

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

Address: 198 Tran Quang Khai, Hoan Kiem, Hanoi
Corporate Registration No. 0100112437
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Hanoi, 23rd April 2014

MINUTES

OF THE 7TH ANNUAL GENERAL SHAREHOLDERS MEETING

Today, at 08:30, at National Convention Center – Pham Hung street, Me Tri, Tu Liem, Ha Noi, Joint Stock Commercial Bank for Foreign Trade of Vietnam (hereinafter referred to as VCB or Bank) held the 7th Annual General Shareholders' Meeting ¹ (hereinafter referred to as Meeting or AGM).

A. PARTICIPANTS AND THE LEGALITY, VALIDITY OF THE MEETING:

I. Participants:

- There were 271 shareholders, represented for 3,082 shareholders holding 2,208,231,289 shares participating in Meeting, accounted for 95,288% of the total numbers of shares eligible for voting of the Bank.
- Meeting had the honor of the presence of:
 - Mr. Nguyen Phuoc Thanh - Member of the Standing Party's Committee; Deputy Governor - State Bank of Vietnam;
 - Representatives from Departments/Agencies of State Bank of Vietnam, State authorities, the Bank's Partners, media agencies;
 - Ms. Nguyen Thuy Duong – Deputy Chief Executive Officer of Ernst & Young Vietnam Company Limited;
 - Members of the Bank's Board of Directors, Executive Board, Supervisory Board.

II. The legality, validity of AGM:

Ms. Truong Le Hien – Head of Shareholders' Eligibility Examining announced the examination result of the eligibility of the shareholders:

- Total number of the Bank's shares: 2,317,417,076 shares.

¹ Annual General Shareholders Meeting 2014

- Total number of shareholders was invited to attend the Meeting: 20,540 shareholders, representing 2,317,417,076 shares eligible for voting of the Bank.
- The number of participants who are shareholders or authorized to attend the Meeting: 271 shareholders representing 2,208,231,289 shares, accounting for 95.288 % the number of shares eligible for voting of the Bank.
- Pursuant to the Law on Enterprises 2005 and the Charter on organization and operation of VCB, 7th Annual General Shareholders Meeting of VCB is legal, valid and eligible to proceed.

B. SESSION CONTENTS AND DEVELOPMENT:

I. Election of Chair Committee:

To lead the Meeting, the General Meeting has elected the Chair Committee. Upon the list of nominees, 100% voting shareholders presenting at Meeting has approved the Chair Committee, including the following persons:

- Mr. *Nguyen Hoa Binh* - Head of Chair Committee;
- Mr. *Nghiem Xuan Thanh* - Member;
- Mr. *Nguyen Dang Hong* - Member;
- Ms. *Le Thi Hoa* - Member.

II. Appointment of the Secretary Committee; election of the Vote Counting Committee; Approval the voting method; Approval of the Meeting's agenda and the Regulations of Meeting:

1. To prepare Meeting Minutes and to draft the Resolution of the Meeting, the Chair Committee has appointed Secretary Committee that included the following persons:

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

2. To carry out the election and voting at the meeting, the Meeting elected the Vote Counting Committee. Upon the list of nominees introduced by the Chair Committee, 100% voting shareholders presenting at meeting have approved the Vote Counting Committee that included the following persons:

- Mr. *Dao Minh Tuan* - Head of Voting Counting Committee;
- Mr. *Nguyen Huu Bang* - Member;
- Mr. *Hong Quang* - Member.

3. The Vote Counting Committee introduced to the participant the voting method. The Meeting has approved the voting method.

4. After the opening, Mr. Nguyen Hoa Binh, on behalf of Chair Committee - announced the Meeting's agenda; Mr. Nguyen Dang Hong delivered the draft regulations of the Meeting. The participants have approved the agenda and regulations of AGM with voting rate 100% of the presented shareholders.

III. Main contents of the Meeting:

1. Reports of the Board of Directors, Executive Board and Supervisory Board:

- 1.1. Mr. Nguyen Hoa Binh – Chairman of BOD, on behalf of BOD, presented the report of BOD on its activities in 2013 and plans for 2014 as well as the key targets of business activities for year 2014 submitted to AGM for approval;
- 1.2. Mr. Nghiem Xuan Thanh – Chief Executive Officer, on behalf of the Executive Board, presented the report on business activities in 2013 and plans for 2014.
- 1.3. Ms. Truong Le Hien – Head of Supervisory Board, on behalf of Supervisory Board, presented the report of Supervisory Board on the activities in 2013 and plans for 2014.

