

JSC BANK FOR FOREIGN TRADE OF VIET NAM

Address: 198 Tran Quang Khai street, Ha Noi
Business Registration No. 0100112437
(11th revision dated 07th Novemer,2014)

SOCIALIST REPUBLIC OF VIETNAM**Independence - Freedom – Happiness**

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*Hanoi, December 11 , 2014***PROPOSAL****ON THE MERGER OF ONE CREDIT INSTITUTION INTO THE JSC BANK FOR
FOREIGN TRADE OF VIETNAM*****To: General Shareholders Meeting - JSC Bank for Foreign Trade of Vietnam****Pursuant to:*

- *The Law on Enterprises No. 60/2005/QH11 promulgated by the National Assembly of the SRV dated November 29, 2005;*
- *The Law on Credit Institutions No.47/2010/QH12 promulgated by the National Assembly of the SRV dated June 16, 2010;*
- *The Law on Securities No. 70/2006/QH11 promulgated by the National Assembly of the SRV dated June 29, 2006 and No. 62/2010/QH12 on amendment, supplement of some articles in Law on Securities promulgated by the National Assembly of the SRV dated November 24, 2010;*
- *Circular No.121/2012/TT-BTC dated July 26, 2012 of the Ministry of Finance on corporate governance applicable for public companies;*
- *Circular No.04/2010/TT_NHNN dated February 11, 2010 of the State Bank of Vietnam on the regulation of mergers, consolidations and acquisitions of credit institutions;*
- *The project on “Restructuring the system of credit institutions during the period of 2011-2015” issued with Decision No.254/QĐ-TTg dated March 01,2012 of the Prime Minister;*
- *The Charter on the organisation and operation of the JSC Bank for Foreign Trade of Vietnam as approved by the 7th Annual General Shareholders Meeting in Resolution No. 07/TN2014/NQ-ĐHĐCĐ dated 23th April 2014, amended by the Board of Directors at Resolution No. 183/NQ-HĐQT.TKHĐQT dated 9th July 2014 and registered at the State Bank of Vietnam by the registration confirmation No. 5986/NHNN-TTGSNH dated 18th August 2014;*
- *Business practices and prospectus of the JSC Bank for Foreign Trade of Vietnam,*

The Board of Directors of the Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB) hereby reports to and proposes that General Shareholders Meeting consider approving the principles for the merger of one commercial bank with VCB as detailed below:

As one of the leading banks in Vietnam, VCB has set the strategic target to become the number one bank in the domestic market in terms of scale of operation and quality of

services, as well as to further promote the image, position and the competitiveness of Vietnamese banks in the region.

In accordance with the restructuring project of the banking system taking place until 2017, the State Bank of Vietnam intends to reduce the number of banks to ~20, as well as to create several larger and more competitive commercial banks. The merger project focuses on extending the scale of banks and especially enhancing the leading positions of State-owned banks.

For the above reasons, merger of another bank into VCB would be a good opportunity for VCB to increase capital, while still following the restructuring plan as set out by the State Bank of Vietnam.

Basing on recent researchs, the Board of Directors of VCB is convinced that it is now the right moment to consider a merger of one joint stock commercial bank into VCB to achieve the strategic targets mentioned above. The Board of Directors would like to propose that the General Shareholders Meeting:

1. Agrees in principle of the merger of one joint stock commercial bank into the Joint Stock Commercial Bank for Foreign Trade of Vietnam (VCB);
2. Assigns the Board of Directors of VCB to seek for the adequate partner, to accomplish the feasibility study and plan of the merger and to submit to the General Shareholders' Meeting, the State Bank of Vietnam and the other State authorized agencies accordingly for the approval in accordance with law.

The Board of Directors would like to request that the General Shareholders' Meeting consider and approve of the aforementioned proposals.

Respectfully submitted,

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

Nghiem Xuan Thanh