

No: 03/TT-HDQT.25

Hanoi, August 28, 2025

PROPOSAL TO THE GENERAL MEETING OF SHAREHOLDERS

Re: ABBANK's Plan for charter capital increase

To: The General Meeting of Shareholders of An Binh Joint Stock Commercial Bank

Based on the analysis of current situation, actual capital needs, and feasible capital mobilization plans, to ensure effectiveness, transparency and compliance with current legal regulations, the Board of Directors (BOD) respectfully submits to the General Meeting of Shareholders the Plan for charter capital increase of ABBANK, specifically as follows:

I. BASIS FOR PROPOSAL

With ABBANK's strategic development orientation, to enhance competitiveness; best meet the requirements on capital adequacy according to domestic and international standards, increasing ABBANK's charter capital is very necessary, stemming from the development needs of the Bank and an objective requirement at present as well as in the coming years. It is expected that the charter capital of the Bank will be increased, which will also help improve the credit rating and enhance the Bank's reputation in the market.

1. Enhancing ABBANK's competitiveness

In the context of intense competition within the banking sector, increasing ABBANK's charter capital is essential to improve its financial position, provide additional funding for business activities, ensure compliance with internal capital adequacy requirements as regulated by the State Bank of Vietnam (SBV), and enhance its credit capacity, service development, risk management capabilities, and resilience to market fluctuations.

a) Improving Capital Adequacy Ratio (CAR)

The objective of raising the Capital Adequacy Ratio (CAR) to 11% (from 9.82% as of June 30, 2025) is aimed at meeting the capital safety requirements associated with achieving a Category A rating, as stipulated by the State Bank of Vietnam (SBV) under Circular No. 52.

b) Improving capital efficiency and profitability

Over the past years, ABBANK's Return on Equity (ROE) has shown stable growth, with a significant increase from 3.03% as of December 31, 2023 to 18.3% as of June 30, 2025. This strong performance provides a solid foundation and a positive premise for the Bank to effectively absorb additional capital.

However, ABBANK's equity remains relatively low while total assets have grown rapidly, resulting in a disproportionate increase in Return on Assets (ROA) compared to ROE. A high ROE may also indicate a high level of financial leverage, which could be unfavorable for building the image of a sustainably growing bank. Therefore, increasing ABBANK's charter capital at this time will help address and mitigate these imbalances.

c) Strengthening staff cohesion through ESOP ownership

With a people-centric approach, ABBANK aims to align the interests of employees with those of the Bank, while also attracting, retaining, and motivating individuals who are committed to long-term contribution. The implementation of an Employee Stock Ownership Plan (ESOP) is expected to generate added value for both the Bank and its staff. In recent years, many banks have also adopted ESOP programs for their employees.

2. Proactively preparing to meet compliance requirements and improve credit rating

a) Proactively meeting SBV regulatory requirements:

On June 30, 2025, the State Bank of Vietnam (SBV) issued Circular No. 14/2025/TT-NHNN (Circular 14), which sets out capital adequacy requirements for commercial banks and branches of foreign banks. The Circular will take effect from September 15, 2025 and become mandatory from January 1, 2030. Under this new regulation, banks are required to follow a roadmap for maintaining CAR and Tier 1 CAR from 2025 until before 2030. Accordingly, ABBANK needs to increase its charter capital to proactively ensure compliance with the required CAR levels at each stage, especially in light of its plan to distribute cash dividends in the coming years.

Indicator	As of 30/6/2025	CAR maintained according to Circular 14 regulations (*)			
		Year 1	Year 2	Year 3	Year 4
CAR Tier 1	9.37	6.625	7.250	7.875	8.50
CAR	9.82	8.625	9.250	9.875	10.50

(*) The required capital adequacy ratios must be maintained in the case of cash dividend distribution. If no cash dividends are distributed, the minimum required Tier 1 CAR and overall CAR are 6% and 8%, respectively.

(**) Year 1 is counted from the year ABBANK registers to apply the capital adequacy ratio calculation under Circular 14, or from the mandatory application date of January 1, 2030.

b) Improving independent credit rating

According to Moody's – a reputable international independent credit rating agency – banks are evaluated based on five key criteria, with capital being the most heavily

weighted at 25%. The capital criterion is calculated using the TCE/RWA ratio (Tangible Common Equity / Risk-Weighted Assets), where TCE is primarily composed of charter capital. ABBANK's current TCE/RWA ratio stands at 8.7%, placing it in the relatively low B3 category. Moody's assigns ratings by comparing this ratio with other joint-stock commercial banks. Therefore, increasing ABBANK's charter capital will raise its TCE/RWA ratio, which serves as a basis for potential credit rating upgrades, thereby enhancing ABBANK's credibility, brand, and market image.

