915,148,604,778.
  + MB's separate undistributed after-tax profit in 2021: VND 11,601,747,701,622.
  + Expected MB's separate retained after-tax profit after fund extraction in 2021: VND 8,655,370,108,256.
- **Transfer restriction time**: Common shares issued to existing shareholders are not restricted from transfer.
- **Expected issuance time**: In 2022. The BOD decides on the implementation time after obtaining permissions/approvals of the State authorities and considering the favorable market conditions.

[1] According to 2021 GSM Resolution No. 10/NQ-MB-ĐHĐCĐ dated April 27, 2021.
[2] According to the SBV's approval in Document No.8847/NHNN-TTGSNH dated December 15, 2021.

- **Plan for fraction of shares, fractional shares and undistributed shares**: The amount of issued shares according to the ratio of distribution of rights to each shareholder is an integer, the decimal will not be rounded into 01 share. The plan for fraction of shares, fractional shares and undistributed shares (if any) shall be decided by the BOD in accordance with the law, including but not limited to assignment of management and distribution to MB's trade unions.

4. Charter capital increase plan of maximum VND 650,000,000,000 by private placement of 65,000,000 common shares, expectedly as follows:

- **Offering criteria:** legal and professional stock investors with eligible financial business and technology capacity, willing to cooperate with MB in its strategic businesses, whose business model can generate significant synergies with MB. Priority: big corporations with strong brand name and recognition in the market, great insights into MB's strategy and business culture (eligible for MB's blockholders, excluding investors in Plan 2.1).
- **Amount of investors:** The amount of investors should not exceed the maximum amount of professional investors in accordance with the law on securities.
- **Amount of offering shares: Depending on the capacity and commitment of the investor(s) on the basis of agreement and cooperation contents. The BOD is authorized to decide on the offering price for each investor to ensure the benefits of shareholders and MB according to the regulations.**
- **Par value of issued shares**: VND 10,000/share.
- **Total expected par value**: up to **VND 650,000,000,000**.
- **Offering price:** The agreed price is not lower than the booked value in the latest audited/reviewed financial statement *(equivalent to the price in the charter capital increase plan by private placement approved by 2021 GSM as in Section 2.1).* The BOD is authorized to decide on the offering price for each investor to ensure the benefits of shareholders and MB according to the regulations.
- **Transfer restriction time:** Common shares offered to professional investors will be restricted from transfer according to the law and the agreements between MB and investors
- **Offering time:** In 2022 and 2023. The BOD decides on the implementation time after obtaining permissions/approvals of the State authorities and favorable market conditions.

5. Expected completion time for the charter capital increase

The completion time for charter capital increase is specified above according to the permission/approval of the competent authorities.

6. Information Disclosure

MB shall announce this information according to the law and the guidance of competent authorities (if any).

7. List of shareholders and ownership ratio of shareholders with ownership ratio of 5% or higher compared to voting capital and current and expected charter capital after the capital increase

As specified in Appendix 01, 02 and 03 attached herewith

8. List of shareholders and related people with a share ownership ratio of 20% or higher compared to the current and expected charter capital after the capital increase

MB has no shareholders and related people with share ownership ratio of 20% or higher compared to the current and expected charter capital after the capital increase

9. Share ownership of current and expected foreign investors after the capital increase

MB's share ownership ratio of foreign investors at the moment and after the capital increase up to: **23.2351%** of MB's charter capital. The BOD is authorized to ensure the maximum rate of foreign ownership. In case of changing the maximum rate of foreign ownership, the BOD shall consult the relevant GSM.

III. INCREASED CAPITAL USAGE PLAN

Increased charter capital (expectedly **VND 9,099,043,560,000**, *in words: nine hundred nine billion nine hundred four million three hundred sixty thousand dongs*) shall be used as MB's additional investment in capacity and business in a safely, efficiently and beneficially approach to shareholders. The charter capital increase is expected to be used as follows:

- **Investment in capacity** (including system investment, IT solutions, investment in HCMC headquarters and other necessary investments for the stability and development of the bank's business): **VND 5,811,000,000,000** *(In words: Five trillion eight hundred eleven billion dongs);*
- **Additional investment in other businesses** (including additional capital for business activities, new business models, etc.): **VND 3,288,043,560,000** *(In words: three trillion two hundred eighty-eight billion forty-three million five hundred sixty thousand dongs*).

