



**JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM
VIETCOMBANK**

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Business Registration No. 0100112437, 7th revision dated 10th January, 2012

**PROPOSAL ON
ESTABLISHMENT OF ASSETS MANAGEMENT COMPANY, REMITTANCE COMPANY AND
CONSUMER FINANCE COMPANY**

Dear Shareholders,

On behalf of the Board of Directors and all Vietcombank employees, I would like to express our high appreciation and gratefulness for your cooperation and support over recent years. I wish you good health and success!

In order to achieve the long-term objective of developing Vietcombank into a universal banking and financial group one of the top 2 leading banks in Vietnam having significant influence in the region, the Board of Directors would like to submit to the General Assembly of Shareholder for approval on the establishment of new subsidiaries operating in areas of (i) assets management; (ii) remittance, and (iii) consumer finance as follows:

I. Assets Management Company (AMC)

1. Need for Establishment

- Banking activities always generate a certain portion of bad debts, which requires the management of forceclosed assets and collaterals.
- AMC will be a professional company in managing and exploiting collaterals and forceclosed assets as well as handling and collecting bad debts
- AMC will assist Vietcombank to generate profit from exploiting and handling collaterals.
- AMC exploits and leases Vietcombank's vacant offices.
- AMC will perform other activities authorized by Vietcombank in compliance with the prevailing laws and regulations.
- In addition to supporting the parent bank, AMC operates independently with great potential for development as credit capacity of commercial banks is growing. Furthermore, AMC has many opportunities to expand businesses with other financial institutions, real estate companies, and provides advisory and financial services.

2. Core Activities.

- Acquiring and managing outstanding debts and its collaterals for the fast return on capital.
- Selling security assets owned by the bank at market prices.
- Restructuring outstanding debts using measures such as: rescheduling, remission or reduction of interest rates, investment increase, conversion of debts into capital.
- Handling collaterals using measures such as: renovation, repairment and upgrade of assets for sales, leasing, commercial exploitation, contribution of equity and establishment of joint ventures using assets for debts collection, assets pricing.
- Pricing collaterals.
- Purchasing and Selling outstanding debts of other credit institutions and commercial banks' AMC companies.

- Exploiting and leasing VCB 's vacant offices.
- Perform other activities authorized by Vietcombank in compliance with the prevailing Laws and regulations.

II. Remittance Company

1. Need for Establishment

- Vietnam has a large number of overseas citizens (over 4 million) and exported labor in many countries. The amount of inward remittances to Vietnam is relatively large and tends to increase steadily every year. In 2011, Inward remittances to Vietnam amounted at about \$ 9 billion increased by 12.5% compared to 2010.
- Remittance service has great potential for development in Vietnam. Currently, domestic commercial banks, foreign banks and their branches are permitted and currently providing remittance services. Besides, private remittance companies and global money transfer companies such as Western Union, Money Gram have involved in providing such services.
- Vietcombank, originally established as the main bank for foreign affair of Vietnam, has focused on improving banking services including remittance activities. Vietcombank has successfully built up a network of more than 1.500 correspondent banks all over the world, and co-operated with leading companies in money transfer service industry such as Money Gram or Uniteller.
- The establishment of a remittance company will be a step towards developing more professional remittance services; enabling the utilization of Vietcombank's facilities, network, customers, capital, technology and human resources; improving service quality, increasing competitiveness and market share, expanding distribution channels; and enhancing Vietcombank's reputation.
- The success of Vietcombank in money transfer service is proven by its dominant market share in Vietnam banking industry. In 2011, Vietcombank's revenue from remittance services amounted at 1.4 billion USD, accounted for 16% market share.

2. Core activities

- Providing remittance services between Vietnam and other countries and within countries; foreign exchange services; and other activities as permitted by Law.

III. Consumer Finance Company

1. Need for Establishment

- Viet Nam has young population with increasing living standard and consumption demand. Consumer loans market in Viet Nam is considered to be attractive to not only domestic Finance Companies, Commercial Banks but also foreign financial institutions.
- Vietcombank has paid special attention to and considered retail banking as a strategic task for development. Vietcombank has issued and implemented many product policies to better serve regular and potential customers throughout Vietcombank's network. .
- With the vision of becoming one of the leading retail banks of Vietnam, the establishment of a specialized consumer finance company is essential. This is considered as Vietcombank's strategy to strengthen retail banking, professionalize consumer loan business and as a result enhance the effectiveness of retail banking programs implemented at branches.
- Furthermore, this is an opportunity for Vietcombank to diversify business activities, increase income and disperse risk, and increase market share in retail banking . In conclusion, the establishment of a consumer finance company is essential and feasible.

2. Core activities

- Providing loans directly to individual customers such as: Personal Loan, Consumption Finance, Mortgage Loan, Credit Card and other consumer finance services in compliance with the prevailing laws and regulations.

IV. Proposal

For the implementation of paperworks and legal procedures for the establishments, we would like to submit to the General Assembly of Shareholders for approval on the followings:

- (i) Resolution on the establishment of Asset Management Company, Money Remittance Company and Consumer Finance Company.
- (ii) Authorizing the Board of Directors of to perform necessary documentation works and legal procedures for the establishment of the three above mentioned Companies in compliance with the prevailing laws and regulations at the most suitable time.

Best Regards,

**On behalf of the BOARD OF THE DIRECTORS OF VIETCOMBANK
CHAIRMAN
NGUYEN HOA BINH**