

**JSC BANK FOR FOREIGN TRADE OF
VIETNAM**

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Address: 198 Tran Quang Khai, Hoan Kiem, Hanoi

Business registration number: 0100112437

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Hanoi, April 24, 2015

MINUTES

8TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

At 08:30 am on April 24, 2015, 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 the Bank) held the 8th Annual General Meeting of Shareholders⁽¹⁾ (hereinafter referred to as the Meeting or AGM).

A. PARTICIPANTS AND THE MEETING'S LEGALITY, VALIDITY:

I. Participants:

- There were 330 shareholders participated in Meeting and represented for 2,554,433,321 shares, accounting for 95,850% of the Bank's voting shares.
- The Meeting was honored by the presence of:
 - Mr. Doan Thai Son, Head of Legal Department - State Bank of Vietnam (BOSV)
 - Ms. Do Thi Nhan, Head of Domestic Financial Institutions Inspection Department - Financial Supervision Agency - BOSV
 - Major general Nguyen Hung Linh, Head of Security of Finance, Money and Investing Department - Ministry of Public Security;
 - Mr. Trinh Ngoc Duc, Deputy Director of Organization Department, Party of Central Stated-Owned Enterprises Sector;
 - Ms. Nguyen Thuy Duong, Deputy Director, Partner of Ernst & Young Vietnam;
 - Representatives from Departments/Agencies of BOSV, Party of Central Stated-Owned Enterprises Sector, Security of Finance, Money and Investing Department, other State authorities, the Bank's Partners, media agencies;

¹ 2015 Annual General Meeting of Shareholders

- 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: 21.070 shareholders, representing 2.665.020.334 voting shares of the Bank
- The number of participants who are shareholders or authorized to attend the Meeting: 330 shareholders, representing 2.554.433.321 shares and accounting for 95,850 % of the Bank's voting shares.
- Pursuant to the 2005 Enterprises Law and the Bank's organizational and operational charter, the 8th Annual General Meeting of shareholders of VCB is legal, valid and eligible to proceed.

B. THE MEETING'S CONTENT:

I. Election of Chair Committee:

To run the Meeting, a Chair Committee has been elected. Upon the list of nominees, 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;
- Mr. *Doan Thai Son* - Member²;
- 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 Head of Legal Department – SBV, representing 30% of voting shares which owns by SBV

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 meeting has approved the Vote Counting Committee, including the following persons
 - Mr. *Dao Minh Tuan* - Head of Vote Counting Committee;
 - Mr. *Hong Quang* - Member;
 - Mr. *Lai Huu Phuoc* - Member.
3. After the voting method was explained by the Vote Counting Committee, it was approved by the Meeting.
4. After the Meeting's opening, Mr. Nghiem Xuan Thanh on behalf of Chair Committee announced the Meeting's agenda; Ms. Le Thi Hoa announced the draft of the Meeting's organization regulations. The agenda and regulations were approved by 100% of the presented shareholders.

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 reports of the Board of Directors and Board of Management on the Bank's activities in 2014 and directions for 2015 as well as the key business targets for 2015 submitted to the shareholders for approval.
- 1.2. Ms. Truong Le Hien - Head of Supervisory Board, on behalf of Supervisory Board, presented the report of Supervisory Board on the Supervisory Board's activities in 2014 and directions for 2015.

*2014 went by with many changes in the regional and global economy and politics, challenging Vietnam's economy in general and Vietnam's banking sector in particular. However, the Bank has been **Agile** to seize the opportunity, **Determined** to promote all activities and tight **Collaborative** in management and administration in accordance with the views of the BOD and Board of Management. Besides fulfilling the motto set for 2014 (Innovation - Growth - Quality), the Bank has performed well its role as a leading bank in the banking system, contributing to stabilize the macroeconomic and to perform the industry's key tasks.*

In 2014, the Bank innovated its business and governance, especially its customer relationship and the preparation, cascading and implementation of the Bank's plans, etc. The Bank met and exceeded its key business targets. Many major activities clearly improved with outstanding results, such as bad debt recovery, network development, etc.