IV. PERFORMANCE WITH THE INCREASED CHARTER CAPITAL

With the above charter capital increase plan and charter capital usage plan, MB has set expectations for business targets in 2022 as follows:

Unit: VND billion

No.	Target	Results in 2021		Plan in 2022 (*)
		Consolidated	Separate	
1	Charter capital	37,783	37,783	Increase by ~ 24%
2	Deposits	440,040	442,403	Balancing with loan growth
3	Total assets	607,140	577,010	Increase by ~ 15%
4	Credits	405,923	379,504	According to the SBV's limit
5	NPL	0.90%	0.68%	Up to 1.5%
6	Profit Before Tax	16,527	14,398	Increase by ~ 23% ~ VND 20,300 billion
7	Dividends	20%	20%	Expected ~ 15%
8	Capital adequacy ratio	11.28%	11.02%	Comply with SBV's regulations

No.	Target	Results in 2021		Plan in 2022 (*)
		Consolidated	Separate	
9	Other adequacy ratios	Comply with SBV's regulations		Comply with SBV's regulations
10	Consolidated after-tax return on average equity (Consolidated RoE)	23.49%	22.21%	~22% - 24%
11	Consolidated after-tax return on average assets (Consolidated RoA)	2.40%	2.19%	~2% - 2.5%

(*) 2022 Consolidation Plan (Growth rates compared to 2021 performance)

The BOD hereby submits to the GSM for its review and approval on:

1. Approval on MB's charter capital increase plan according to Section II and Section III herein above;

2. Approval on the registration and depository of additional securities transactions; registration of listing of all further issued shares at the competent authorities;

3. Authorization and assignment to the BOD of decision on certain contents and corresponding implementation the capital increase plan herein above according to MB's actual needs and the law and guidance of competent authorities based on the shareholders' benefits; implementation of relevant procedures with competent authorities to deploy the capital increase plan according to the GSM's Resolution and the law, including but not limited to:

3.1. Review and decision on the time of issuance of common shares for dividend payout, the closing time of the list of shareholders entitled for share-based dividend payout, screening and selection of professional stock investors and MB key personnel and talented employees who receive the criteria approved by the GSM and decision on the respective amount of offering shares, according to the capital increase plan specified in Section II & III, and the actual situation and guidance of competent authorities.

3.2. Decision on certain contents and adjustment to the capital usage plan effectively in accordance with MB's actual business situation and the law.

3.3. Decision on implementing procedures and signing relevant documents for (i) registration and depository of additional securities transactions, registration of additional listings; (ii) amendment and supplementation of the operation license, business registration certificate, charters and other procedures and legal papers for update of MB's new charter capital in accordance with the actual results of the capital increase plan; (iii) other relevant procedures under the guidance of competent authorities.

3.4. Assign the BOD to seek and do research on alternative capital increase plans in case of favorable market conditions, including: (i) issuance of convertible bonds, or (ii) issuance of bonds in international markets. After obtaining specific plan for issuance of convertible bonds/international bonds, the BOD shall consult the GSM according to the applied regulations.

4. Approval on the listing and trading of securities at foreign stock exchanges for the whole or part of abroad offered bond amount (if any) in the plan specified in Section 3.4 herein above and the listing upon the completion of the local offering according to the applied regulations.

Authorization and assignment to the BOD of decision and implementation of certain contents related to abroad bond offering, listing and trading plans and necessary procedures with authorities, organizations and individuals in Vietnam and abroad.

5. During the performance of the above missions, the BOD is entitled to: (i) Decide on contents within authorized missions; (ii) Implement and/or direct and assign MB's units and individuals to: Implement necessary tasks in accordance with the regulations; Complete and sign relevant document and papers; Implement procedures and work with competent authorities and stakeholders; Implement all other necessary tasks and procedures to complete the assigned and authorized tasks according to the regulations.

