

**JSC BANK FOR FOREIGN TRADE  
OF VIETNAM****SOCIALIST REPUBLIC OF VIETNAM**  
**Independent-Freedom-Happiness**

Address: 198 Tran Quang Khai, Hoan Kiem, Hanoi

Corporate Registration No.: 0100112437

(11<sup>th</sup> revision dated November 7,2014)

*Hanoi, April 15, 2016*

**MINUTES**

TRANSLATION
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**THE 9<sup>TH</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Today, at 08:30, April 15, 2016, at Vietnam National Convention Center – Pham Hung street, Me Tri, Tu Liem, Hanoi, held the 9<sup>th</sup> Annual General Shareholders Meeting<sup>(1)</sup> (hereafter referred to as “Meeting” or “AGM”) of JSC for Foreign Trade of Vietnam (hereafter referred to as “VCB” or “Bank”).

**A. PARTICIPANTS AND THE MEETING’S LEGALITY, VALIDITY:****I. Participants:**

- There were 308 shareholders participated in Meeting, represented for 2,348 shareholders holding 2,537,195,632 shares, accounting for 95.204% of the Bank’s voting shares.
- The Meeting was honored by the presence of
  - Mr Pham Tan Cong - Deputy Secretary of the Party of Central Stated-Owned Enterprises Sector;
  - Major General Nguyen Hung Linh – Director of Financial Security Money Investment - Ministry of Public Security;
  - Ms Nguyen Thi Hoa – Deputy Director of Banking Supervision Agency, State Bank of Vietnam;
  - Mr Pham Van Tuyen – Deputy Director of Personnel Department, State Bank of Vietnam (SBV);
  - Mr Tran Dang Phi - Director of Banking Supervision Department, Banking Supervision Agency, State Bank of Vietnam;

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<sup>1</sup>2016 Annual general meeting of shareholders

- Ms Nguyen Thi Tiep – Member of the Steering Committee, Head of People Committee of the Party of Central Stated-Owned Enterprises Sector;
- Ms Nguyen Thuy Duong – Partner of Ernst & Young Vietnam;
- Mr Tran Tuan Phong – Founder of Vietnam International Law Firm (VILAF);
- Representatives from Departments/Agencies of SBV, Party of Central Stated-Owned Enterprises Sector, Security of Finance, Money and Investing Department, other State authorities, the Bank’s Partners, media agencies;
- Members of the Bank’s Board of Directors (BOD), Board of Management (BOM), Supervisory Board (BOS)

## II. The meeting’s legality and validity:

Ms. Truong Le Hien - Head of Shareholders’ Eligibility Examination Committee announced the examination result:

- The total number of the Bank’s shares: 2,665,020,334 shares.
- The total number of shareholders was invited to the Meeting: 21,751 shareholders, representing 2,665,020,334 voting shares of the Bank.
- The number of participants who are shareholders or authorized to attend the Meeting: 308 shareholders, representing 2,348 shareholders and 2,537,195,632 shares and accounting for 95.204 % of the Bank’s voting shares.
- Pursuant to the 2014 Enterprises Law and the Bank’s organizational and operational charter, the 9th Annual General Meeting of Shareholders of VCB is legal, valid and eligible to proceed.

## B. THE MEETING’S CONTENT:

### I. Election of the Chair Committee:

To run the Meeting, a Chair Committee has been elected. After the list of nominees was announced by the Organizers, 100% voting shareholders presented at Meeting have approved the Chair Committee, including the following persons:

- Mr *Nghiem Xuan Thanh* - Head of Chair Committee;
- Mr *Pham Quang Dzung* - Member;
- Ms *Nguyen Thi Hoa* - Member<sup>2</sup> ;

<sup>2</sup> Deputy Director of Banking Supervision Agency, State Bank of Vietnam , representing 30% voting shares which owns by SBV

- Ms. *Le Thi Hoa* - Member;

## **II. Appointment of the Secretary Committee; Election of the Vote Counting Committee; Approval of the voting method, the Meeting's agenda and the Meeting's organization regulations.**

1. To prepare the Meeting's Minutes and to draft the Meeting's Resolution, the Chair Committee has appointed a Secretary Committee, including the following persons

- Mr *Le Hoang Tung* - Head of Secretary Committee;
- Ms *Nguyen Thi Thu Trang* - Member.

