

# Contents

## **56 Message from the Chairman**

## **58 Results of business activities in 2009**

- 58 Consolidated financial highlights
- 60 Events since the end of 2009 financial year
- 62 Principal business activities in 2009
- 64 Saigonbank card center towards the future

## **65 Future developments for 2010**

## **67 Personel and organization structure**

- 67 Board of Directors
- 68 Board of Comptrollers
- 69 Board of Management
- 70 Saigonbank organization chart

## **72 Independent auditor's report**

- 73 Consolidated balance sheet
- 76 Consolidated income statement
- 78 Consolidated statement of cash flows
- 81 Notes to the consolidated financial statements
- 105 List of correspondent banks
- 110 Saigonbank's branch network

« ...Saigonbank's operations stable and safe. »



Nguyen Phuoc Minh  
Chairman of Saigonbank

## Message from the Chairman

Ladies and Gentlemen,

The year 2009 had been experiencing a great ebb and flow situation as well as the complicated fluctuations due the global economic recession. Right from the beginning of the year, to fight against the economic recession, the government had implemented a series of economic policies to stimulate the economic growth, such as loan interest rate incentive program, export promotion, investment and consumption stimulation and tax exemption or tax payment extension, etc...

In the mid of 2009, while the economy had sign of recovery, the price index was about to increase. Especially within the last months of 2009, the unexpected increase in the price of gold and USD had adversely impacted the consumer's minds and the banks mobilization of capital was negatively affected. Saigonbank wasn't an exception. In this context, the year 2009 was a really challenging period for banking activities for the banks had to deal with both economic recession at the beginning of the year and the inflation risk in the year-end with the abnormal fluctuations of the interest rate and exchange rate.

In this situation, under the Board of Directors and the Board of Management directions, together with the monitoring of the Board of Comptrollers, Saigonbank was able to keep its operations stable and safe and even to grow, compared to previous year:

- . Profit before tax exceeded the target set by the Annual General Shareholders Meeting.
- . Operational network expanded, increasing the total number of transaction locations from 62 to 77 countrywide.
- . Staff training was focused.

And the most substantial achievement is that Saigonbank had succeeded in restructuring its operational capital towards the sustainable growth and development.

Our country's economy is forecasted to face a lot of difficulties and challenges in 2010, in which the key priority is to curb inflation as well as to ensure the economic growth... These are really difficult task due to the world economy hasn't shown any positive sight while the domestic markets such as real estate and securities are still "frozen", due to lack of economic leverages as well as market-supporting policies. In this context, the solidarity, the aggressive, creative as well as the striving spirit of the whole Board of Directors, the Board of Comptrollers and the staff are needed to fulfill the target of chartered capital increase to VND3.000 billion.

We all believe that the support of all customers will bring us the strength to strive for the targeted tasks in 2010, to promote Saigonbank brand to the new level in the process of building and developing the country.

Your sincerely,



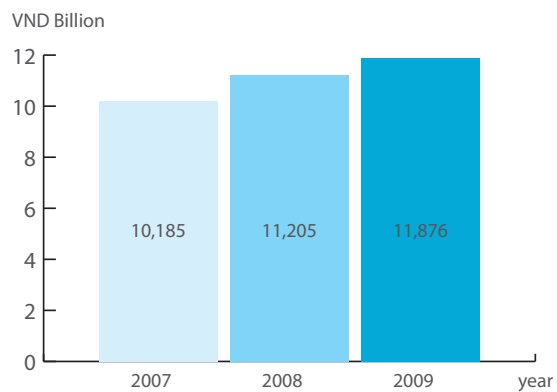
Nguyen Phuoc Minh  
Chairman of Saigonbank

## Consolidated financial highlights (as of 31 Dec 2009)

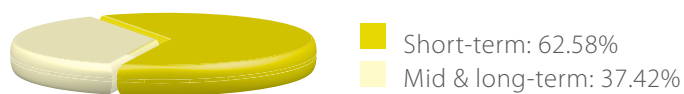
« Our most substantial achievement in 2009 is the successful restructure of our operational capital towards the sustainable growth and development. »

No.	Consolidated financial highlights	Saigonbank	SBV & Int'l Standard
1	Capital Adequacy Ratio (CAR) (VND1,718.35billions / VND10,830.72billions)	15.87%	≥ 8%
2	Payment Capacity Ratio within next month (VND2,776.78 billions / VND4,675.90 billions)	59.38%	≥ 25%
3	Short-term Capital Ratio to be used to loan in Mid & Long-term (VND2,934.55 billions / VND9,012.13 billions)	32.56%	≤ 30%
4	Purchase of shares (VND135.28 billions / VND1,551.60 billions)	9.88%	≤ 40%
5	Non-performance Loan (NPL)/ loan portfolio (VND173.19 billions / VND9,723.62 billions)	1.78%	≤ 3%
6	Non-performance Loan (NPL)/ average own capital (VND173.19 billions / VND1,622.97 billions)	10.67%	
7	ROE before tax (VND278.33 billions / VND1,622.97 billions)	17.15%	
8	ROE after tax (VND210.11 billions / VND1,622.97 billions)	12.95%	
9	ROC (VND210.11 billions / VND1,260 billions)	16.68%	
10	ROA (VND210.11 billions / VND11,540.64 billions)	1.82%	
11	EPS	VND1,572	

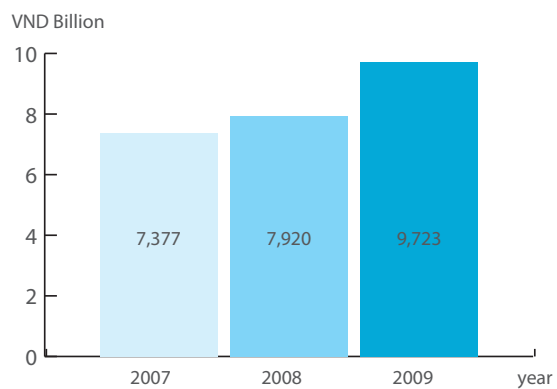




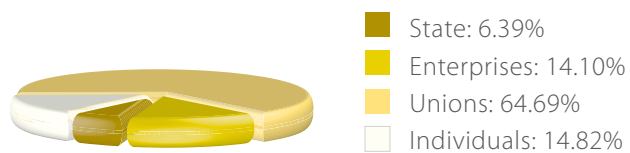
**Total Assets**



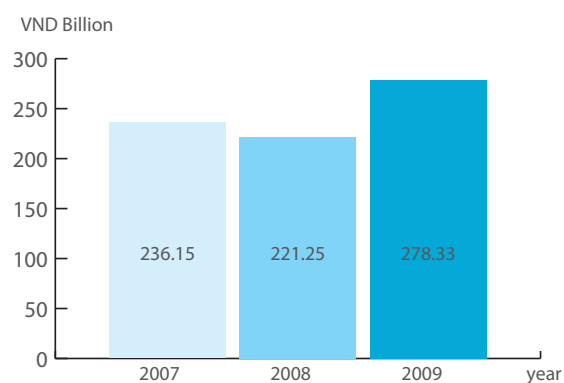
**Outstanding Loans by Maturity 2009**



**Outstanding Loans**



**Equity Structure 2009**



**Pre-tax Profit**

# Events since the end of 2009 financial year

« ...increase of transaction locations from 62  
to 77, countrywide »

### Network expansion

March 12	Opening of Thu Duc Transaction Office
March 16	Opening of Thanh Khe Transaction Office
August 29	Opening of Nguyen Du Savings Counter
September 7	Relocation of Mao Khe Transaction Office
September 7	Opening of No.1 Mao Khe Savings Counter
September 24	Opening of Tan Hoa Transaction Office
September 29	Opening of Hoang Van Thu Transaction Office
November 18	Opening of Dao Tan Transaction Office
November 25	Opening of Tan Son Nhat Transaction Office
November 25	Opening of 999 Transaction Office
December 7	Opening of Ben Ngu Transaction Office
December 7	Opening of Dong Ba Transaction Office

### Awards

September 2	Receiving “Vietnamese Golden Star” award and “Top 200 Vietnamese brands”
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### Others

April 25	Celebrating the annual General Assembly of Shareholders Meeting
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## Achievement outlines in 2009

« The Bank has overfullfilled the profit target set by the Shareholders' General Meeting after deducting SBV statutory provision »

◆ The most outstanding activity is the successful capital restructure towards the stable growth, by limiting and reducing the borrowing from inter bank market, increasing the mobilization from enterprises and individuals in which mobilization from individuals has been increased from 54.14% in 2008 to 63.98% of the total mobilization in 2009.

◆ The Bank operation remains stable ensuring the liquidity despite the market fluctuations, especially in the last months of the year.

◆ Most of the branches pursue an active approach to a capital management of a well-proportioned

balance between mobilization and loan given the difficult financial and economic conditions.

◆ The Bank has overfullfilled the profit target set by the Shareholders' General Meeting after deducting SBV statutory provision and dividend paid to shareholders totaling 16.23%/p.a (higher than 12 month term savings interest), in which 10% by cash and 6.23% by bonus shares.