The Reports of the Board of Directors, Executive Board and Supervisory Board have focused on assessing, analysing the activities of VCB in 2013, evaluated the implementation of the tasks assigned by the 6th AGM and proposed the plans for business activities in 2014. The reports also evaluated the performance of duties, authorities of the BOD, Executive Board and the Supervisory Board in accordance with the law, Charter on organization and operation of VCB and the targets set by the AGM.

In 2013, in the context of many difficulties of the banking industry and the whole economy, VCB continued maintaining its position as the leading bank in the banking system; strictly followed the guideline of the State Bank of Vietnam; contributed to macroeconomic stabilization and the banking industry's tasks. With the management viewpoints "Agile-Flexible-Aggressive", the Board of Directors and the Executive Board have been following up closely with market movements and directions of VCB's activities aiming to implement the bank's motto in 2013.

Last year, VCB continued implementing the renovation in business activities and corporate governance. Along with efforts to boost credit growth, credit quality control and bad debt handling, bad debt recovery were extremely focused. The operational adequacy ratios have been ensured while audit and inspection system have been strengthened and improved. The unique motto in the activities of the BOD and Executive Board is assured for the benefit of the shareholders in harmonization with the interest of the State and the Bank.

As of the end-2013, various business targets have been reached or exceed the mission assigned by the 6th AGM (Deposit growth reached 13.74%, NPL ratio-2.73%, dividend payout ratio 12 %...). Deposit growth has been monitored at 11.98% in line

with the credit growth, aiming to improve the capital utilization efficiency. FX trading and services activities have shown significant growth. The consolidated profit in 2013 was VND 5,743 billion, achieved 99.02% of the targeted plan. Income came from diversified activities, in which non-interest income accounted for 30.46% of the total income.

The reports have straightforwardly pointed out the existing issues in VCB's business activities last year, such as: challenges in enhancing credit growth in the common difficult conditions of the economy; high NPLs; lower ROAE and settlement market share, etc.

In 2014, VCB's motto is "Renovation-Growth-Quality" with growth of total assets, loan outstanding, fund mobilization from the economy of 11%, 13% and 13% respectively. Profit before tax is targeted at VND 5,500 billion. The dividend payout ratio is expected at 10%, etc.

2. Proposals to the AGM:

- 2.1. Ms. Le Thi Hoa presented the proposal on setting up reserve funds and distributing profit for the year 2013.
- 2.2. Ms. Le Thi Hoa presented the proposal on the 2014 remuneration plan for the BOD and the Supervisory Board.
- 2.3. Mr. Nguyen Dang Hong presented the proposal on the capital raising plan in 2014
- 2.4. Mr. Nghiem Xuan Thanh presented the proposal on the amendment of VCB's Charter.

3. Discussion on the reports and proposals:

The AGM has carried out the discussion on presented reports and proposals.

A shareholder has shared an opinion on: cross ownership in VCB and the process to handle this issue (Cross ownership among commercial banks are not allowed under the provisions of the Law on credit institutions); Since the large part of VCB's total income comes from interest income while in 2014 NIM ratio is expected to be at low rate, what are VCB's solutions in order to achieve the targeted profit plan in 2014; Circular No.09 has affected commercial banks' activities, what are its impacts on VCB? Shall VCB sell bad debts to VAMC?

A group of shareholders represented by Dragon Capital expressed the concerns on the following issues: in 2013 loan outstanding to SOEs increased significantly, is it VCB's strategy? VCB has good risk management capacity but the NPLs ratio is high, how does VCB's bad debts recovery plan work? VCB is setting up the bonus and welfare funds allocated from profit after tax, why is it recorded as the expenses for tax allowance.

A shareholder also raised the following questions: How much is the profit before tax when credit growth is 15%? Is the profit before tax of VND 5,500 billion as targeted

including VND 1,200 billion of written-off loans recovery?; How does the gap between NPLs results classified in accordance with Decision No.493, Circular No.02 and Circular No.09? Fees has contributed a large part to VCB's total income while VCB's market share in international settlement continued reducing, what is VCB's plan to maintain or regain the market share? Could you share some highlights about VCB's M&A plan?