2. To carry out the Meeting's election and voting, a Vote Counting Committee was elected. Upon the list of nominees introduced by the Chair Committee, 100% voting shareholders presented at the Meeting has approved the Vote Counting Committee, including the following persons

- Mr *Pham Manh Thang* - Head of Vote Counting Committee;
- Mr *Hong Quang* - Member;
- Mr *Lai Huu Phuoc* - Member.

3. After the Meeting's opening ceremony, Mr Nghiem Xuan Thanh on behalf of the Chair Committee announced the Meeting's agenda. 100% of the presented shareholders approved the agenda.

4. Next, Ms. Le Thi Hoa on behalf of the Chair Committee announced the draft of the Meeting's organization regulations which were approved by 100% of the presented shareholders

5. Mr Pham Manh Thang on behalf of the Vote Counting Committee presented the Voting method on each content of the Meeting and was approved.

## **III. The meeting's content:**

### **1. Reports of the Board of Directors, Board of Management and Supervisory Board**

1.1. Mr. Nghiem Xuan Thanh - Chairman of the BOD presented the report of the Board of Directors on the Bank's activities in 2015 and directions for 2016 as well as the key business targets for 2016 which were submitted to the shareholders for approval.

1.2. Mr. Pham Quang Dzung - Member of the BOD - CEO presented the report of the Board of Management on the Bank's activities in 2015 and business plan for 2016.

- 1.3. Ms. Truong Le Hien - Head of Supervisory Board, on behalf of Supervisory Board, presented the report on the Supervisory Board's activities in 2015 and directions for 2016

*In 2015, while the economy and banking restructuring was accelerated, Vietcombank seized its opportunities, fulfilled its role as one of the leading banks in the banking sector, implemented SBV's policy, made the effort to carry out the Restructure scheme for the period of 2013-2015, contributed to the sector's goal and to stabilize the economy. Fully understand the motto and the view on direction, the Board of Management and the Executive Board closely watched the market, and directed the Bank in accordance with its goals.*

*Overcoming many challenges and difficulties, 2015 was a breakthrough for Vietcombank. With countless effort across the Bank, Vietcombank impressively achieved targets set by the 2015 Annual general meeting of shareholders: total assets, deposits, loan grew 17%, 19% and 22% respectively; profit growth was the highest over the last 5 years, effectively implemented transformational projects, finished and synchronized mechanism and internal management policies, etc.*

*Closely follow the direction of the Government and SBV, for 2016, VCB will continue with its motto as "**Speed up - Efficiency - Sustainability**", while its direction view is set as "**Innovation - Discipline - Responsibility**" with the following targets: 13.50% growth in total assets, 17% growth in loans, and 15% growth in deposit, profit before tax of VND 7.500 billion, maximum dividend payout ratio of 10%, etc.*

## **2. Proposals to the AGM:**

Ms. Le Thi Hoa presented the proposal on the 2015 profit distribution plan; the proposal on the 2016 remuneration for the BOD and Supervisory Board, the proposal on plan to increase chartered capital in 2016.

## **3. Discussion on Reports and Proposals submitted to AGM**

The AGM has conducted a discussion on the reports and proposals submitted to AGM

*Some shareholders requested VCB to inform its 2016 Q1 results with focus on profit, NPLs, provision, the possibility that Mizuho participates in the private placement to increase the Bank's chartered capital in 2016; and the possibility to extend room for foreign investors at VCB.*

On behalf of the Chair Committee, Mr. Nghiem Xuan Thanh has responded to those inquiries as below:

- 2016 is forecasted as a difficult year for the banking sector. VCB's senior management perceives this year as a year filled with challenges and opportunities, thus set reasonable targets. VCB's Q1 results are quite positive: deposits were up 2.7%, deposit

structure has shifted appropriately; loans were up 6.5% (much higher than the growth of the same period last year and the average growth of the industry); the NPL ratio slightly declined to 1.79%; provision was VND 1,300 billion; profit before tax reached VND 3,300 billion.

- Regarding the possibility that Mizuho participates in the private placement in 2016, Mizuho has not had an official response, it is very likely that Mizuho will participate in this transaction to at least maintain its proportional ownership (15%).
- At VCB, as of now, foreign investors hold 20.9% of VCB chartered capital, while the limit is 30%. VCB will sell shares to foreign investors to increase chartered capital within the limit.