◆ Network expansion, despite limited chartered capital, under the form of transaction offices, creates good relationship with customers and the location for future developments.

profit before tax  
**VND 278.32 billion**

# Principal business activities in 2009

« ...total capital of VND11,876 billion, an increase of 5.99%, compared to the end of 2008, reaching 83.05% of the 2009's target, in which the chartered capital has increased to VND1,500 billion. »

While the economic conditions have been testing, Saigonbank's operations in 2009 have maintained the growth established in the past years:

## 1. Total capital

VND11,876 billion, an increase of 5.99%, compared to the end of 2008, reaching 83.05% of the 2009's target, in which the chartered capital has increased to VND1,500 billion.

In 2009, Saigonbank had made two issuances of shares which raised the chartered capital from VND1,020 billion up to VND1,500 billion and all were carried out in accordance with the law.

## 2. Funds mobilization

VND9,607 billion, an increase of 1.89% compared to the beginning of the year 2009, reaching 80.09% of the 2009 target.

The successful capital mobilization was due to the Bank's restructure of the operational capital towards sustainable growth, by gradually limiting and reducing 74.45% as compared with beginning of the year, the reliance on wholesale inter-bank funding and by increasing 20.36% (as compared with the beginning of the year) of mobilization from individuals and corporate.

## 3. Lending to customers

VND9,724 billion, an increase of 22.77% compared to the beginning of the year, exceeding 4.04% of the

2009 target, in which NPL accounted for 1.78% of the outstanding loan.

The success of the 2009 credit activities is that the Bank had granted loans to only selected customers. Moreover, the Bank had taken part in the loan "interest rate incentive" program initiated by the government and SBV. As the result, the Bank's credit activities in 2009 had experienced an increase of 22.77% compared to the beginning of the year which contributes to the effectiveness of business activities.

## 4. International payments

The global recession and import control policy of the government affected greatly the foreign trade of the local enterprises resulting to the Bank's trade financing turn over down by 17.53% as compared with that of previous year.

## 5. Domestic payments

The 2009 domestic payments were up by 9.03% compared to year 2008.

## 6. Investment and joint-venture activities

As of 31/12/2009, the Bank has invested VND189 billion in joint-ventures such as: Gia Dinh Bank, Saigon - Halong Hotel, Banknetvn, Credit guarantee Fund for SME, Saigonbank-Berjaya Securities Company, Sabeco Corporation. The profit was nearly VND22 billion, accounted for 7.78% of the total profit before tax of the Bank.

## 7. Financial investment

By end of 2009, financial investment was VND543 billion, accounted for 4.56% of the operational funds, in which investment in government bonds accounted for VND523 billion and in other financial & economic institutions VND20 billion, bringing over VND43 billion as income, or 15.56% of the profit before tax.

## 8. Saigon BankCard

17,010 new cards issued in 2009, reaching 56.70% of the target, making the total cards issued of 162,000 with the total balance of deposit of VND62 billion.

## 9. Assets management company (AMC) & Riverside Hotel

The AMC & Riverside Hotel's profit before tax was VND3.59 billion, down by 44.89% compared to 2008.

## 10. CoreBanking project - 2nd phase - Internet banking

Expected to be completed within the first quarter of 2010.

## 11. Internal auditing activities

Daily monitor of the Bank's operation and report to the Board of Management.

Regular inspections on the Bank's operation as per schedule approved by the Board of Comptroller and Board of Directors.

## 12. HR activities

165 new staff recruited making the total number of staff 1,362.

232 management and staff members sent to training courses in and out of the country.

72 young talent staff promoted to hold key management positions in the Head Office and branches.

## 13. Social activities

In 2009, a total VND452 million was used for charity.

## 14. Business performance

The 2009 profit before tax was VND278.32 billion (after the provision for doubtful debts deducted), up by 25.79% compared to 2008, exceeding 11.33% of the 2009 target.

## 15. Brand promotion

Advertised and promoted on newspaper, magazine by means of special articles, events, ...

Exclusive sponsor for the "Chuong Vang vong co" contest on TV.

Through the awards of "2009 Vietnamese Golden Star" and "Top 200 Vietnamese brands".



## Saigonbank card center towards the future

« ...Saigonbank's card holders can make transactions via all ATMs of the connected banks with a nominal fee.



In 2009, due to the global economic recession, the world financial market has experienced the largest number of fluctuations since the great recession in the 30s of the last century. Because of the collapse of the traditional trading market, hundreds of major banks as well as financial institutions had gone to bankruptcy, nationalized or merged while the others had been exposed to great losses in their business operations.

In this context, retail market in general and card service market in specific have been proving their important role in the bank's business strategies. Moreover, the technological advances in electronic telecommunications have facilitated the bank in approaching the customers anywhere, anytime via the modern retail channel. Most of the commercial Vietnamese banks are aware of the importance of retail banking, therefore they aim at becoming the retail banks which focus on investing and developing card services. This is considered as one of the important channels in modern retail banking development.

In Vietnam, during the year 2009, with new 4 banks joining the card market, the local card market has been shared by 40 banks. Besides, with the presence of HSBC, ANZ and Standard Chartered in the market, the competition is even keener. Since April 2010, all local existing card systems are connected to each other, therefore, Saigonbank's card holders can make transactions via all ATMs of the connected banks with a nominal fee. This is expected to reduce the customers troublesome when making with not-on-us ATM transactions.

As per the VN Card Association, as at 31 Dec 2009, there have been 21 million cards issued of which

93.4% by local banks. However only about 50% of them are active.

With the above successful connection of all ATMs of local card systems, with 36,000 POS and the banks' future investment, we are sure that there will be an increase of satisfaction when our customers use cards to pay goods, services instead of cash.



# Future developments for 2010

«...reinforce the Bank's operations in line with SBV's regulations as well as the international practices and ensure the sustainable growth»

## 1. Operational targets:

➤ Continue to reinforce the Bank's operations in line with SBV's regulations as well as the international practices and ensure the sustainable growth:

- Maintain a reasonable speed of growth, balance between mobilizing and lending, take advantage for a stable development.
- Ensure the liquidity in all situations to stabilize the Bank's operation.
- Eliminate and control NPL to the lowest possible and within limit.
- Improve the effectiveness and quality of internal auditing activities to meet the requirements of the Board of Management to keep pace with the government and SBV's managerial policies.

➤ Continue to improve and upgrade the core banking technology system, reinforce the competitive ability of the Bank's services on the modern technology system.

➤ Expand the operation network whenever all the criteria set by SBV are met.

➤ Focus on the Bank's brand promotion.

## 2. Main business targets for 2010:

➤ **Total capital:** VND15,485 billion, an increase of 30% compared to 2009.

➤ **Chartered capital:** VND3,000 billion.

➤ **Mobilized capital:** VND11,575 billion, an increase of 20% compared to 2009.

➤ **Outstanding loans:** VND11,045 billion, an increase of 15% compared to 2009.

➤ **Non-performance loans (NPL):** below 3% of the total outstanding loans.

➤ **Profit before tax:** VND325 billion, an increase of 17% compared to 2009.

➤ **Dividend:** 11%/ year.

## 3. Solutions to be taken:

➤ Financial solutions to maintain stability and ensure sustainable growth

**Chartered capital:** increase of VND1,500 billion by issuing shares for existing shareholders and others (local and overseas).

**Mobilized capital:** increase of VND1,930 billion with limited mobilization from inter-bank market.

➤ Solution for Bank's operational efficiency

**Credit activity:** loan portfolio increases by VND 1,443 billion by:

- Pre/ post loans inspection to minimize credit risks.
- Internal credit rating system completed and deployed to assess the customer thoroughly before giving a loan/ making investment.
- Update customer's information to improve the quality of credit granting.
- Close cooperation with Saigonbank-Berjaya Securities Company to give loans for trading securities, to receive deposits from investors, paying dividends, ...

- Follow up and supervision on recovering bad debt written off in the previous years to increase the 2010 profit.

#### **Saigon BankCard**

- Add more card services for the customers' benefits.
- Investigate the possibility of issuing Visa Debit cards.

#### **Assets management and control by introducing new products (if possible):**

- Tourism - Hospitality service using existing assets.
- Factoring service.
- Securities trading.

#### ◆ Technology support solution

- To manage risk.
- To provide more facilities for customers.

#### ◆ Operation managerial solution

- Renovate operation activities.
- Improve the quality of internal auditing, gradually from auditing the compliance to monitoring risks.