3. Attracting additional capital from favorable stock market conditions

The stock market in 2025 and 2026 beyond is considered to have strong growth potential, serving as an attractive investment channel that is drawing significant interest from both domestic and foreign investors. Favorable market conditions, good liquidity, and positive investor sentiment present a promising opportunity and provide a solid foundation for the feasibility and success of increasing charter capital through additional share issuance.

ABBANK's plan for charter capital increase is developed based on an analysis of its current financial situation, actual capital needs, and feasible capital mobilization options, ensuring effectiveness, transparency, and compliance with current legal regulations.

II. PLAN TO INCREASE CHARTER CAPITAL

1. Current total charter capital and expected increase:

- 1.1. Current charter capital **VND 10,350,367,620,000** (In words: Ten thousand three hundred fifty billion, three hundred sixty-seven million, six hundred twenty thousand dong) divided into **1,035,036,762 shares**, par value VND 10,000/share. All of these shares are common shares currently in circulation, ABBANK has no preferred shares and treasury shares.
- 1.2. Total expected additional charter capital: **VND 3,622,628,660,000** (In words: Three thousand six hundred twenty-two billion, six hundred twenty-eight million, six hundred sixty thousand dong) corresponding to the expected number of additional shares to be issued: **362,262,866 common shares**, par value VND 10,000/share.
- 1.3. Total expected charter capital after increase: **VND 13,972,996,280,000** (In words: Thirteen thousand nine hundred seventy-two billion, nine hundred ninety-six million, two hundred eighty thousand dong).

2. Content of charter capital increase :

Content	Total maximum charter capital after increase (VND)	Maximum additional charter capital (VND)	Maximum shares issued (shares)	Ratio (%)	Issue price/1 share
Rights offering to existing Shareholders	13,972,996,280,000	3,105,110,280,000	310,511,028	30%	10,000
Employee Stock Ownership Plan (ESOP)		517,518,380,000	51,751,838	5%	10,000

In which,

- a) Share Purchase Rights Offering Plan for Existing Shareholders: ABBANK plans to issue an additional **310,511,028 shares** through a rights offering to existing Shareholders, based on the list of Shareholders provided by the Vietnam Securities Depository and Clearing Corporation (VSDC) on the Last Registration Date for exercising Shareholders' rights (Shareholder List Closing Date). The offering price is VND 10,000 per share, with an issuance ratio of 30% relative to the current charter capital.
- b) Share Issuance Plan under the Employee Stock Ownership Plan (ESOP): ABBANK plans to issue **51,751,838 shares** to ABBANK staff under the ESOP Plan at an offering price of VND 10,000 per share, equivalent to 5% of the current charter capital. The eligibility criteria, list of employees participating in the program, principles for determining the number of shares allocated to each individual, and the implementation timeline will be specified in the ESOP Regulation issued by the Board of Directors.

4. PLAN FOR USING ADDITIONAL CHARTER CAPITAL

All proceeds from the offering and issuance under this charter capital increase plan will be added to ABBANK's capital resources and used to provide credit to customers.

5. PROPOSAL

We respectfully submit the following matters for approval by the General Meeting of Shareholders:

1. Approval of ABBANK's Charter Capital Increase Plan, including Offering additional shares through a rights issue to existing Shareholders; and Issuing shares to employees under the Employee Stock Ownership Plan (ESOP), as detailed in the attached specific plan.
2. Approval of the delegation/authorization to the Board of Directors (BOD):

- a) To amend, supplement, adjust, or elaborate the Charter Capital Increase Plan (if necessary) based on ABBANK's actual situation or as required by competent authorities, in order to ensure the success of the issuance and compliance with legal regulations, while safeguarding the rights and interests of the Bank and its Shareholders.
- b) To submit the application to the State Bank of Vietnam for approval of the charter capital increase; register the public offering of shares to existing Shareholders; and report the ESOP share issuance to the State Securities Commission of Vietnam.
- c) To carry out the share issuance and distribution after obtaining the Certificate of Public Offering Registration and completing the reporting procedures.
- d) To decide on specific capital utilization plans and proactively adjust the use of proceeds, disbursement timing, and capital usage purposes as necessary and in accordance with ABBANK's actual situation.
- e) To report the results of the offering and issuance as required; submit to the State Bank of Vietnam for amendments to the Establishment and Operation License; and update and revise ABBANK's Charter regarding charter capital and number of shares based on the results of the offering and issuance.
- f) To register the securities and additional trading of the newly issued shares in accordance with regulations.
- g) To implement the delegated and authorized matters as specified in the Charter Capital Increase Plan.
- h) To decide on all other related tasks and arising matters concerning the charter capital increase, share offering and issuance; securities registration and depository; additional share trading registration; and ensure compliance with information disclosure obligations as required.

Within the scope of the above authorization, the Board of Directors may further delegate authority to the Chairman of the Board of Directors or the General Director to carry out the above-mentioned tasks and other related specific matters.

Respectfully submitted./.

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

Dao Manh Khang