

**VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE**

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

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Business Reg. Certificate No. 0100111948 dated
29/04/2014

Hanoi, 26 April, 2016

PROPOSAL TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN 2016

On approval of the documents related to the merger of PG Bank into VietinBank

On 14 April 2015, the 2015 General Meeting of Shareholders of VietinBank approved the merger of PG Bank into VietinBank and the documents of the merger dossier including: the Merger Scheme, Merger Contract, the Charter of the post-merger bank and the plan to issue shares for the share swap. In addition, the General Meeting of Shareholders also authorized the Board of Directors to take initiatives in making amendments to the merger documents and deploying necessary work to carry out the merger transaction.

Based on the approval of the General Meeting of Shareholders, VietinBank and PG Bank have signed merger documents as well as finalized the relevant documents for obtaining approval of the merger from the Government and the State Bank of Vietnam (SBV). Shortly after the State agencies issued documents approving the merger in principle, the BOD of VietinBank had collaborated with PG Bank to finalize and submit the dossier to the SBV for approval. However, due to legislation change in the field of bank mergers (Circular No. 04/2010/TT-NHNN of the SBV dated 11/02/2010 providing for the merger, consolidation, acquisition of credit institutions was replaced by Circular No. 36/2015/TT-NHNN dated 31/12/2015 of the SBV providing for the reorganization of credit institutions), the merger scheme must be updated and amended to align with the regulations. Accordingly, the major amendments of the merger scheme are: updating financial position and the operation results of VietinBank and PG Bank as to 31 December 2015; the projected business plan in 3 years after the merger of VietinBank; assessment of the impact and treatment plan of the merger; compliance with provisions of the law on the prudent limits and ratios of VietinBank after the merger, etc. and other contents in accordance with current regulations in Circular 36 and the request of state agencies.

Along with the Merger scheme, contents of the Merger contract should also be amended. Specifically, regarding the provision on prohibited conduct of the parties to the merger, there was a stipulation that the two parties shall not pay dividend before the

merger to ensure that the book value per share of the parties will not shrink. However, due to prolonged merger transaction, having been approved by 2015 General Meeting of Shareholders, VietinBank had paid dividend of 2014 pursuant to Resolution No. 57/2013/QH13. Therefore, to ensure conformity with the actual situation, the Board of Directors of VietinBank has negotiated with PG Bank and hereby submit to the General Meeting of Shareholders to amend the Merger contract in the following directions:

- For VietinBank: VietinBank refrains from making dividend payment before the merger (*except otherwise at the request of the competent State agencies in conformity with the provisions of the law or the State policies*).

- Based on the principle of equality, the foregoing content is also prescribed for PG Bank. Specifically, PG Bank refrains from making dividend payment before the merger (*except otherwise at the request of the competent State agencies in conformity with the provisions of the law or the State policies*).

- At the same time, the legal basis mentioned in the Merger contract should also be updated to align with the current regulations.

- Other contents of Merger contract stay unchanged.

Besides, due to fact that so far, the merger transaction has not been completed, the CTG share issuance for the swap has been unrealized. Therefore, the contents related to the plan to issue shares for the swap, the depository, listing of additional share issued and the amendments to the Charter, the Business License, Business Registration Certificate of VietinBank after the merger to reflect the new charter capital, etc. which had been approved by the 2015 General Meeting of Shareholders must be approved again by the 2016 General Meeting of Shareholders for implementation in the coming time.

For the above reasons, the Board of Directors hereby submit to the General Meeting of Shareholders for consideration and approval of

1. the Merger Scheme of PG Bank into VietinBank, the Merger Contract (as revised and supplemented in accordance with the provisions of law, the actual situation and at the request of the State agencies).
2. the plan on CTG share issuance to swap for PG Bank's shares (as per the attached plan)
3. the custody and listing of newly issued shares;
4. the amendments to the Charter, Business license, Business registration certificate of VietinBank after the merger to be in line with the chartered capital post-merger;
5. the assignment to the Board of Directors of VietinBank to:
 - 5.1. take initiatives in making adjustments, supplements and finalize the detailed contents of the Merger Scheme, Merger Contract, plan to issue shares and other documents in accordance with the provisions

- of the law, the actual situation and at the request of the competent State agencies;
- 5.2. deploy related work and procedures; sign the related documents and materials; handle all issues arising in order to conduct the transaction successfully on the basis of compliance with the current provisions of existing laws, the actual situation and guidelines of the competent State regulatory agencies.