# Personel and organization structure



## Board of Directors

1. Mr. Nguyen Phuoc Minh - Chairman
2. Mr. Dao Hao - Member
3. Mr. Nguyen Huu Tho - Member
4. Mr. Tran The Truyen - Member
5. Mr. Nguyen Ngoc Dieu - Member
6. Mr. Nguyen Viet Manh - Member



#### **Board of Comptrollers**

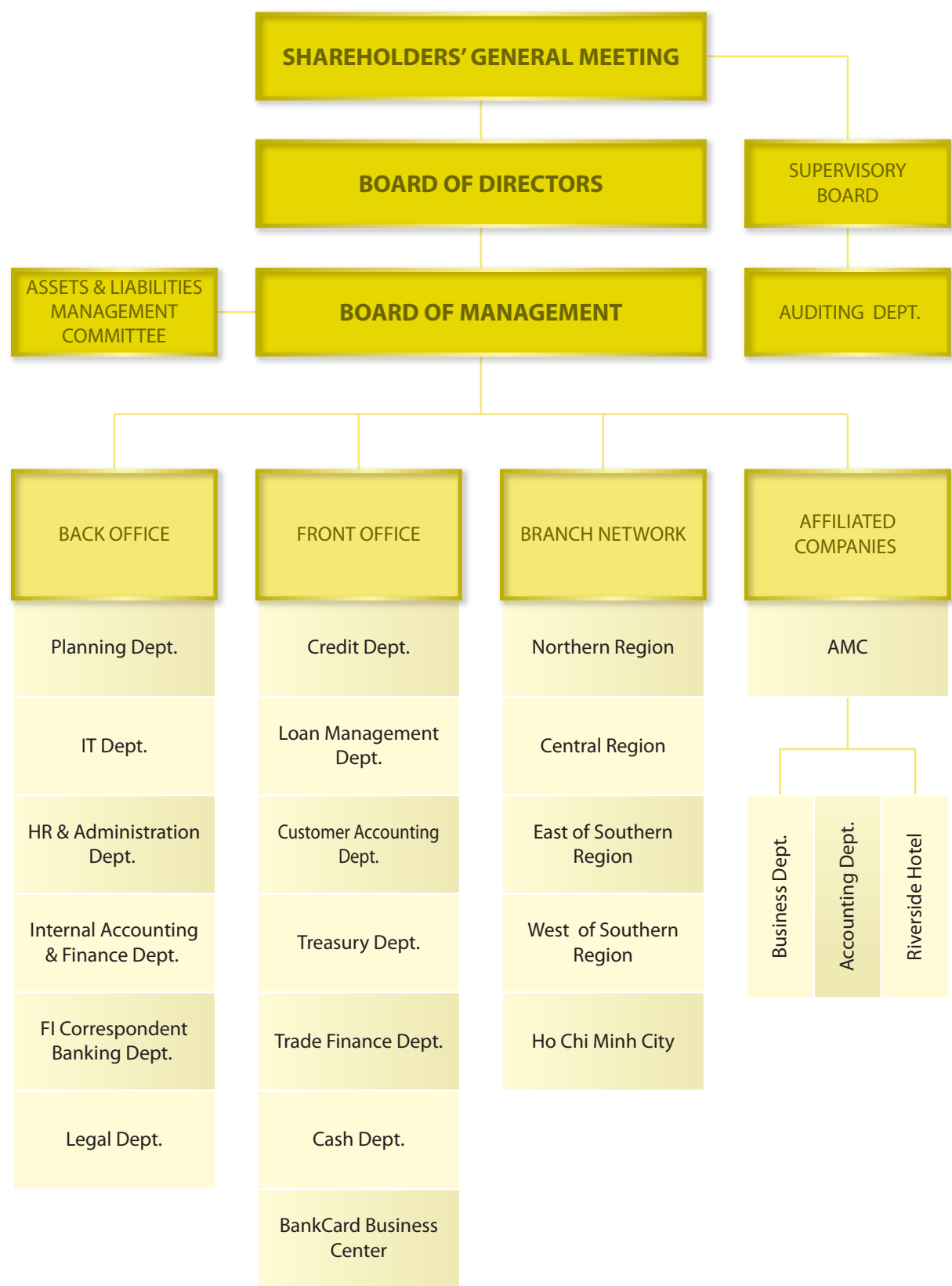
1. Mr. Nguyen Huu Hanh - Chief Comptroller
2. Ms. Nguyen Thu Thuy - Comptroller
3. Ms. Vu Quynh Mai - Comptroller



#### **Board of Management**

1. Ms. Tran Thi Viet Anh - General Director
2. Ms. Ngo Thanh Ha - Deputy General Director
3. Ms. Nguyen Thi Muoi - Deputy General Director
4. Ms. Pham Thi Cuc - Deputy General Director

# Saigonbank organization chart



Chartered capital increases to

VND **3,000** billion

by end of 2010





**CÔNG TY TNHH DỊCH VỤ TƯ VẤN TÀI CHÍNH KẾ TOÁN VÀ KIỂM TOÁN**  
AUDITING AND ACCOUNTING FINANCIAL CONSULTANCY SERVICE COMPANY LTD. (AASC)  
THÀNH VIÊN INPACT QUỐC TẾ

No: 178/2010/BCKTTC-AASC.KT1

## INDEPENDENT AUDITOR'S REPORT

On the consolidated financial statements for the year ended 31 December 2009  
of Saigon Bank for Industry and Trade

To: The Board of Management of Saigon Bank for Industry and Trade

We have audited the accompanying Consolidated Financial Statements of Saigon Bank for Industry and Trade ("the Bank"), which comprise the Consolidated Balance Sheet as at 31 December 2009, the Consolidated Income Statement, the Consolidated Cash Flow Statement and Notes to the Consolidated Financial Statements for the year ended as at 31 December 2009.

These consolidated financial statements are the responsibility of the Bank's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

### Basis of opinion

We conducted our audit in accordance with Vietnamese and prevailing accepted International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

### Auditor's opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of Saigon bank for Industry and Trade as of 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards and prevailing regulations applicable to banks and other credit institutions operating in the Socialist Republic of Vietnam.

Hanoi, 15 January 2010

AUDITING AND ACCOUNTING FINANCIAL  
CONSULTANCY SERVICE COMPANY LIMITED

General Director

Auditor



Pham Anh Tuan

Registered Auditor No: 0777/KTV

# Consolidated balance sheet

As at 31 December 2009

Unit: VND

No	Items	Note	31/12/2009	31/12/2008
<b>A</b>	<b>Assets</b>			
I	Cash, precious metals and stones	3	127,371,703,279	130,948,677,220
II	Deposits with the State Bank of Vietnam	4	221,703,761,988	543,766,590,063
III	Deposits with and loans to other credit institutions	5	385,048,028,962	1,380,543,050,785
1	Deposits with other credit institutions		383,559,278,962	1,376,970,050,785
2	Loans to other credit institutions		1,500,000,000	3,600,000,000
3	Provisions for loan losses		(11,250,000)	(27,000,000)
IV	Loans to customers		9,600,247,287,372	7,844,450,691,378
1	Loans to customers	6	9,722,120,046,896	7,916,376,447,928
2	Provisions for loan losses	7	(121,872,759,524)	(71,925,756,550)
V	Investment securities	8	542,900,000,000	472,700,000,000
1	Available-for-sales securities		-	-
2	Held-to-maturity securities		542,900,000,000	472,700,000,000
3	Provisions for impairment of investment securities		-	-
VI	Capital contribution, long term investment	9	136,001,317,300	135,761,660,000
1	Investment in subsidiary companies		-	-
2	Other long-term investments		153,275,610,000	135,761,660,000
3	Provision for impairment of long-term investments		(17,274,292,700)	-
VII	Fixed assets		492,276,296,142	331,215,880,691
1	Tangible fixed assets	10	469,605,376,742	303,423,138,243
	- Original cost		586,640,936,907	393,645,651,019
	- Accumulated depreciation		(117,035,560,165)	(90,222,512,776)
2	Intangible fixed assets	11	22,670,919,400	27,792,742,448
	- Original cost		33,325,385,133	32,487,935,133
	- Accumulated depreciation		(10,654,465,733)	(4,695,192,685)
VIII	Other assets		370,366,703,119	365,972,301,263
1	Receivables	12	269,914,715,924	224,930,034,483
2	Receivable interests and fees		95,412,444,911	137,309,059,952
3	Other assets	12	5,039,542,284	3,733,206,828
	<b>Total assets</b>		<b>11,875,915,098,162</b>	<b>11,205,358,851,400</b>

# Consolidated balance sheet

As at 31 December 2009

Unit: VND

No	Items	Note	31/12/2009	31/12/2008
<b>B</b>	<b>Liabilities and Shareholders' Equity</b>			
I	Borrowings from Government and the State Bank of Vietnam	13	319,629,403,486	-
II	Deposits and borrowings from other credit institutions	14	573,355,405,206	1,893,137,366,878
1	Deposits from other credit institutions		483,650,405,206	1,893,137,366,878
2	Borrowings from other credit institutions		89,705,000,000	-
III	Deposits from customers	15	8,481,534,348,159	7,164,714,417,102
IV	Derivative financial instruments and other financial liabilities		13,035,000,000	-
V	Capital financed, entrusted for investment, loans to credit institutions, which is subject to risk	16	118,701,027,782	114,052,542,146
VI	Issuance of valuable papers	17	113,402,700,000	256,704,579,819
VII	Other liabilities		321,507,516,868	306,983,800,062
1	Payable interests and fees		135,059,917,138	148,401,119,064
2	Deferred payable corporate income tax		-	-
3	Other payables and liabilities	18	184,787,607,736	157,299,206,463
4	Provision for contingent liabilities and off-balance sheet commitments	18	1,659,991,994	1,283,474,535
	<b>Total liabilities</b>		<b>9,941,165,401,501</b>	<b>9,735,592,706,007</b>
VIII	Shareholders' equity and reserves	19	1,934,749,696,661	1,469,766,145,393
1	Capital		1,500,715,830,000	1,108,715,830,000
	- Chartered capital		1,500,000,000,000	1,020,000,000,000
	- Capital surplus		715,830,000	88,715,830,000
2	Reserves		223,928,164,956	199,803,476,501
3	Retained earnings		210,105,701,705	161,246,838,892
	<b>Total liabilities and Shareholders' Equity</b>		<b>11,875,915,098,162</b>	<b>11,205,358,851,400</b>