The Chair Committee has recognized and highly appreciated shareholders' opinions and explained all issues as follows:

- In term of M&A: M&A trend is inevitable for VCB to grow in scale and enhance operational efficiency. M&A process is long-term process in accordance with the cautious consideration. When the time forward, VCB will implement the necessary procedures including submission to the AGM for consideration and shall disclose the update information later.
- VCB does not have cross ownership with other commercial banks at present. For VCB-owned investment in other banks, VCB always assess and restructure accordingly.
- In 2014, the growth of VCB's profit before provisions is expected at above 13% higher than targeted credit growth and fund mobilization growth. VCB's targeted profit of VND 5,500 billion includes VND 1,200 billion of written-off loans recovery. In 2014, since VCB is expanding network (all 10 branches were opened and performed well at the initial step), therefore the operational expenses will increase. Besides, due to the difficulties of businesses, the implementation of Circular No.09 and toward the application of Circular No.02 and international standards in risk management, the provision expenses are expected at VND 5,000 billion, increasing VND ~1,500 billion compared with 2013.
- The important directions to implement 2014 plan are: to increase income and manage expenses effectively. For interest income: to enhance NIM management, capital utilization efficiency and control credit quality; to increase income from fees especially international settlement activities. In 2012-2013, export-import turnovers increased remarkably but mainly from FDIs sector which is mostly served by foreign banks. Therefore international settlement turnover of local commercial banks was not high. Since VCB is focusing on approach to FDI client, as well changing in transaction model for trade finance and other solutions, the market share will be improved in the near future.
- The main solutions for the 2014 plan stated in the reports as follows: to promote credit growth exceed the banking industry average; to change the structure of fund mobilization to raise the cheap fund sources; to increase capital utilization ratio; to renovate target assigned activities; to classify groups and create restructuring proposal,

development proposal of branches; to renovate staff assessment and appointment along with their performance.

- Loan outstanding to 5 priority sectors of VCB is accounted for 50% of the total loans at present. These are good sectors with low lending interest rate, leading to impact on VCB's business efficiency.
- The increase in loan outstanding to SOEs is VCB's strategy in 2013-2014 while capital utilization ratio of VCB is still low and many corporates in SOEs sector are good and effective. At present, more than 90% of SOEs at VCB are classified at A level of credit quality or higher, NPLs ratio of SOEs is not high, the provisions fund for credit losses of SOEs is not much, etc. In this difficult context of the economy, increase in loan outstanding to SOEs with advantages stated above is a proper solution. Besides, VCB is setting up targets and implementing solutions to enhance retail banking activities in general and loan outstanding to individuals in particular in order to improve CAR and operational efficiency.
- In accordance with market conditions and client base, VCB has strived to boost credit growth in 2014 up to 15% and profit is maintaining at the same amount with 2013.
- VCB has been selected by the SBV as one of the commercial banks to apply Basel II with ordinary implementation process of 3-5 years. VCB established the Implementation Committee and some projects to implement this process.
- VCB actively set up debt classification scheme in accordance with new provisions of the Law issued by the SBV, the gap between loan classification calculated under Circular No.09 and under Decision No.493 is not much different (lower than 1%). If Circular No.09 is applied, NPLs ratio is above 3% but VCB will make efforts to reduce NPLs ratio to below 3% at the end of the year.
- In term of provisions for credit losses: in comparison with other peers, it is not much. VCB has been implementing clear solutions to reduce debts of group 2, NPLs and to enhance written-off loans recovery.
- In 2014, VCB has expected to sell the bad debts to VAMC at VND 1,000 billion.
- Regarding the method of recording the bonus and welfare fund into the expenses, VCB is the State-owned bank, therefore bonus and welfare mechanism is considered and approved by the different authority agencies (the related ministries). Under the current financial system, bonus and welfare fund is allocated from profit after tax.

