

**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
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PROPOSAL TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN 2015

On approval of the merger of PG Bank into VietinBank

Under the orientation of shaping VietinBank a modern finance and banking group, reinforcing its key role in the banking and finance sector of Vietnam, improving its size and capability to a level equivalent to the level of the region, gradually conquering the overseas markets and bringing long-term benefits to shareholders, over the recent time, VietinBank has actively sought for and selected credit institutions which meet the Bank's development strategy. After a period of study, VietinBank found Petrolimex Group Commercial Joint Stock Bank (PG Bank) a potential bank to be merged into VietinBank.

PG Bank, formerly known as Dong Thap Muoi Rural Joint Stock Bank, was established on November 13, 1993. As at December 31, 2014, PG Bank's chartered capital was VND 3,000 billion, total assets were about VND 25,799 billion, credit exposure reached VND 14,507 billion and a pretax profit was VND 168 billion. The Bank's network comprises of 16 branches, 63 transaction offices and savings offices. Given the fact that PG Bank's strategic shareholder is the Vietnam National Petroleum Group (Petrolimex) who holds 40% of the Bank's chartered capital, PG Bank has significant competitive advantages deriving from: (i) sustainable customer base of Petrolimex and its member units and partners; (ii) financial services provided at Petrolimex's gas stations and agents which spread across the country, covering even villages and communes; (iii) the strength in terms of foreign exchange services and derivatives due to the strong demand from Petrolimex and its member units and partners.

The merger would unlock new development opportunities for VietinBank, with the strategic, organic and long-lasting relationship with Petrolimex and thereby the overall benefits shall be brought to shareholders, customers and the State, specifically:

- (i) Expanding capital base and enhancing financial strength of VietinBank in terms of assets, owners' equity, approaching closer to the objective of becoming a commercial bank of equivalent size and competitiveness to other banks in the region.

- (ii) Expanding the branch network of VietinBank in order to further dominate the domestic market, expanding its reach to communes and villages by provisioning banking services and implementing cross-selling activities at gasoline stations owned by Petrolimex and Petrolimex's agents.
- (iii) Expanding customer base to promote services offering and create momentum for the development of retail banking activities of VietinBank through the provision to and development of financial services for the customer groups who are Petrolimex's employees, partners and gasoline purchasers.
- (iv) Enhancing the long-lasting strategic relationships with large corporations and groups operating in the energy sector, increasing credit exposure and investment, deposit amount and deposit balance, generating stable and long-term source of income for VietinBank.
- (v) Further to the economic benefits that VietinBank shall be able to enjoy, the merger transaction and the restructuring of PG Bank show the strong determination of VietinBank in implementing major policies of the Government, the SBV on restructuring the banking sector, affirming the leading and pioneer position of VietinBank in the implementation of sound policies of the Government for economic stability and development.

Stemming from the above reasons, in order not to miss the opportunity of a strategic growth and bringing maximum and long-term benefits to shareholders, the Board of Directors of VietinBank has discussed and negotiated with the Board of Directors of PG Bank to prepare the premises for the merger transaction. At the same time, in order to ensure the interests of shareholders, the Board of Directors of VietinBank has worked with and independent financial advisor - Deloitte and a legal advisor - Mayer Brown JSM to draft the Merger Scheme and Merger Contract. The Merger Scheme was built on a voluntary basis between VietinBank and PG Bank, based on the principles of objectivity, transparency and consistency with market practices and compliance with the law

The Board of Directors hereby submit to the GMS for consideration and approval of

1. the merger transaction of PG Bank into VietinBank and the related documents and contents as below:
 - 1.1. The Scheme on the merger of PG Bank into VietinBank
 - 1.2. The Merger Contract of PG Bank into VietinBank;
 - 1.3. The scheme to issue additional CTG shares to swap for PG Bank's shares in accordance with the Merger Scheme;
 - 1.4. The custody and listing of newly issued shares;
 - 1.5. The amendments to the Charter, Business license, Business registration certificate of VietinBank after the merger to be in line with the new chartered capital;

The above mentioned contents shall only be implemented after getting approval of the Prime Minister.

2. the assignment to the Board of Directors of VietinBank to:

2.1. actively make adjustments, supplements and complete the detailed contents of the Merger Scheme, Merger Contract, scheme to issue shares and other documents at the request of the competent State agencies;

2.2. deploy related works 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 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**

Nguyen Van Thang

APPENDIX

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

(An attachment to the Proposal of the Board of Directors to the 2015 Annual General Meeting of Shareholders for the approval of the merger of PG Bank into VietinBank)

Pursuant to:

- The Law on Enterprises No. 60/2005/QH11 passed by the National Assembly of the Socialist Republic of Vietnam on 29 November 2005.
- 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.
- The Circular No.204/2012/TT-BTC dated 19/11/2012 of the Ministry of Finance on guiding the dossier preparation and the procedures for public offering of securities.

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 |
| - Who will receive the new shares: | |

- + 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 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 2015
- 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 under the Merger Contract between VietinBank and PG Bank*

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 works to complete the share issuance in compliance with the current laws.
- (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 works.

- (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.