# Off-balance-sheet items

Unit: VND

No	Items	Note	31/12/2009	31/12/2008
I	Contingent liabilities			
1	Loan guarantees		-	-
2	Unutilised letters of credit		62,035,552,832	61,022,761,765
3	Other guarantees		66,958,786,744	42,261,466,825

Hochiminh City, 10 January 2010


Prepared by


Huynh The My  
Accountant

Approved by


Hua Tuan Cuong  
Chief Accountant

Approved by


  
 Nguyen Thi Muoi  
Deputy General Director

# Consolidated income statement

for the year ended 31 December 2009

Unit: VND

No	Items	Note	Year 2009	Year 2008
1.	Interest income and similar incomes	20	1,205,636,926,090	1,358,583,090,469
2.	Interest expense and similar expenses	21	693,570,240,547	1,047,215,305,773
<b>I</b>	<b>Net interest income</b>		<b>512,066,685,543</b>	<b>311,367,784,696</b>
3	Income from services		34,580,100,009	45,772,572,029
4	Expenses from services		10,147,627,572	<b>8,148,892,007</b>
<b>II</b>	<b>Net profit/loss from services</b>	<b>22</b>	<b>24,432,472,437</b>	<b>37,623,680,022</b>
<b>III</b>	<b>Net profit/loss from trading foreign currencies</b>	<b>23</b>	<b>6,250,228,208</b>	<b>19,249,289,766</b>
<b>IV</b>	<b>Net profit/loss from trading securities</b>	<b>24</b>	<b>21,714,363</b>	<b>(727,042,225)</b>
<b>V</b>	<b>Net profit/loss from investment securities</b>		<b>-</b>	<b>-</b>
5	Other income		27,214,228,719	60,937,211,565
6	Other expenses		7,523,303,323	7,776,834,951
<b>VI</b>	<b>Net profit/loss from other activities</b>	<b>25</b>	<b>19,690,925,396</b>	<b>53,160,376,614</b>
<b>VII</b>	<b>Income from capital contribution, share purchase</b>	<b>26</b>	<b>21,658,351,650</b>	<b>6,064,720,800</b>
<b>VIII</b>	<b>Operating expenses</b>	<b>27</b>	<b>221,792,217,675</b>	<b>173,857,039,221</b>
<b>IX</b>	<b>Net profit before provision for credit losses</b>		<b>362,328,159,922</b>	<b>252,881,770,452</b>

# Consolidated income statement

for the year ended 31 December 2009

Unit: VND

No	Items	Note	Year 2009	Year 2008
X	Provision for credit losses		84,003,475,433	31,627,881,655
XI	Total profit before tax		278,324,684,489	221,253,888,797
7	Current corporate income tax expense	28	68,218,982,784	60,007,049,905
8	Deferred corporate income tax expense		-	-
XII	Corporate income tax		68,218,982,784	60,007,049,905
XIII	Net profit after tax		210,105,701,705	161,246,838,892
XIV	Basic earnings per share		1,572	1,581

Hochiminh City, 10 January 2010

Prepared by


Huynh The My  
Accountant

Approved by


Hua Tuan Cuong  
Chief Accountant

Approved by

Nguyen Thi Muoi  
Deputy General Director

# Consolidated statement of cash flows

Under direct method

Unit: VND

No	Items	Note	Year 2009	Year 2008
<b>Cash flows from operating activities</b>				
01	Interest and similar income received		1,247,533,541,131	1,301,608,112,496
02	Interest and similar expense paid		(706,911,442,473)	(1,009,674,257,355)
03	Fee and commission receipts		24,432,472,437	37,623,680,022
04	Net cash received/ (paid) from trading securities and dealing in foreign currencies and gold		6,271,942,571	18,522,247,541
05	Other incomes		2,443,378,946	19,703,551,037
06	Loans recovered which were previously written off by provision for credit loss		17,203,379,043	33,416,260,013
07	Cash paid to employees and suppliers		(176,453,791,853)	(148,667,405,621)
08	Corporate income tax paid		(89,692,033,457)	(69,624,511,603)
	Cash flows from operating profits before changes in operating assets and liabilities		324,827,446,345	182,907,676,530
<b>Changes in operating assets</b>				
09	(Increase)/ Decrease in placement with and loans to other banks		2,100,000,000	34,500,000,000
10	(Increase)/ Decrease in trading securities		(70,200,000,000)	71,071,508,225
11	(Increase)/ Decrease in loans and advances to customers		(1,805,743,598,968)	(552,818,452,745)
12	Decrease in provision for impairment		(33,687,605,000)	(19,204,560,421)
13	(Increase)/ Decrease in other assets		(35,005,416,897)	(129,205,957,510)

# Consolidated statement of cash flows

Under direct method

Unit: VND

No	Items	Note	Year 2009	Year 2008
<b>Changes in operating liabilities</b>				
14	Increase/(Decrease) in borrowings from the State Bank of Vietnam		319,629,403,486	(31,000,000,000)
15	Increase/(Decrease) in deposits and borrowings from other credit institutions		(1,319,781,961,672)	(52,474,650,670)
16	Increase/ (Decrease) in deposits from customers (Including from State Treasury)		1,316,819,931,057	698,128,763,642
17	Increase/ (Decrease) in issuing certificate of deposits (Excluding the certificate taking into financing)		(143,301,879,819)	253,065,274,019
18	Increase/ (Decrease) in trust funds and other borrowing funds		4,648,485,636	(18,054,057,854)
19	Increase/ (Decrease) in derivative financial instruments and others financial liabilities		13,035,000,000	-
20	Increase/ (Decrease) in other operating liabilities		44,946,112,221	152,206,224,648
21	Payment from reserves		(14,722,150,437)	(18,289,258,149)
I	<b>Net cash flows from operating activities</b>		<b>(1,396,436,234,048)</b>	<b>570,832,509,715</b>

## Cash flows from investing activities

01	Increase in chartered capital		(195,109,477,372)	(123,164,960,866)
02	Proceeds on disposal of fixed assets		44,167,407	40,565,564
03	Payment for disposal of fixed assets		-	-
04	Investment and capital contribution in other entities (Purchase of subsidiaries, associates, joint ventures and others)		-	(90,011,660,000)
05	Dividends received from investment and capital contribution in other entities		4,144,401,650	6,064,720,800

# Consolidated statement of cash flows

Under direct method

Unit: VND

No	Items	Note	Year 2009	Year 2008
II	Net cash flows from investing activities		(190,920,908,315)	(207,071,334,502)

## Cash flows from financing activities

01	Proceeds from issue of shares		392,000,000,000	-
02	Dividends paid to shareholders, profit distributed		(123,693,431,476)	(157,280,692,444)
III	Net cash flows from financing activities		268,306,568,524	(157,280,692,444)
IV	Net increase/ (decrease) in cash and cash equivalents		(1,319,050,573,839)	206,480,482,769
V	Cash and cash equivalents at the beginning of the year		2,051,685,318,068	1,845,204,835,299
VI	Effect of exchange rate changes on cash and cash equivalents		-	-
VII	Cash and cash equivalents at end of year	29	732,634,744,229	2,051,685,318,068

Hochiminh City, 10 January 2010


Prepared by


Huynh The My  
Accountant

Approved by


Hua Tuan Cuong  
Chief Accountant

Approved by


  
 Nguyen Thi Muoi  
Deputy General Director

# Notes to the consolidated financial statements

for the year ended 31 December 2009

## 1. General information

Saigon Bank for Industry and Trade ("the Bank") is a Vietnamese joint - stock bank established in SR Vietnam for a period of 50 years pursuant to the Decision No.0034/ NH-GP dated on 04/05/1993 issued by the State Bank of Vietnam ("the SBV"). The Bank's chartered capital as at 31 December 2009 is VND1,500,000,000,000 (One thousand five hundred billion VND)

The Bank's Head Office is located at No.2, Pho Duc Chinh Street, District 1, Hochiminh City, Vietnam.

As at 31 December 2009, the Bank had 1,362 employees (year 2008: 1,297 employees).

## 2. Summary of accounting policies

### 2.1. Accounting standards and policies applied

The Bank prepares and presents its financial statements in Vietnamese Dong ("VND") in accordance with the Law on Credit Institutions, Law on Amendment and Addition to a Number of Articles in the Law on Credit Institutions and the Vietnamese Accounting Standards and System for credit institutions.

### 2.2. Fiscal year and monetary unit

The Bank's fiscal year starts on 1st January and ends on 31st December. Monetary unit used in accounting is Vietnamese Dong (VND).

### 2.3. Foreign currency transactions and translation

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies at year-end are re-translated into VND using ruling exchange rates at the balance sheet date. Income and expenses arising in foreign currencies during the year are converted into VND at rates prevailing at the transaction dates via trading foreign currency transactions. Exchange differences arising from foreign currencies trading accounts are recognized in the statement of income and retained earnings.

Exchange differences of the re-translation into VND of monetary assets and liabilities at the balance sheet date are recognized in the related monetary assets and liabilities in the consolidated balance sheet.