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) for the approval of following:

4.1 Approval of the report of BOD, EB, BOS, financial statement 2013 audited and appraised by Supervisory Board; and profits distribution for the year 2013 with the main contents as follows:

i. Consolidated business result in 2013:

✓ Total assets:	VND 468,994 billion;
✓ Loan outstanding to customers:	VND 274,314 billion;
✓ Fund mobilization from the economy:	VND 340,260 billion;
✓ Profit before tax:	VND 5,743 billion;
✓ Number of staffs:	13,864 persons;
✓ Salary expenses/ Profits before tax (excluding salary)	33.00%;
✓ New branches and transaction offices:	22;
✓ NPLs ratio:	2.73%.

ii. Profit distribution for 2013:

✓ Profit after tax in 2013:	VND 4,273,245 million;
✓ Profit adjustments according to the State Audit's reports for the year ended 31 December 2012:	VND (6,214) million;
✓ Profit after tax for distribution	VND 4,267,031 million;
✓ Allocation to additional charter capital reserve fund:	VND 213,352 million;
✓ Allocation to financial reserve fund:	VND 426,703 million;
✓ Allocation to bonus and welfare fund:	VND 685,677 million;
✓ Dividend payments (12%):	VND 2,780,901 million;
✓ Undistributed profit:	VND 160,398 million;

Number of agreed voting share is 2,208,231,289 account 100% total voting shares of the presented shareholders. No shareholder disagreed or had other comments.

4.2 Approval of directions for the year 2014:

- i.* Main directions for the year 2014 are: to keep to the approved strategy for the 2011-2020 period and the restructuring plan for 2013-2015, to promote the Bank's wholesale advantages, to develop vertically, and to focus on the quality and efficiency towards sustainable development in accordance with international standards.
- ii.* The motto is "**Renovation – Growth – Quality**"; the management aims to be "**Acute- Drastic- Connective**".
- iii.* Main targets:

Continue standardizing the organizational structure from the Head Office to the branches; make restructuring plan for subsidiaries and branches to improve their performance; promote credit growth along with credit quality control, enhance capital utilization efficiency; improve customer service efficiency; intensively maintain and boost international settlement, card services and modern banking services activities; develop network; strengthen risk management, implement the Basel II application roadmap for 2015-2018; improve investor relations activities and maintain regular information exchange with the shareholders and investors; set up and implement the human resource strategy, focus on the establishment of the competence frame along with bonus scheme; focus and strengthen planning and forecasting activities; improve the implementation of transformation projects and increase management capacity; continue to cover the unique brand-name identification system over the whole network of the Bank; intensify the cooperation with strategic partner, complete regulations; raising charter capital through utilization of share premium fund (IPO and private sales for the strategic shareholder) and of the retained earnings as well as through M&A if applicable.

iv. Main targets:

- ✓ Total assets: VND 520,583 billion, increased 11%;
- ✓ Loan outstanding to customers: VND 309,975 billion, increased 13%;
- ✓ Fund mobilization from the economy: VND 384,493 billion, increased 13%;
- ✓ Total profit before tax: VND 5,500 billion;
- ✓ Number of staffs: ≤14,834 persons, increased ≤7%;
- ✓ Salary expenses/ Profit before tax (excluding salary): 37%;
- ✓ New branches and transaction offices: 16;
- ✓ NPL ratio: below 3.00% of total loans;
- ✓ Dividends payout ratio: 10%.

Number of agreed voting share is 2,208,231,289 account 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 2014:

AGM approved the remuneration for BOD, BOS at 0.35% of the profit after tax in 2014, from the Bank's approved salary budget.

Number of "agreed" voting is 2,190,815,921 accounted for 99.21% of the total voting shares representing at the Meeting. The number of "disagreed" voting is 17,415,368 accounted for 0.79% of the total voting shares representing at the meeting. No shareholder had other opinions.

4.4 Approval of plan of Charter capital increase in 2014:

The AGM approved the plan of charter capital increase with main contents as follows:

- i.* The tentative amount expected to increase: VND 3,476,125,610,000, equal to 15% of the current charter capital; by issuing shares to increase capital stock from owners' equity (bonus shares). Charter capital after the increase is VND 26,650,296,370,000 (The actual amount to raise and the charter capital after raising could be less than this above due to odd shares handling);
- ii.* Type of shares: Common shares, par value of VND 10,000/share.
- iii.* Number of shares to increase: 347,621,561 shares (the actual amount to increase could be less than this due to odd shares handling) are bonus shares for the existing shareholders with the source of fund from the share premium and retained profit. The rate of the bonus profit is 15%;
- iv.* The objects of the offering in 2014: The existing shareholders in the shareholders' list at the date of registration shall be entitled to the bonus share in accordance with the prevailing laws and the capital raising plan approved by the AGM.
- v.* Details are stated in the attached proposals and plan of charter capital increase.
- vi.* The AGM approved the amendment of VCB's Charter at the content of Charter capital (after raising) in accordance with the approved plan and the actual issuing result;
- vii.* The AGM has authorize the BOD to: implement reports , submit procedures to the related functional agencies for approval; consider, adjust the contents in comply with the competent authorities' request and the Law. According to this:
 - ✓ Decide detailed timing of charter capital increase in accordance with approvals of the competent authorities as prescribed by law.
 - ✓ Implement necessary procedures to perform successfully share issuance, registration of charter capital (in line with the raising capital after share issuance); adjust VCB's Charter (related to charter capital); complete procedures after capital increase and list additional shares on Ho Chi Minh Stock Exchange after completing the issuance.