*A shareholder requested VCB to explain the 22<sup>nd</sup> and 28<sup>th</sup> note of the Financial Statements, what are the differences between interest from debt trading activities and income from debt trading activities? Where was the divestment at Baolong Insurance and Vietcomreal presented on the financial statements? There were some investments in construction which was done in 2015, where were the investments presented on the financial statements?*

- Regarding the inquiry, the Chair Committee appointed Ms. Phung Nguyen Hai Yen - VCB's Chief Accountant to provide explanation. According to her explanation, in 2015, VCB collected some debts which had been sold to VAMC, according the current accounting policy, the principle amount is debited to other income while interest amount is debited to interest from debts trading activities. The divestment of VCB is presented on the statement of cash flows. In 2015, the constructions which were done are already presented on the financial statements.

*Some investors requested to provide more information regarding the feasibility of the private placement in this year, the progress and feedback from potential investors. In 2016, will VCB divest from OCB and SGB? If so, what is the plan? Does VCB plan to merge with a financial institution?*

Regarding the inquiry, the Chair Committee had the following response:

- In preparation for the private placement, VCB has hired a reputable financial advisor to firstly conducted Non Deal Roadshow. Some investors have expressed their interest in this deal; therefore the deal is likely to reach in this year. VCB's target investors for this deal are institutional investors with strong financial capability, long-term commitment and capacity to support VCB in management.
- VCB currently hold shares at 4 commercial banks and 1 finance company, VCB's investment in OCB and SGB is not much. Under Circular 36/2014/TT-NHNN, VCB is

allowed to maintain its investment in 2 financial institutions, divest its investment in other financial institutions based on a suitable roadmap and direction.

- Regarding the merger with another financial institution, VCB has been looking for a partner which is suitable with VCB's strategy. Once identify a partner, VCB will submit the plan to the AGM for consideration.

*Some investment funds asked why VCB wanted to issue shares to increase chartered capital instead of increasing Tier 2 capital like other banks; If the placement is not successful, will VCB consider to raise Tier 2 capital? In 2015, which industry had the best collection from written-off debts? Will this trend continue in 2016? What is the effect of the draft of the amendment of Circular 36 on VCB?*

Regarding the inquiry, the Chair Committee had the following response:

- In preparation to adopt Basel II, there are many banks in need of raising capital. If the capital is not raised amid the rapid growth of total assets, the CAR ratio will drop. Compared with other banks, VCB still has room to increase its chartered capital, tier 1 capital: high share premium and retained profits, the holding proportion of the Government is 77.11%, while the Government has approved to lower its proportion to 65%; VCB has had good and sustainable business results, strong brand name and good reputation, potential growth therefore the increase in Tier I capital is more likely to be successful, plus the Tier 1 capital is more stable. In addition to increase in Tier 1 capital, VCB has planned to raise its Tier 2 capital.
- 2015 written-off debt collection achieved significant results, well contributing to VCB's business results. The collection mainly came from industries which experienced bad debts over recent years: real estate trading, lending in business production secured by real estates, etc. This trend continued in Q1 of 2016.
- If the draft amendment of Circular 36 is applied, it will not have big impact on VCB because: VCB's asset quality is good, the proportion of real estate in VCB's lending portfolio is not much (about 8%); the proportion of short-term funding used for medium-and-long-term lending of VCB is much lower than the requirement (about 25%, while the current limit is 60% and the Circular 36's limit is 40%).

*Some shareholders requested the Chair Committee to explain why VCB set its loan growth and profit at 17% and 10% respectively when the provision is expected to fall. Is it because the Bank's operating cost will rise? How much does the Bank invest in digital banking and how long does it take for the Bank to meet the regional standards in this field?*

Regarding the inquiry, the Chair Committee had the following response:

- VCB will focus both on loan growth and loan quality control, therefore the Bank will consider using interest rates as a measure to attract and retain good customers. The operating costs of VCB in 2016 is expected to be about 40% of the bank's total operating income, similar to such proportions of recent years. The growth shows the Bank's determination and commitment amid a difficult environment.
- VCB has always focused on investing its IT infrastructure in order to meet its business operation. Such investment is used from VCB's chartered capital and is under the limit; the IT investment for each year is considered suitable and efficient. VCB has been developing its digital banking products, however compared with its peers in the region and in the world, there are still some gaps.