## 2.4. Basis for consolidation of financial statements

### a. The Bank's subsidiaries

Asset Management Company Limited is a subsidiary of the Bank with owner's equity holding rate of 100%. It was set up under Business License No.4104000033 dated December 24, 2001. The establishment of the Company was approved by the State Bank of Vietnam in compliance with Official Letter No.1501/NHNN- CNH.

The company's head office is located at No.12, Le Thi Hong Gam Street, Nguyen Thai Binh Ward, District 1, Hochiminh City. The Company has a branch, Riverside Hotel, which is located at 18-19-20 Ton Duc Thang Street, Ben Nghe Ward, District 1, Hochiminh City and was set up in accordance with Business License No.4114008587 dated July 19, 2002.

### b. Basis for preparing consolidated financial statements

The consolidated financial statements are prepared based on consolidating separate financial statements of the Bank and Asset Management Company Limited. Internal balances and transactions and unrealized profit from internal transactions between the subsidiary and the Bank should be excluded when preparing the consolidated financial statements. Unrealized losses also should be excluded, unless its transactions show the devaluation of transferred assets. When necessary, accounting policies of the subsidiary also be changed to be in consistency with the Bank's accounting policies applied.

## 2.5. Trading securities

Trading securities are securities held for trading and are acquired principally for the purpose of selling in the short-term or if so designated by the Management. The Bank initially recognized those securities at cost

and then at cost less provision for diminution in their value in next accounting periods. The Bank considers to make provision for devaluation of their values based on their market prices and when their market values are lower than their book values. Profit or loss from trading securities is recorded on net basis. Cost of securities sold is defined by weighted average method.

## 2.6. Available-for-sale securities

Available-for-sale securities are those intended to be held for an indefinite period of time, which may be sold in response to liquidation demand or changes in interest rates, exchange rates or their prices. Equity securities are always recorded at cost. Debt securities are recognised at cost plus accrued interest income and minus interest awaiting for allocation. Premium or discount (if any) is recognized in the book value of the investment. Interest is accrued or allocated based on the straight line method throughout their remaining lives. Provision is made for available-for-sale securities eligible for being freely traded in the market and where there is a diminution in value of these securities. Profit or loss from trading securities is recorded on net basis. Cost of securities sold is defined by weighted average method.

## 2.7. Held-to-maturity investments

Held-to-maturity financial securities are those which carry fixed or determinable payments and have fixed maturities and which the Bank has the intention and ability to hold to maturity. The Bank recognized those securities at cost plus accrued interest income and minus interest awaiting for allocation. Premium or discount (if any) is recognized in the book value of the investment. Interest is accrued or allocated on straight-line method. Held-to-maturity securities are subject to review for provision when market value is lower than book value. Any provisions for diminution in their value are recognized in the statement of income.

## 2.8. Loans to customers

Short-term loans are those with lending period of less than 1 year, medium-term loans and financial leases are those with lending period of from 1 year to 5 years and long term loans are those with lending period of over 5 years.

Loan classification and provision for credit risks are made in accordance with Decision No. 493/2005/QĐ-NHNN dated 22 April 2005 and Decision No. 18/2007/

QĐ-NHNN dated 25 April 2007 of the Governor of the State Bank of Vietnam. They are also classified by 5 group based on solvency from customers in foreseeable future and qualitative factors as follows:

### Group 1: Prime

- . Undue debts which, according to the Bank's assessment, can be fully recovered, both principal and interest, when they fall due;
- . Debts which are overdue for less than 10 days and according to the Bank's assessment, can be fully recovered, both overdue principal and interest in accordance with the remaining payment schedule.

### Group 2: Supervised

- . Debts which are overdue from 10 days to 90 days;
- . First - time rescheduled debts which, according to the Bank's assessment, can be fully recovered, both principal and interest, within the rescheduled payment term.

### Group 3: Sub-prime

- . Debts which are overdue from 91 days to 180 days;
- . First-time rescheduled debts, except for debts which are classified in Group 2;
- . Debts of which interest was waived or reduced because customer are not able to fully repay interest in accordance with the payment schedule.

### Group 4: Doubtful

- . Debts which are overdue from 181 days to 360 days;
- . First-time rescheduled debts which are overdue for less than 90 days within the rescheduled payment term;
- . Second-time rescheduled debts.

### Group 5: Bad

- . Debts which are overdue for more than 360 days;
- . First-time rescheduled debts which are overdue for more than 90 days within the rescheduled payment term;
- . Second-time rescheduled debts which are overdue within the second-time rescheduled payment term;
- . Debts which are rescheduled for 3 times or more, even undue or overdue;
- . Frozen debts or debts which are awaiting settlements.



In accordance with Decision No. 493/2005/QĐ-NHNN dated 22 April 2005 and Decision No. 18/2007/QĐ-NHNN dated 25 April, 2007 of the Governor of the State Bank of Vietnam, the Bank classified overdue debts to the group of lower risk when the Bank considered that loan and interest could be taken back adequately and causes of loans overdue had been overcome were documented. The Bank actively classifies loans into groups of loans with higher risk corresponding with their level of risk in the following situations:

- . There are indicators of adverse impacts effecting on customer's business environment and sector ; or
- . Financial indicators or solvency of a customer continuously worsen;
- . Debtor doesn't provide sufficiently, timely and fairly financial information according to the Bank's requirement for assessing the solvency.

**Provision for loan losses:** The determination of specific provision for credit risk is calculated using set rates applied to each group of debts as follows:

Group	Categories	Provision rates
1	Prime	0%
2	Supervised	5%
3	Sub-prime	20%
4	Doubtful	50%
5	Bad	100%

The specific provision is calculated based on the balance of loans of each borrower as at 31 December each year less value of collateral assets. The value of these assets is calculated based on market value less estimated liquidation expenses after discounted at predetermined percentage for each kind of collateral assets.

In accordance with the Decision 493/2005/QĐ-NHNN dated 22 April 2005, a general provision is also required and should be equal to at least 0.75% of

total balance of loans and financial leases to customers, and excluding the total balance of loans and finance leases to customers which are classified as loss group. This level of the general provision is required to be achieved within 5 years from the effective date of the Decision 493/2005/QĐ-NHNN. The Bank has now completed the general provision before 5 year deadline as required.

## 2.9. Fixed assets

Fixed assets are stated at original cost less accumulated depreciation. Fixed assets comprise all costs to bring them at their present location and condition to use.

Some long term land use rights and buildings on them were bought and all classified as tangible fixed assets to depreciate during estimated useful lives of those buildings. Depreciation of each type of fixed assets is detailed as follows:

Buildings and building improvements	25 years
Machines and equipments	05 years
Motor vehicles	06 years
Software	05 years

## 2.10. Cash and cash equivalents

On the cash flow statement, cash and cash equivalents comprise cash, precious metals and stone, deposits at the State Bank of Vietnam, current deposits and term deposits at other banks with maturity of 03 months or less from acquisition date.

## 2.11. Recognition of interest and similar income and expense

Interest income and expense are recognised in the income statement on accrual basis.

## 2.12. Recognition of fee and commission income

The Bank earns fees for services provided to customers, which can be divided into the following two categories:

**Fees earned from services provided over a certain period of time:** Fees earned for the provision of services over a period of time are accrued over that period. They include management fees, custodian fees, commission income, credit related fees, asset management fees, portfolio fees, advisory fees and other fees.

## 2.13. Dividend income

Dividends are recognized in the income statement when the entity's right to receive payment is established.

## 2.14. Taxation

**Current income tax:** Current income tax and liability tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and tax laws applied at the balance sheet date.

The Bank's taxation declarations are subject to examination by the tax authorities.

## 2.15. Employee benefits

The Bank has obligation to pay following allowances to employees for their employment until 01 January 2009:

**Voluntary resignation benefits:** the Bank has obligation, under Section 42 of the Labour Code amended on 2 April 2002, to pay allowance to voluntarily resigning employees, equal to half of one-month's salary for each year of employment plus salary allowances (if any).

**Retrenchment benefits:** the Bank has obligation, under Section 47 of the Labour Code, to pay allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such case, the Bank shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one month's salary for each year of employment, but no less than two months' salary.

Besides, employees also received unemployment insurance allowance for the period of voluntarily paying unemployment insurance from 01 January 2009 under Decree No.127/2008/ND-CP dated on 12 December 2008 by the Government on stipulating and guiding the implementation of some articles of social insurance law on unemployment insurance.

## 2.16. Owner's equity and funds

**Cost to issue shares:** Expenses incurred related to the issuance of new share or purchase rights are reported as deduction on equity after subtracting the earnings and the impact of taxes (if any).

**Dividends on ordinary shares:** Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the balance sheet date are dealt with in the subsequent events note. Dividend distribution to the Bank's shareholders is recognized as a liability in the Bank's consolidated financial statements in the period in which the dividends are approved by the Bank's shareholders.

**Establish the reserves:** In accordance with Decree No.146/2005/ND-CP dated 23 November 2005 issued by the Government, the Bank is required to establish the following reserves:

**Reserves for supplementary chartered capital:** 5% of the net profit after business income tax each year is allocated until the reserve reaches 100% of the current capital. The reserve for supplementary chartered capital will be transferred to chartered capital upon approval from the State Bank of Vietnam.

**Financial reserves:** 10% of the net profit after the allocation to the above reserve is allocated until the reserve reaches 25% of the current capital.