The BOD herein above submits to the GSM for its review and approval!

Recipients:

- GSM;
- SBV;
- BOD, BOS, CEO
- Archived in BOD's office./.

ON BEHALF OF BOARD OF DIRECTORS
CHAIRMAN OF THE BOARD

(Signed and seal)

Le Huu Duc

APPENDIX 01: LIST OF SHAREHOLDERS AND SHARE OWNERSHIP RATIO OF SHAREHOLDERS WITH OWNERSHIP RATIO OF 5% OR HIGHER COMPARED TO VOTING CAPITAL AND CURRENT AND EXPECTED CHARTER CAPITAL AFTER THE CAPITAL INCREASE [3]

(Attached to the report No. /TTr - MB – HĐQT dated , 2022)

TABLE 1

No.	Shareholder's name	Business Registration Number	Address	Legal representative	0. Owned as of 28 Feb, 2022 Charter Capital: VND 37,783,217,770,000 Voting capital: VND 37,783,217,770,000			1. Increased 20 % through dividend Charter Capital: VND 45,339,861,330,000 Voting capital: 45,339,861,330,000		
					Shares	**Shares on charter capital ratio (%)**	**Shares on voting capital ratio (%)**	**Shares**	**Shares on charter capital ratio (%)**	**Shares on voting capital ratio (%)**
1	Saigon Newport Corporation	0300514849	No. 772 Dien Bien Phu Street, Ward 22, Binh Thanh District, Ho Chi Minh City	Mr. Ngo Minh Thuan, ID No. 034071002516 issued by the Police Department of Residence Registration and Management and National Population Database on Nov 27, 2017	272,444,388	7.21	7.21	326,933,265	7.21	7.21
2	Vietnam Helicopter Corporation - Limited Company and branches			Mr. Kieu Dang Hung ID No. 96028489 issued by the General Department of Politics on Sep 30, 2018	324,165,524	8.58	8.58	388,998,628	8.58	8.58
2.1	Vietnam Helicopter Corporation - Limited Company	0100107966	172 Truong Chinh, Khuong Thuong Ward, Dong Da District, Hanoi		309,535,980	8.19	8.19	371,443,176	8.19	8.19
2.2	Branch of Vietnam Helicopter Corporation -Limited Company - Southern Vietnam Helicopter Company	0100107966-006	36 30/4 Street, Ward 9, Vung Tau City		14,629,544	0.39	0.39	17,555,452	0.39	0.39
3	The Military Industry and Telecoms Group and its subsidiaries				699,520,353	18.51	18.51	839,424,422	18.51	18.51

[3] Assume that the order of implementation of plan 1-2-3-4 is demonstrated in Table 1, 2, 3. The order may change according to the decision of the BOD as authorized by the GMS in specific market situation.
In case there is a change in the list of blockholders with owndership ratio of 5% or more of charter capital after implementing the above charter capital increase plan, the BOD will report to the GSM according to the regulations.

No.	Shareholder's name	Business Registration Number	Address	Legal representative	0. Owned as of 28 Feb, 2022 Charter Capital: VND 37,783,217,770,000 Voting capital: VND 37,783,217,770,000			1. Increased 20 % through dividend Charter Capital: VND 45,339,861,330,000 Voting capital: 45,339,861,330,000		
					Shares	**Shares on charter capital ratio (%)**	**Shares on voting capital ratio (%)**	**Shares**	**Shares on charter capital ratio (%)**	**Shares on voting capital ratio (%)**
3.1	The Military Industry and Telecoms Group	0100109106	1 Tran Huu Duc, My Dinh 2 Ward, NamTu Liem District, Hanoi	Mr. Tao Duc Thang ID No. 038073038880 issued by the Police Department for Administrative Management of Social Order on Dec 21, 2021	534,157,964	14.14	14.14	640,989,556	14.14	14.14
3.2	Viettel Import Export and Trading One Member Co.,Ltd.	0104831030	1 Giang Van Minh, Ba Dinh, HN	Pham Van Hung - ID No. 15027953 issued by the General Department of Politics on Aug 15, 2016	165,362,389	4.38	4.38	198,434,866	4.38	4.38
4	State Capital Investment Corporation - The Limited Company	0101992921	117 Tran Duy Hung, Trung Hoa Ward, Cau Giay District, Hanoi	Mr. Nguyen Chi Thanh ID No. 001072002368 issued by the Police Department of Residence Registration and Management and National Population Database on October 21, 2015	356,105,309	9.42	9.42	427,326,370	9.42	9.42
	TOTAL				**1,652,235,574**	**43.7**	**43.7**	**1,982,682,685**	**43.7**	**43.7**