For 2015, VCB set its motto as "Speed up - Efficiency - Sustainability", while its direction view is set as "Determined - Collaborative - Responsibility" with the following targets: 11,50% growth in total assets, 13% growth in loans, and 12% growth in deposit, profit before tax of VND 5.900 billion, dividend payout ratio of 10%, etc.

2. Proposals to AGM:

Ms. Le Thi Hoa presented the proposals on the 2014 profit distribution plan, and on the 2015 remuneration plan for BOD and BOS.

3. Discussion on Reports and Proposals submitted to AGM:

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

Some shareholders submitted their inquiries to the Bank (i) explain the Bank's rationale behind its plan of setting a low 2015 profit before tax target with a relatively high revenue; (ii) provide more information on its initial plan of M&A approved at the Extraordinary general meeting of shareholders in 2014; (iii) explain its rationale behind selling its Vinalines debts in 2014 while the firm has shown positive signs which could convert the debts into equity; (iv) the forecasted 2015 provision of VND 5.500 billion is relatively high compared with other banks, showing the Bank's conservative viewpoint, so what is the Bank's provision when the economy is recovered?; (v) does the Bank intend to merge with the financial institutions in which the Bank has invested?

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

- Regarding the 2015 business plan: revenue and expense margin before provision is expected to increase 10% while profit before tax increase 0,4%. These targets were set given the expected provision of VND 5.500 billion which is up 20% compared with 2014. The reason is that the Bank will fully comply with regulations on loan classification and provision in 2015 in accordance with Circular 02/2014/TT-NHNN, causing bad debts to increase. The expected provision is quite conservative but in compliance with SBV's regulations, showing the Bank's viewpoint of sustainable development. When the economy improves, bad debts will decrease and provisions will be adjusted accordingly.
- Regarding M&A: at the 2014 Extraordinary General Meeting of shareholders, the initial plan of merging with a bank was approved, in which the Bank Management would have to find and select a suitable partner. VCB is in the process of finding and reviewing a partner to ensure that the selected one will be suitable with the Bank's strategy. Once the plan is finalized, the BOM will report and submit it to AGM for approval.

- To comply with Circular 36/2014/TT-NHNN, VCB has prepared a roadmap to reduce its shares in other financial institutions, which was reported to SBV. VCB currently does not plan to merge with those financial institutions.
- Regarding selling debts to Vinalines: when handling bad debts, VCB always try to find a best solution. In case of Vinalines, the selected solution of selling the debt to DATC is the best one.

A shareholder made an inquiry about the Bank's timeline to reduce BOSV's shares; and Mizuho's plan to increase its shares to 20% (the maximum level by law)

- The Chair committee's response: with the target of becoming the top bank in Vietnam, VCB will have to have a relatively high growth rate in the following years. VCB will need a raising-capital, which is able to ensure the Bank's capital adequacy ratios met international practice and is in accordance with restructure plan approved by SBV. VCB has a timeline to reduce SBV's shares to 65%, which will be submitted to AGM once it is finalized. Regarding Mizuho's plan, suggest the shareholder to directly contact Mizuho's representatives for more information.

A shareholder made an inquiry about the Bank's view on recent trading government bond, expected debt sale to VAMC in 2015; provide information on the Bank's recent treasury activities; share information on criteria to select a bank to merge.

On behalf of the Chair's committee, Mr. Nghiem Xuan Thanh and Mr. Pham Quang Dzung had the following responses

- In 2014 and first few months of 2015, VCB has been always spearheaded in lowering interest rates, paving the way to reduce lending rates. However, the Bank's deposit growth has been high due to its good reputation, resulting in a low loan-to-deposit ratio. Therefore, the Bank has capital to invest in government bond, bringing substantial income to the Bank.
- Regarding the debt sale to VAMC: VCB has registered with SBV to be VND 1.000 billion. The real number at the end of this year may increase depending on the market. VCB will carefully consider the sale to ensure the efficiency and compliance with the law.
- Regarding the treasury activities that VCB has engaged: this is a new investment channel, which ensures safety and efficiency.
- Regarding the criteria to select an M&A bank: VCB aims to become the number one bank thus needs to grow in size and quality. Besides implementing enhance-management-capabilities projects and self-grow in size, it is necessary to merge with another financial institution. The selected bank needs to have healthy financial status

and good network, especially in areas which VCB is not competitive. With criteria mentioned above, the selection needs to take time and to be calm, cautious and mature.