The allocation of welfare and bonus fund is decided by the Bank's Annual General Shareholder Meeting.

## 2.17. Principle of recording dividend

The Bank records a receivable corresponding with a payable on the financial statements when the Bank has intention to advance dividends to the shareholders. When paying dividends, the Bank will decrease this payable. When final decision on dividend payment of the year is released, the Bank will compensate this receivable by retained earnings.

**3. Cash, precious metals and stones**

	31/12/2009	31/12/2008
	VND	VND
Cash in VND	107,407,672,183	98,638,029,965
Cash in foreign currencies	19,789,827,596	32,310,307,715
Bills in foreign currencies	174,203,500	339,540
<b>Total</b>	<b>127,371,703,279</b>	<b>130,948,677,220</b>

**4. Deposits with the State Bank of Vietnam**

	31/12/2009	31/12/2008
	VND	VND
Current deposits	221,703,761,988	543,766,590,063
<b>Total</b>	<b>221,703,761,988</b>	<b>543,766,590,063</b>

## 5. Deposits at and loans to other credit institutions

### *a. Deposits at other credit institutions*

	31/12/2009	31/12/2008
	VND	VND
Current deposits	356,647,778,962	102,106,950,785
Term deposits	26,911,500,000	1,274,863,100,000
<b>Total</b>	<b>383,559,278,962</b>	<b>1,376,970,050,785</b>

### *b. Loans to other banks*

	31/12/2009	31/12/2008
	VND	VND
In VND	1,500,000,000	3,600,000,000
Provision for loan losses	(11,250,000)	(27,000,000)
<b>Total</b>	<b>1,488,750,000</b>	<b>3,573,000,000</b>
<b>Total of placements with and loans to other banks</b>	<b>385,048,028,962</b>	<b>1,380,543,050,785</b>

## 6. Loans to customers

	31/12/2009	31/12/2008
	VND	VND
Loans to local economic entities and individuals	9,604,346,418,717	7,790,605,620,588
Loan by discounting commercial bills and valuable papers	19,202,593,179	49,463,377,340
Loan to customers funded by capital financed, entrusted for investment	96,571,035,000	73,307,450,000
Loans to foreign economic entities and individuals	2,000,000,000	3,000,000,000
<b>Total</b>	<b>9,722,120,046,896</b>	<b>7,916,376,447,928</b>

**- Analysis by loan group**

	31/12/2009	31/12/2008
	VND	VND
Prime	9,516,105,618,409	7,672,698,840,855
Supervised	32,823,844,944	188,965,360,833
Sub-prime	21,685,179,631	28,535,606,240
Doubtful	97,904,684,121	26,176,640,000
Bad	53,600,719,791	-
<b>Total</b>	<b>9,722,120,046,896</b>	<b>7,916,376,447,928</b>

**- Analysis by term**

	31/12/2009	31/12/2008
	VND	VND
Short-term loans	6,082,773,772,626	5,233,192,895,376
Medium-term loans	2,054,418,126,775	1,543,269,310,431
Long-term loans	1,584,928,147,495	1,139,914,242,121
<b>Total</b>	<b>9,722,120,046,896</b>	<b>7,916,376,447,928</b>

**- Analysis by economic sectors**

	31/12/2009	31/12/2008
	VND	VND
Private limited companies	3,014,189,912,932	2,291,205,474,456
Central state owned enterprises	6,893,000,000	7,081,700,000
Local State owned enterprises	31,297,762,013	35,345,000,000
State limited companies	6,500,000,000	7,820,699,189
State joint stock companies	77,014,973,852	64,903,722,191
Other joint stock companies	1,772,697,546,109	1,918,793,862,777
Partnership companies	112,400,000	-
Private enterprises	708,539,353,448	567,312,879,515
Foreign investment enterprises	17,052,600,417	16,432,452,540
Co-operatives	101,640,970,999	46,441,429,667
Individuals	3,986,181,527,126	2,961,039,227,593
<b>Total</b>	<b>9,722,120,046,896</b>	<b>7,916,376,447,928</b>

**- Analysis by type of industry**

	31/12/2009	31/12/2008
	VND	VND
Agriculture and forestry	332,113,257,557	431,833,004,341
Aquaculture	989,821,952,535	3,123,478,001,076
Mining	43,427,773,755	54,470,998,795
Processing	2,167,252,743,564	501,193,996,886
Gasoline, electricity distribution	40,915,258,517	61,801,004,348
Construction	1,214,572,132,469	467,705,001,608
Warehousing, trading and engine transport equipment repairing	1,693,555,396,309	1,138,665,004,139
Hospitability	204,996,736,954	98,594,001,757
Transportation and communication	696,055,172,969	302,161,998,260
Public administration	126,450,930,886	33,371,000,000
Science and technology	18,111,039,810	16,182,000,000
Property trading and consultancy services	62,378,970,452	32,581,999,528
State management and security defense	7,235,941,000	2,566,000,000
Education and training	40,132,362,013	4,416,000,000
Health and relief care	21,182,600,000	8,445,999,010
Culture and sporting	7,197,952,000	4,351,000,000
Activities for individuals and community	1,395,713,511,799	1,062,610,996,465
Household services	660,856,314,307	566,761,002,776
Foreign organizations activities	150,000,000	5,187,438,939
<b>Total</b>	<b>9,722,120,046,896</b>	<b>7,916,376,447,928</b>

## 7. Provision for loan losses

	General provision	Specific provision
	VND	VND
<b>Year 2009</b>		
Opening balances	60,664,281,114	12,571,949,971
Additional provision in the period/ (Amounts recovered during the period)	13,502,979,136	70,492,396,297
Utilisation of provision for uncollectible loans written off	-	(33,687,605,000)
<b>Closing balances</b>	<b>74,167,260,250</b>	<b>49,376,741,268</b>
<b>Year 2008</b>		
Opening balances	58,649,617,368	7,713,114,753
Additional provision in the period/ (Amounts recovered during the period)	2,014,663,746	24,063,395,639
Utilisation of provision for uncollectible loans written off	-	(19,204,560,421)
<b>Closing balances</b>	<b>60,664,281,114</b>	<b>12,571,949,971</b>

### *The provision as at 31 December 2009 is detailed as follows*

	Amount
	VND
Provision for loss of loans to other credit institutions	11,250,000
Provision for loss of loans to other customers	121,872,759,524
Provision for off balance sheet items	1,659,991,994
<b>Total</b>	<b>123,544,001,518</b>

## 8. Investment securities

	31/12/2009	31/12/2008
	VND	VND
Government securities	522,900,000,000	452,700,000,000
Debt securities issued by local economic entities	20,000,000,000	20,000,000,000
<b>Total</b>	<b>542,900,000,000</b>	<b>472,700,000,000</b>

## 9. Long term investments

	31/12/2009	31/12/2008
	VND	VND
Other long-term investments	153,275,610,000	135,761,660,000
Provision for investment devaluation	(17,274,292,700)	-
<b>Total</b>	<b>136,001,317,300</b>	<b>135,761,660,000</b>

### Other long term investments are detailed as follows:

	As at 31/12/2009		As at 31/12/2008	
<b>Name</b>	<b>Cost</b>	<b>Holding rate</b>	<b>Cost</b>	<b>Holding rate</b>
Gia Dinh Commercial Joint Stock Bank	71,775,610,000	7.18%	54,261,660,000	5.43%
HaLong Hotel	11,000,000,000	11.00%	11,000,000,000	11.00%
Vietnam National Financial Switching Joint-Stock Company	2,000,000,000	2.12%	2,000,000,000	2.12%
Saigonbank - Berjaya Securities Joint Stock Company	33,000,000,000	11.00%	33,000,000,000	11.00%
Saigon Beer - Alcohol - Beverage Joint Stock Corporation	35,000,000,000	0.08%	35,000,000,000	0.08%
Credit Guarantee Fund for Small and Medium Enterprises	500,000,000	1.00%	500,000,000	1.00%
<b>Total</b>	<b>153,275,610,000</b>		<b>135,761,660,000</b>	



## 10. Tangible fixed assets

### Increase and decrease of tangible fixed assets in year 2009:

Unit: VND

Items	Buildings and land use rights	Machinery and equipment	Transportation vehicle	Other assets	Total
<b>Original cost</b>					
Balances at the beginning	289,904,096,865	45,801,800,157	33,761,130,112	24,178,623,885	393,645,651,019
Increase	182,768,606,121	5,841,460,055	1,806,498,233	2,943,468,563	193,360,032,972
- Purchasing	182,768,606,121	5,841,460,055	1,806,498,233	2,943,468,563	193,360,032,972
Decrease	-	141,356,962	-	223,390,122	364,747,084
- Others	-	141,356,962	-	223,390,122	364,747,084
<b>Balances at the ending</b>	<b>472,672,702,986</b>	<b>51,501,903,250</b>	<b>35,567,628,345</b>	<b>26,898,702,326</b>	<b>586,640,936,907</b>
<b>Accumulated depreciation</b>					
Balances at the beginning	43,064,661,655	19,615,002,581	12,642,643,190	14,900,205,350	90,222,512,776
Increase	10,620,677,725	8,971,029,800	4,898,909,815	2,724,067,853	27,214,685,193
- Depreciation	10,620,677,725	8,971,029,800	4,898,909,815	2,724,067,853	27,214,685,193
- Others	-	-	-	-	-
Decrease	-	141,354,962	87,000,000	173,282,842	401,637,804
- Others	-	141,354,962	87,000,000	173,282,842	401,637,804
<b>Balances at the ending</b>	<b>53,685,339,380</b>	<b>28,444,677,419</b>	<b>17,454,553,005</b>	<b>17,450,990,361</b>	<b>117,035,560,165</b>
<b>Net book amount</b>					
At the beginning	246,839,435,210	26,186,797,576	21,118,486,922	9,278,418,535	303,423,138,243
At the ending	418,987,363,606	23,057,225,831	18,113,075,340	9,447,711,965	469,605,376,742

The Bank bought some long term land use rights and buildings on them and classified all of them as tangible fixed assets to depreciate because the Bank supposed that it had not found reliable basic to classify them as tangible and intangible assets.