We look forward to the kind consideration and approval of the General Meeting of Shareholders./.

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

(Signed and sealed)

Nguyen Van Thang

APPENDIX

PLAN ON CTG SHARE ISSUANCE TO CARRY OUT THE MERGER TRANSACTION, CUSTODY AND LISTING OF NEWLY ISSUED SHARES

(An attachment to the Proposal of the Board of Directors to the 2016 Annual General Meeting of Shareholders)

Pursuant to:

- The Law on Enterprises No. 68/2014/QH13 passed by the National Assembly of the Socialist Republic of Vietnam on 26 November 2014.
- The Law on Securities No. 70/2006/QH11 passed by the National Assembly of the Socialist Republic of Vietnam on 29 June 2006 and the Law No. 62/2010/QH12 on modification and supplementation to some articles of the Law on Securities.
- The Decree No. 58/2012/ND-CP dated 20/07/2012 of the Government on specifically regulating and guiding the implementation of some articles of the Law on Securities and the Law on modification and supplementation to some articles of the Law on Securities.
- Decree No. 60/2015 /ND-CP of the Government dated 26/06/2015 amending and supplementing some articles of Decree No. 58/2012 / ND-CP dated 20/7/2012 of the Government regulating and guiding the implementation of some articles of the Law on Securities and the Law on modification and supplementation to some articles of the Law on Securities;
- Circular No. 162/2015/TT-BTC dated 26/10/2015 of the Ministry of Finance guiding the offering of securities to the public, offering shares for swapping purpose, issuance of new shares, repurchase of shares and sale of treasury shares and public bid for shares;
- Other related legal documents.

Pursuant to the merger plan of Petrolimex Commercial Joint Stock Bank (PG Bank) and Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), VietinBank's Board of Directors would like to submit to the General Meeting of Shareholders for approval of the plan on shares issuance to carry out the merger transaction under the Merger Contract between VietinBank and PG Bank, detailed as follows:

1. *Approving the registration for additional shares issuance to conduct the merger transaction under the Merger Contract:*

- Type of shares: Common shares
- Par value of shares: VND 10,000/ share
- Stock Code: CTG
- Number of shares to be issued: 300,000,000 shares
- Total value of shares to be issued: VND 3,000,000,000,000
- VietinBank's pre-merger chartered capital: VND 37,234,045,560,000
- VietinBank's post-merger chartered capital (projected): VND 40,234,045,560,000
- Shares to be issued for:
 - + Shareholders of PG Bank named in the list of PG Bank's shareholders having the right to receive new CTG shares issued for the merger transaction.
 - + VietinBank's existing shareholders named in the list of VietinBank's shareholders having the right to receive new CTG shares issued for the merger transaction.
- Issuance method:

All newly VietinBank's issued shares (300,000,000 shares) shall be allocated to the shareholders of each Party as follows:

- + 01 PG Bank's share will be swapped for 0.9 CTG share (with the par value of VND 10,000/share) at the time of CTG share issuance for implementation of the merger transaction. Therefore, 270,000,000 CTG shares will be allocated to PGBank's shareholders.
 - + 01 CTG share is estimated to receive an additional of 0.0080571 CTG share (with the par value of VND 10,000/share) in accordance with the list of VietinBank's shareholders at record date. Therefore, 30,000,000 CTG shares will be allocated to VietinBank's existing shareholders.
 - + The number of shares allocated to the shareholders of PG Bank and VietinBank will be round down to the nearest integer.
 - + The solutions for dealing with the amount of arising odd lot shares will be determined by VietinBank's Board of Directors.
- Expected time for issuance: in 2016

The concrete time for issuance will be decided by the Board of Directors and will be informed to shareholders.

2. *Approving the custody and listing of additionally issued shares to carry out the merger transaction of PG Bank into VietinBank.*

3. *Assigning the Board of Directors to:*

- (i) determine the appropriate time to issue CTG shares to conduct the merger transaction.
- (ii) actively make amendments and supplements to finalize the issuance plan and implement necessary work to complete the share issuance in compliance with the current laws and the requirements of the competent state authorities.
- (iii) carry out necessary works to complete the post-issuance procedures such as changing the Business Registration Certificate, making adjustments to the Charter to reflect the new chartered capital... and other related work.
- (iv) conduct the registration for securities depository at and list all additional issued shares onto the Vietnam Securities Depository Center and the Ho Chi Minh Stock Exchange respectively in compliance with current laws.