*Some shareholders requested the Bank to share its view on consumer finance, how does VCB intend to approach this segment?*

- On behalf of the Chair Committee, Mr Nghiem Xuan Thanh made the following response "From VCB's view, the consumer finance segment is potential on which VCB has carried out a research, the BOD has approved the idea to open a consumer finance company. VCB has set up a Committee and carried out necessary steps to open the company"

#### **4. Voting for approval of the reports and proposals:**

Upon presented reports and proposals, after the discussion has been made, the Meeting has voted (by voting card) to approve the following content

#### **4.1 Approval of the reports of BOD, EB, BOS; 2015 financial statement audited and assessed by Supervisory Board; and 2015 profit distribution plan. Main contents as below**

##### *i. 2015 Consolidated business results:*

✓ Total assets:	674,395 billion VND;
✓ Loans:	387,152 billion VND;
✓ Deposits & financial instruments issuance:	503,007 billion VND;
✓ Profit before tax:	6,827 billion VND;
✓ The number of employees:	14,755 persons;
✓ Salary expenses/ Profits before tax (excluding salary):	37%;
✓ New branches:	6;
✓ NPL ratio:	1.84%.

##### *ii. Profit distribution plan for 2015:*

✓ Profit after tax 2015:	5,208,477 million VND;
✓ Profit adjustments according to the State Audit's 2014 audit report and additional corporate income tax:	(24,928) billion VND;
✓ Profit after tax for distribution :	5,183,549 million VND;
✓ Remuneration for independent member of BOD:	266 million VND;
✓ Allocation to additional charter capital reserve fund:	259,177 million VND;
✓ Allocation to financial reserve fund:	518,355 million VND;
✓ Allocation for bonus and welfare fund	957,326 million VND;
✓ 2015 Dividend payment (10%)	2,665,020 million VND;
✓ Undistributed profit:	783.405 million VND;

*The number of agreed voting shares is 2,537,195,632, accounting for 100% total voting shares of the presented shareholders. No shareholder disagreed or had other comments.*

#### **4.2 Approval of 2016 directions:**

- i. Main 2015 directions: to promote the Bank's advantages, to seize every single opportunity, to develop vertically, to focus on the quality and efficiency, to make effort in every business line to successfully complete and exceed the targets set by the AGM, moving toward sustainable development in accordance with international standards
- ii. The motto is "**Speed-up - Efficiency - Sustainability**"; the management aims to be "**Innovation - Discipline - Responsibility**"
- iii. Key directions:
 

Regarding business activities: innovate customer relations, increase loan growth with ensuring safety and efficiency; continue to restructure deposit structure; promote treasury management, forex exchange and trade finance; increase the efficiency of investment; increase financial capacity, etc.

Regarding management: continue to arrange and standardize the organizational structure in accordance with functional unit, complete the branch organizational structure, develop network, accelerate the preparation to open subsidiaries; implement the Scheme to restructure training activities to 2020; gradually develop risk management system in accordance with Basel II; improve the efficiency of inspection, audit, supervision in accordance with best practice; thoroughly innovate the IT activities of VCB; timely implement enhance-management-capability projects, implement key initiatives, etc.
- iv. Key targets:



- ✓ Total assets: 765,438 billion VND, up 13.50%;
- ✓ Loans: 452,967 billion VND, up 17%;
- ✓ Deposits & financial instrument issuance: 578,458 billion VND, up 15%;
- ✓ Profit before tax: 7,500 billion VND, up 10%;
- ✓ The number of employees: the growth to be less than 5% compared with 2015
- ✓ Salary expenses/ Profits before tax (excluding salary): 37%;
- ✓ New branches: 5;
- ✓ NPL ratio: less than 2.5%;
- ✓ Dividend payout ratio: maximum of 10%;

*The number of agreed voting share is 2,537,195,632, accounting for 100% total voting shares of the presented shareholders. No shareholder disagreed or had other comments*

#### **4.3 Approval of the remuneration for BOD, BOS in 2016**

AGM approved the remuneration for BOD, BOS to be 0.35% of the Bank's profit after tax in 2016, from the Bank's approved salary budget for 2016.