## 11. Intangible fixed assets

### Increase and decrease of intangible fixed assets in year 2009

Unit: VND

Items	Land use rights	Software	Total
<b>Original cost</b>			
Balances at the beginning	-	32,487,935,133	32,487,935,133
Increase	-	1,749,444,400	1,749,444,400
- Purchasing	-	1,749,444,400	1,749,444,400
Decrease	-	911,994,400	911,994,400
- Others	-	911,994,400	911,994,400
Balances at the ending	-	33,325,385,133	33,325,385,133
<b>Accumulated depreciation</b>			
Balances at the beginning	-	4,695,192,685	4,695,192,685
Increase	-	5,959,273,048	5,959,273,048
- Depreciation	-	5,959,273,048	5,959,273,048
Decrease	-	-	-
Balances at the ending	-	10,654,465,733	10,654,465,733
<b>Net book amount</b>			
At the beginning	-	27,792,742,448	27,792,742,448
At the ending	-	22,670,919,400	22,670,919,400

**12. Other assets**

	31/12/2009	31/12/2008
	VND	VND
Construction in progress	81,355,913,291	95,539,766,998
Receivables	188,558,802,633	129,390,267,485
Provision for risk of other assets	-	-
Other assets	5,039,542,284	3,733,206,828
<b>Total</b>	<b>274,954,258,208</b>	<b>228,663,241,311</b>

**13. Due to the Government and Borrowings from the State Bank of Vietnam**

	31/12/2009	31/12/2008
	VND	VND
Borrowings from the State Bank of Vietnam in VND	319,629,403,486	-
- Borrowings guaranteed by loans	-	-
- Borrowings on discount and rediscount of valuable papers	319,629,403,486	-
<b>Total</b>	<b>319,629,403,486</b>	<b>-</b>

**14. Deposits and borrowings from other credit institutions*****a. Deposits from other credit institutions***

	31/12/2009	31/12/2008
	VND	VND
Current deposits	5,200,405,206	10,084,366,878
Term deposits	478,450,000,000	1,883,053,000,000
<b>Total</b>	<b>483,650,405,206</b>	<b>1,893,137,366,878</b>

***b. Borrowings from other credit institutions***

	31/12/2009	31/12/2008
	VND	VND
<b>Total</b>	<b>89,705,000,000</b>	<b>-</b>
<b>Total of deposits and borrowings from other credit institutions</b>	<b>573,355,405,206</b>	<b>1,893,137,366,878</b>

**15. Deposits from customers**

	31/12/2009	31/12/2008
	VND	VND
<b>Analysis by term</b>		
Current deposits, gold	1,240,145,713,651	1,013,885,504,535
Term deposits	7,183,265,721,751	6,117,132,060,916
Specialized deposits	11,695,629,047	144,044,885
Security deposits	46,427,283,710	33,552,806,766
<b>Total</b>	<b>8,481,534,348,159</b>	<b>7,164,714,417,102</b>
<b>Analysis by economic sectors</b>		
Deposits from economic entities	2,114,877,980,144	1,485,524,754,976
Deposits from individuals	6,278,295,048,875	5,098,407,490,364
Deposits from others	88,361,319,140	580,782,171,762
<b>Total</b>	<b>8,481,534,348,159</b>	<b>7,164,714,417,102</b>

**16. Capital financed, entrusted for investment, lent to credit institutions, which is subject to risk**

	31/12/2009	31/12/2008
	VND	VND
Entrusted funds and borrowings in VND	117,193,060,000	112,625,600,000
Entrusted funds and borrowings in foreign currencies	1,507,967,782	1,426,942,146
<b>Total</b>	<b>118,701,027,782</b>	<b>114,052,542,146</b>

**17. Issuance of valuable papers**

Unit: VND

**As at 31 December 2009**

Maturity	Face value	Discount	Additional	Net value
Due within one year	113,402,700,000	-	-	113,402,700,000

**As at 31/12/2008**

Maturity	Face value	Discount	Additional	Net value
Due within one year	256,704,579,819	-	-	256,704,579,819

**18. Other liabilities**

	31/12/2009	31/12/2008
	VND	VND
Internal payables	87,009,678,645	83,028,356,938
External payables (*)	97,777,929,091	74,270,849,525
Provision for other risk	1,659,991,994	1,283,474,535
- Provision for commitment	1,659,991,994	1,283,474,535
<b>Total</b>	<b>186,447,599,730</b>	<b>158,582,680,998</b>

(\*): This item as at 31 December 2009 contained dividend payables to shareholders of VND 80,839,148,926.

**19. Shareholders' equity and reserves****a. Status of shareholders' equity and reserves**

Unit: VND million

	Chartered capital	Capital Surplus	Investment & development reserves	Financial reserves	Reserves for supplement capital	Other reserves	Retained earnings	Total
Opening balance	1,020,000	88,716	88,760	58,759	43,540	8,745	161,246	1,469,766
Increase	480,000	-	-	16,125	8,062	14,659	210,106	728,952
Increase in the year	480,000	-	-	-	-	-	-	480,000
Profit in the period	-	-	-	-	-	-	210,106	210,106
Additions from profit of year 2008	-	-	-	16,125	8,062	14,659	-	38,846
Decrease	-	88,000	-	-	-	14,722	161,246	263,968
Move to chartered capital	-	88,000	-	-	-	-	-	88,000
Distributing profit of year 2008	-	-	-	-	-	-	38,846	38,846
Utilization during the year	-	-	-	-	-	14,722	-	14,722
Distributing to dividend payment of year 2008	-	-	-	-	-	-	122,400	122,400
<b>Closing balance</b>	<b>1,500,000</b>	<b>716</b>	<b>88,760</b>	<b>74,884</b>	<b>51,602</b>	<b>8,682</b>	<b>210,106</b>	<b>1,934,750</b>

**b. Basic earnings per share**

	Unit: VND	
	Year 2009	Year 2008
Accounting profit after corporate income tax	210,105,701,705	161,246,838,892
Adjustment accounting profit in order to apportion profit or losses to ordinary shares:	-	-
- Increase	-	-
- Decrease	-	-
Profit or losses attributable to ordinary shares of equity holders	210,105,701,705	161,246,838,892
Weighted average number of ordinary shares in issue	133,686,575	102,000,000
Basic earnings per share	1,572	1,581

**c. Dividends**

	Unit: VND	
	Year 2009	Year 2008
Dividends was published after the balance sheet date	-	122,400,000,000
- Dividends per ordinary shares published	Unpublished	122,400,000,000
- Dividends per preferred shares published	-	-

**Accumulated dividends of preferred shares not recorded****d. Shares**

	31/12/2009	31/12/2008
Quantity of registered shares in issue	150,000,000	102,000,000
Quantity of shares were sold out to the public	150,000,000	102,000,000
Quantity of shares in circulation	150,000,000	102,000,000

Face value of one share in public: VND 10,000.

**20. Interest income and similar income**

	Year 2009	Year 2008
	VND	VND
Interest and similar income	1,205,567,817,860	1,358,124,309,177
Interest from deposits and loans	1,162,262,938,411	1,294,860,665,794
Interest from trading and investment of debt securities	43,304,879,449	63,263,643,383
- Interest from investment securities	43,304,879,449	63,263,643,383
Income from other credit activities	69,108,230	458,781,292
<b>Total</b>	<b>1,205,636,926,090</b>	<b>1,358,583,090,469</b>

**21. Interest expense and similar expenses**

	Year 2009	Year 2008
	VND	VND
Interest expenses from deposits	659,787,166,892	935,405,639,536
Interest expenses from borrowings	18,584,579,554	47,581,167,617
Interest expenses from issuing valuable papers	3,745,804,687	54,251,911,823
Expenses from other credit activities	11,452,689,414	9,976,586,797
<b>Total</b>	<b>693,570,240,547</b>	<b>1,047,215,305,773</b>
<b>Net interest income</b>	<b>512,066,685,543</b>	<b>311,367,784,696</b>

**22. Net profit/loss from services**

	Year 2009	Year 2008
	VND	VND
Fees and commission income from	34,580,100,009	45,772,572,029
- Settlement services	23,006,395,571	20,252,810,311
- Guarantee activities	3,429,918,160	2,180,618,221
- Treasury activities	778,322,314	351,491,014
- Agent services	16,033,000	-
- Other fees and commission	7,349,430,964	22,987,652,483
Fees and commission expense from	10,147,627,572	8,148,892,007
- Settlement services	4,088,784,345	3,519,000,578
- Treasury activities	1,162,145,759	1,138,594,458
- Others	4,896,697,468	3,491,296,971
<b>Net profit/ loss from services</b>	<b>24,432,472,437</b>	<b>37,623,680,022</b>