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; 2014 financial statement audited and assessed by Supervisory Board; and 2014 profit distribution plan. Main contents as below

i. 2014 Consolidated business results:

✓	Total assets:	VND 576,989 billion;
✓	Loans:	VND 323,332 billion;
✓	Deposits & financial instruments issuance:	VND 424,412 billion;
✓	Profit before tax:	VND 5,876 billion;
✓	The number of employees:	14,099 persons;
✓	Salary expenses/ Profits before tax (excluding salary):	35%;
✓	New branches:	10;
✓	NPL ratio:	2.31%.

ii. Profit distribution plan for 2014:

✓	Profit after tax 2014:	VND 4,475,903 million;
✓	Profit adjustments according to the State Audit's 2012 audit reports	VND (72) million;
✓	Profit after tax for distribution	VND 4,475,831 million;
✓	Remuneration for independent member of BOD	VND 266 million;
✓	Allocation to additional charter capital reserve fund:	VND 223,791 million;
✓	Allocation to financial reserve fund:	VND 447,584 million;
✓	Allocation for bonus and welfare fund:	VND 765,116 million;
✓	2014 Dividends payment (10%):	VND 2,665,020 million;
✓	Undistributed profit:	VND 374,054 million;

The number of agreed voting shares is 2,554,433,321, accounting for 100% total voting shares of the presented shareholders. No shareholder disagreed or had other comments.

4.2 Approval of 2015 directions:

- i.* Main 2015 directions: to stick to 2011- 2020 strategy and the restructuring plan for 2013-2015; to promote the Bank’s advantages, to develop vertically, and to focus on the quality and efficiency towards sustainable development in accordance with international standards
- ii.* The motto is “**Speed-up - Efficiency - Sustainability**”; the management aims to be “**Determined - Connective - Responsible**”
- iii.* Key targets:
- 2015 key targets: (i) Continue to strengthen and develop customers, increase market share; (ii) Control assets’ quality; (iii) Ensure operational safety, maintain operational growth to be higher than 2014; (iv) Continue to implement enhance-management-capability projects, paving the way for a new development phase.
- Regarding business activities: continue to focus on customer relations, couple loan growth with controlling loans’ quality; continue to restructure deposit; promote treasury management; change retail sale structure of and diversify retail products; maintain and gradually increase market share of card and payment; continue the directions of increasing the weight of service fees.
- Regarding other activities and management: develop network as planned; continue to improve organizational structure and function of departments of Headquarter and branches; strengthen staff rotation, planning and training; link staff assessment and remuneration to their work’s productivity and quality; implement projects to gradually manage risk in accordance with Basel II; strengthen media and investor relation; actively, timely and effectively implement enhance-management-capability projects.
- iv.* Key targets:
- | | | |
|---|--|---------------------------------|
| ✓ | Total assets: | VND 643,343 billion, up 11.50%; |
| ✓ | Loans: | VND 365,365 billion, up 13%; |
| ✓ | Deposits & financial instrument issuance: | VND 475,342 billion, up 12%; |
| ✓ | Profit before tax: | VND 5,900 billion, up 0.40%; |
| ✓ | The number of employees: the growth to be less than 5% compared with 2014; | |
| ✓ | Salary expenses/ Profits before tax (excluding salary): | 37%; |
| ✓ | New branches: | 6; |
| ✓ | NPL ratio: | less than 2.5%; |

✓ Dividend payout ratio: 10%.

The number of agreed voting share is 2,554,433,321, 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 2015:

AGM approved the remuneration for BOD, BOS to be 0.35% of the Bank's profit after tax in 2015, from the Bank's approved salary budget.

The number of agreed voting is 2,531,061,973, accounting for 99.09% of the total voting shares represented at the Meeting. The number of "disagreed" voting is 23,371,348, accounting for 0.91% of the total voting shares represented 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 prepared at 10:45 a.m. on April 24th, 2015 after the 8th 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 2015 remuneration for BOD, BOS;
- Counting votes card Minutes.