*The number of agreed voting is 2,521,334,518, accounting for 99.37% of the total voting shares represented at the Meeting. The number of "disagreed" voting is 732,366, accounting for 0.03% of the total voting shares represented at the Meeting. No shareholder had other opinions.*

#### **4.4 Approval of the plan to increase chartered capital in 2016:**

AGM approved the plan to increase chartered capital by issuing bonus shares with a ratio of 35% to existing shareholders and by carrying out private placement with the following main contents:

- i. Issuing bonus share with the ratio of 35% to existing shareholders*
  - Increase amount: VND 9,327,571,160,000. Chartered Capital after increasing: VND 35,977,774,500,000;
  - Type of stock: common stock, par value VND 10,000 (ten thousands VND)
  - The maximum number of stocks expected to issue: 932,757,116 stocks.
  - Participants in the issuance: Existing shareholders who are on VCB's shareholder list at the record date of bonus share right in accordance with the law and increase capital plan approved by the AGM.
- ii. Private placement*

- Increase amount: VND 3,597,777,450,000. Chartered Capital after increasing: VND 39,575,551,950,000;
- Type of stock: common stock, par value VND 10,000 (ten thousands VND)
- The maximum number of stock expected to issue: 359,777,745 stocks.
- Participants in the issuance: foreign institutional investors with strong financial capacity (may include existing shareholder(s) of VCB)
- The number of investor expected to sell: maximum of 10 investors.

iii. The details are specified in the attached proposal and plan;

*The number of agreed voting for the aforementioned (i), (ii), (iii) is 2,522,066,884 accounting for 99.4%, the number of “disagreed” voting is 0 accounting for 0%, the number of “other opinion” voting is 15,128,748 accounting for 0.6% of the total voting shares represented at the Meeting.*

iv. The AGM approved that the existing shareholders refused their subscription right to buy shares which VCB will issue through private placement detailed in i, ii, iii; excluding existing institutional shareholders who intend to participate in the private placement which will be implemented based on selection criteria and the law.

*The number of agreed voting for the aforementioned point is 2,522,066,884 accounting for 99.4%, the number of “disagreed” voting is 0 accounting for 0%, the number of “other opinion” voting is 15,128,748 accounting for 0.6% of the total voting shares represented at the Meeting.*

v. The AGM approved the amendment of the charter of VCB regarding the chartered capital after the approved plan is carried out;

vi. The AGM authorized the BOD:

- Regarding the issuance of bonus share to existing shareholders: to determine the issuance date.
- Regarding the private placement: Decide (1) selection criteria in terms of investor, the number of investors and list of investors. (2) the value of the private placement which is less than 10% of the chartered capital, (3) the date of sale and issuance of new shares in one time or several times or one deal or several deals, (4) the price for each time or deal based on the approval of the authorities in accordance with the law, and (5) negotiate, decide and approve the terms and conditions of contracts related to each deal or time between VCB and investor(s);
- Determine the exact value of the chartered capital of VCB and the total shares of VCB after each increase in the chartered capital.

- Carry out the procedures to report and get the approval from the authorities and review, adjust the plan in accordance with the requirement of the authorities and the law;
- Decide the detail chartered capital raising plan based on the approval of the authorities in accordance with the law;
- Carry out necessary steps to issue shares, register the Bank's chartered capital (in accordance with the real chartered capital after the issuance) with the authorities, amend the charter of VCB (in terms of chartered capital), completed other steps after increasing capital, list the new shares on Ho Chi Minh Stock Exchange after the issuance is done; and
- Decided all other matters relate to or arise from each time or each deal of increasing chartered capital.

*The number of agreed voting for the aforementioned points is 2,522,066,884 accounting for 99.4%, the number of "disagreed" voting is 0 accounting for 0%, the number of "other opinion" voting is 15,128,748 accounting for 0.6% of the total voting shares represented at the Meeting.*

**5. Other contents rather than the proposals, reports to AGM have been approved**

None.

*This meeting minutes has 11 pages, prepared at 11:30 a.m. on April 15th, 2016 after the 9th Annual General Meeting of Shareholders completed its main agenda.*

*This minutes is announced at the meeting and approved by shareholders represented 100% voting shared at the Meeting./.*

**ON BEHALF OF SECRETARY COMMITTEE**

HEAD OF SECRETARY COMMITTEE

(Signed)

Le Hoang Tung

**ON BEHALF OF CHAIR COMMITTEE**

HEAD OF CHAIR COMMITTEE

(Signed and sealed)

Nghiem Xuan Thanh

**Attachments:**

- Examination of shareholders' eligibility Minutes;
- Regulations on organizing the AGM;
- Reports of BOD, EB, BOS;
- Proposals: on 2015 profit distribution plan; on 2016 remuneration for BOD, BOS; on plan to increase chartered capital in 2016;
- Counting votes card Minutes.