**23. Net profit/loss from trading foreign currencies**

	Year 2009	Year 2008
	VND	VND
Income from trading foreign currencies	23,845,646,329	23,807,864,450
Expense from dealing in foreign currencies	17,595,418,121	4,558,574,684
<b>Net profit/ loss from trading foreign currencies</b>	<b>6,250,228,208</b>	<b>19,249,289,766</b>

**24. Net profit/ loss from trading securities**

	Year 2009	Year 2008
	VND	VND
Income from trading securities	147,541,196	67,500,000
Expense from trading securities	125,826,833	794,542,225
<b>Net profit/ loss from trading securities</b>	<b>21,714,363</b>	<b>(727,042,225)</b>

**25. Net profit/ loss from other activities**

	Year 2009	Year 2008
	VND	VND
Income from other activities	27,214,228,719	60,937,211,565
Expense from other activities	7,523,303,323	7,776,834,951
<b>Net profit/ loss from other activities</b>	<b>19,690,925,396</b>	<b>53,160,376,614</b>

**26. Income from capital contribution and share purchase**

	Year 2009	Year 2008
	VND	VND
Dividend income from capital contribution and share purchase	21,658,351,650	6,064,720,800
<b>Total</b>	<b>21,658,351,650</b>	<b>6,064,720,800</b>

**27. Operating expenses**

	Year 2009	Year 2008
	VND	VND
Tax, duties and fees	2,741,095,873	1,974,083,545
Expense for employees	111,343,743,326	96,148,747,650
Expense for fixed assets	50,407,190,986	39,550,489,076
Administration expense	32,331,087,506	29,907,637,353
Insurance for assets of the Bank and customer deposits	7,687,327,284	6,276,081,597
Provision for impairment losses (excluding on-off balance sheet provision for loan losses)	17,281,772,700	-
Other expenses	-	-
<b>Total</b>	<b>221,792,217,675</b>	<b>173,857,039,221</b>



**28. Corporate income tax expense**

	Year 2009	Year 2008
	VND	VND
1. Profit before corporate income tax	278,324,684,489	221,253,888,797
Adjustments:		
Less:		
- Duty-free income	4,370,601,650	6,389,044,933
2. Taxable income	273,954,082,839	214,864,843,864
<b>Total</b>	<b>68,218,982,784</b>	<b>60,007,049,905</b>

**29. Cash and cash equivalents**

	31/12/2009	31/12/2008
	VND	VND
Cash and cash equivalents on hand	127,371,703,279	130,948,677,220
Cash and balances with State Bank of Vietnam	221,703,761,988	543,766,590,063
Placements with credit institutions (including current accounts, deposits with less than 03 months term)	383,559,278,962	1,376,970,050,785
<b>Total</b>	<b>732,634,744,229</b>	<b>2,051,685,318,068</b>

**30. Interest rate risk***Unit: VND million*

	Overdue debts	Non-interest debts	Up to 01 month	From 01 -03 months	From 03 -12 months	From 01 -05 years	Over 05 years	Total
<b>Assets</b>								
Cash, precious metals and stones	-	127,372	-	-	-	-	-	127,372
Balances with the State Bank of Vietnam	-	-	221,704	-	-	-	-	221,704
Deposits and loans to other credit institutions (*)	-	-	383,559	1,500	-	-	-	385,059
Loans to customers (*)	-	-	126,744	147,192	5,808,838	2,054,418	1,584,928	9,722,120
Investment securities (*)	-	-	-	-	-	522,900	20,000	542,900

Unit: VND million

	Overdue debts	Non-interest debts	Up to 01 month	From 01 -03 months	From 03 -12 months	From 01 -05 years	Over 05 years	Total
Capital contributions, long-term investments (*)	-	-	-	-	-	-	153,276	153,276
Fixed assets and real estate investment	-	-	-	-	-	-	492,276	492,276
Other assets (*)	-	370,367	-	-	-	-	-	370,367
<b>Total assets</b>	-	497,739	732,007	148,692	5,808,838	2,577,318	2,250,480	12,015,074
<b>Liabilities</b>								
Deposits and borrowings from other credit institutions	-	-	753,280	139,705	-	-	-	892,985
Deposits from customers	-	-	3,614,070	3,095,180	938,841	833,444	-	8,481,534
Derivatives and other financial liabilities	-	-	-	-	13,035	-	-	13,035
Capital financed, entrusted for investment, lent to credit institutions, which is subject to risk	-	-	-	-	-	112,379	6,322	118,701
Issuing valuable papers	-	-	-	97,191	16,212	-	-	113,403
Other liabilities	-	-	319,848	-	-	-	-	319,848
<b>Total liabilities</b>	-	-	4,687,198	3,332,075	968,088	945,823	6,322	9,939,506
Sensitive difference levels with balance interest rate	-	497,739	(3,955,191)	(3,183,383)	4,840,749	1,631,495	2,244,159	2,075,568

### 31. Currency risk

The following table show the classification of assets and liabilities into currency groups at the date of the consolidated financial statements:

*Unit: VND million*

Items	EUR	USD	Other foreign currencies	Total
<b>Assets</b>				
01. Cash, precious metals and stones	1,173	18,608	182	19,963
02. Balances with the State Bank of Vietnam		59,923		59,923
03. Deposits and loans to other credit institutions (*)	16,990	355,352	8,807	381,149
04. Trading Securities (*)				-
05. Derivatives and other financial assets (*)		269,115		269,115
06. Loans to customers (*)		299,046		299,046
07. Investment securities (*)				-
08. Capital contributions, Long-term investments (*)				-
09. Fixed assets and real estate investment				-
10. Other assets (*)		17,416		17,416
<b>Total Assets</b>	<b>18,163</b>	<b>1,019,460</b>	<b>8,989</b>	<b>1,046,612</b>
<b>Liabilities and equity</b>				
01. Deposits and borrowings from other credit institutions		91,428		91,428
02. Deposits from customers	12,652	886,604	1,324	900,580
03. Derivatives and other financial liabilities				-
04. Capital financed, entrusted for investment, lent to credit institutions, which is subject to risk		1,508		1,508
05. Issuing valuable papers				-
06. Other liabilities	5,511	39,920	7,665	53,096
07. Equity and reserves				-
<b>Total liabilities and equity</b>	<b>18,163</b>	<b>1,019,460</b>	<b>8,989</b>	<b>1,046,612</b>
Balance foreign currency status	-	-	-	-
Off balance foreign currency status	-	-	-	-
Foreign currency status in and off balance sheets	-	-	-	-

(\*): Without risk provisions

## 32. Liquidity risk

Items	Overdue		Non-interest debts	Up to 01 month
	Over 03 months	Up to 03 months		
<b>Assets</b>				
01. Cash, precious metals and stones	-	-	127,372	-
02. Balances with the State Bank of Vietnam	-	-	-	221,704
03. Deposits and loans to other credit institutions (*)	-	-	-	383,559
04. Loans to customers (*)	-	-	-	697,116
05. Investment securities (*)	-	-	-	-
06. Capital contributions, long-term investments (*)	-	-	-	-
07. Fixed assets and real estate investment	-	-	-	-
08. Other assets (*)	-	-	370,367	-
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>497,739</b>	<b>1,302,378</b>
<b>Liabilities</b>				
01. Deposits and borrowings from other credit institutions	-	-	-	803,280
02. Deposits from customers	-	-	-	3,430,302
03. Derivatives and other financial liabilities	-	-	-	-
04. Capital financed, entrusted for investment, lent to credit institutions, which is subject to risk	-	-	-	6,549
05. Issuing valuable papers	-	-	-	-
06. Other liabilities	-	-	-	319,848
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,559,979</b>
<b>The difference of net liquidity</b>	<b>-</b>	<b>-</b>	<b>497,739</b>	<b>(3,257,600)</b>

(\*): Without risk provisions

Unit: VND million

Current				Total
From 01-03 months	From 03-12 months	From 01-05 years	Over 05 years	
-	-	-	-	127,372
-	-	-	-	221,704
1,500	-	-	-	385,059
1,332,184	4,122,194	2,102,785	1,467,841	9,722,120
-	102,500	420,400	20,000	542,900
-	-	-	153,276	153,276
-	-	-	492,276	492,276
-	-	-	-	370,367
1,333,684	4,224,694	2,523,185	2,133,393	12,015,074
89,705	-	-	-	892,985
2,680,679	2,300,886	69,667	-	8,481,534
-	13,035	-	-	13,035
1,697	29,097	75,214	6,144	118,701
97,191	16,212	-	-	113,403
-	-	-	-	319,848
2,869,272	2,359,230	144,881	6,144	9,939,506
(1,535,588)	1,865,464	2,378,304	2,127,249	2,075,568

### 33. Comparative figures

The comparative figures are the figures presented in the Financial Statements for the year 2008 audited by Auditing and Informatic Service Company Limited (AISC).

Hochiminh City, 10 January 2010

Prepared by



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