TABLE 2

No.	Shareholder's name[4]	2. Increase through private placement of 70 mil shares Charter Capital: VND 46,039,861,330,000 Voting capital: 46,039,861,330,000		
		Shares	**Shares on charter capital ratio (%)**	**Shares on voting capital ratio (%)**
1	Saigon Newport Corporation	326,933,265	7.1	7.1
2	Vietnam Helicopter Corporation - Limited Company and branches	388,998,628	8.45	8.45
2.1	Vietnam Helicopter Corporation - Limited Company	371,443,176	8.07	8.07
2.2	Branch of Vietnam Helicopter Corporation -Limited Company - Southern Vietnam Helicopter Company	17,555,452	0.38	0.38
3	The Military Industry and Telecoms Group and its subsidiaries	909,424,422	19.75	19.75
3.1	The Military Industry and Telecoms Group	683,989,556	14.86	14.86
3.2	Viettel Import Export and Trading One Member Co., Ltd.	225,434,866	4.90	4.90
4	State Capital Investment Corporation - The Limited Company	427,326,370	9.28	9.28
	TOTAL	**2,052,682,685**	**44.6**	**44.6**

[4] ID no. (Business registration number, address, legal representative) in Table 1

TABLE 3[5]

No.	Shareholder's name[6]	3. Increase through ESOP Charter capital VND 46,232,261,330,000 Voting capital VND 46,232,261,330,000			4. Increase through private placement of 65 mil shares Charter capital VND 46,882,261,330,000 Voting capital VND 46,882,261,330,000					
		Shares	Shares on charter capital ratio (%)	Shares on voting capital ratio (%)	Shares		Shares on charter capital ratio (%)		Shares on voting capital ratio (%)	
					Min	Max	Min	Max	Min	Max
1	Saigon Newport Corporation	326,933,265	7.07	7.07	326,933,265	391.933.265	6.97	8.36	6.97	8.36
2	Vietnam Helicopter Corporation - Limited Company and branches	388,998,628	8.41	8.41	388,998,628	453,998,628	8.30	9.68	8.30	9.68
2.1	Vietnam Helicopter Corporation - Limited Company	371,443,176	8.03	8.03	371,443,176	43,.443,176	7.92	9.31	7.92	9.31
2.2	Branch of Vietnam Helicopter Corporation - Limited Company - Southern Vietnam Helicopter Company	17,555,452	0.38	0.38	17,555,452	82,555,452	0.37	1.76	0.37	1.76
3	The Military Industry and Telecoms Group and its subsidiaries	909,424,422	19.67	19.67	909,424,422	909,424,422	19.40	19.40	19.40	19.40
3.1	The Military Industry and Telecoms Group	683,989,556	14.79	14.79	683,989,556	683,989,556	14.59	14.59	14.59	14.59
3.2	Viettel Import Export and Trading One Member Co.,Ltd.	225,434,866	4.88	4.88	225,434,866	225,434,866	4.81	4.81	4.81	4.81
4	State Capital Investment Corporation - The Limited Company	427,326,370	9.24	9.24	427,326,370	492,326,370	9.11	10.50	9.11	10.50
	TOTAL	**2,052,682,685**	**44.40**	**44.40**	**2,052,682,685**	**2,117,682,685**	**43.78**	**45.17**	**43.78**	**45.17**

[5] Number of shares / ownership ratio of blockholders are projected based on the range. In which:
+ The min: No blockholder takes part in the private placement.
+ The max: Each of the blockholders buys the maximum shares of 65,000,000 from the private placement.

[6] ID no. (Business registration number, address, legal representative) in Table 1