Number of "agreed" voting is 2,164,305,603 accounted for 98.01% of the total voting shares representing at the Meeting. The number of "disagreed" voting is 17,415,368 accounted for 0.79% of the total voting shares representing at the meeting. Total "other" vote is 26,510,318 accounted for 1.20 % of the total voting shares representing at the meeting at the time of voting.

4.5 Approval of the amendment of VCB's Charter:

The AGM approved the amendment of VCB's Charter on the main following contents:

- i. Approve the amendment on Item 3 Article 4; Item 2, Item4 Article 45; Item 2, Item 5 Article 56 of the Charter on organization and operation of VCB:
- *Article 4, Item 3:*
 - The current provision: the General Director is the legal representative of the Bank;
 - The proposed amendment: The Chairman of the Board of Directors is the legal representative of the Bank.
 - *Article 45, Content No.2:*
 - Current provision: The Chairman of the Board of Directors must be a member of the Board of Directors without holding any other position or concurrently acting as a member of the Inspection Committee of the Bank;
 - The proposed amendment: The Chairman of the Board of Directors is the legal representative of the Bank. The Chairman of the Board of Directors must be a member of the Board of Directors without holding any other position or concurrently acting as a member of the Inspection Committee of the Bank;
 - *Article 45, Content No.4 (Rights and obligations of the Chairman of the Board of Directors):*
 - Point l: to be changed to point m ;
 - Add the new point l with following content: Entering into contracts in the name of the Bank in accordance with this Charter and the internal regulations of the Bank.
 - *Article 56, Content No.2:*
 - Current provision: The General Director shall be the legal representative of the Bank, hired or appointed by the Board of Directors, be subject to the supervision of the Board of Directors and be responsible before the Board of Directors and before the Law for the implementation of his rights and duties. The General Directors shall not concurrently be the Chairman of the Board of Directors but may be a member of the Board of Directors;
 - The proposed amendment: The General Director shall be hired or appointed by the Board of Directors, be subject to the supervision of the Board of Directors and be responsible before the Board of Directors and before the Law for the implementation of his rights and duties. The General Director shall not concurrently be the Chairman of the Board of Directors but may be a member of the Board of Directors.
 - *Article 56, content No.5 (Rights and obligations of the General Director):*
 - Point n:
 - ✓ Current provision: Entering into contracts in the name of the Bank in accordance with this Charter and the internal regulations of the Bank;

- ✓ The proposed amendment: Entering into contracts in the name of the Bank in accordance with this Charter and the internal regulations of the Bank and authorization letter of the legal representative of the Bank;
- ii. Authorize the Board of Directors to: implement necessary procedures, register with stated competent agencies under the provisions of the Law and issue the amended Charter in comply with the contents stated above

Number of “agreed” voting is 2,162,518,894 accounted for 97.93% of the total voting shares representing at the Meeting. The number of “disagreed” voting is 45,712,395 accounted for 2.07% of the total voting shares representing at the meeting. No shareholder had other opinions.

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

None.

This meeting minutes was recorded at 12:00 a.m. on 23th April, 2014 after the agenda of 7th VCB Annual General Shareholders’ Meeting has been finished.

This minutes is announced in the meeting and adopted 100% of the shares with voting rights representing 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)

Nguyen Hoa Binh

Attachments:

- Minutes of examining the eligibility of shareholders;
- Regulations on organizing the AGM;
- Reports of BOD, EB, BOS;
- Proposal: on distributing profits for the year 2013; on the 2014 remuneration plan for the BOD and the BOS; on plan of charter capital increase; on Amendment of Charter
- Minutes of counting voting cards.