

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

**SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

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FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**

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SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

CORPORATE INFORMATION

The Banking Licence No. 0006/NH-GP dated 5 December 1991

The Banking Licence was issued by the State Bank of Vietnam ("the SBV") for a period of 50 years from the date of the licence.

Board of Management:

Mr Dang Van Thanh	Chairman
Mrs Huynh Que Ha	First Vice Chairwoman
Mr Nguyen Chau	Vice Chairman
Mr Dominic Scriven	Member (resigned on 2 April 2011)
Mrs Nguyen Thi Mai Thanh	Member (resigned on 2 April 2011)
Mr Dang Hong Anh	Member
Mr Pham Duy Cuong	Member
Mr Huynh Phu Kiet	Member (resigned on 2 April 2011)
Mr Nguyen Ngoc Thai Binh	Member (appointed on 2 April 2011)
Mr Lim Peng Khoon	Independent member (appointed on 2 April 2011)

Board of Supervisors:

Mr Nguyen Tan Thanh	Chief Supervisor
Mr Le Van Tong	Supervisor
Mr Doan Ba Tung	Supervisor (resigned on 2 April 2011)
Mrs Nguyen Thi Thanh Mai	Supervisor (appointed on 2 April 2011)

Board of General Directors:

Mr Tran Xuan Huy	General Director
Mr Luu Huynh	Deputy General Director
Mr Nguyen Minh Tam	Deputy General Director
Mr Dao Nguyen Vu	Deputy General Director
Mr Bui Van Dung	Deputy General Director (resigned on 1 January 2011)
Mrs Do Thu Ngan	Deputy General Director (resigned on 15 April 2011)
Mr Nguyen Dang Thanh	Deputy General Director
Mrs Quach Thanh Ngoc Thuy	Deputy General Director
Mr Ly Hoai Van	Deputy General Director
Mr Pham Nhat Vinh	Deputy General Director

PRINCIPAL ACTIVITIES

The principal activities of Sacombank ("the Bank") are to mobilise short, medium and long-term capital in the form of time deposits, demand deposits, certificates of deposits; receive investment funds; receive capital from local and overseas financial institutions; grant short, medium and long-term loans; discount commercial paper, bonds and valuable documents; investments in subsidiaries, associates, joint-ventures and other companies; provide settlement services to customers; deal in foreign exchange, gold; provide international settlements services; investment in bonds and other securities; provide investment and asset management services, other banking services.

The Bank's registered office 266-268 Nam Ky Khoi Nghia Street, District 3, Ho Chi Minh City

The Bank's auditor PricewaterhouseCoopers (Vietnam) Limited

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of General Directors is responsible for preparation of the separate financial statements which give a true and fair view of the financial position of the Bank as at 30 June 2011 and of its results of operations and cash flows for the period from 1 January 2011 to 30 June 2011. In preparing these separate financial statements, the Board of General Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Bank will continue in business.

We, the Board of General Directors are responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Bank's Board of General Directors is responsible for ensuring compliance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations applicable to banks and other credit institutions operating in SR Vietnam. We are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying separate financial statements on page 4 to page 52 which give a true and fair view of the financial position of the Bank as at 30 June 2011 and of its results of operations and cash flows for the period from 1 January 2011 to 30 June 2011, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations applicable to banks and other credit institutions operating in SR Vietnam.

Users of these separate financial statements should read them together with the Group's consolidated financial statements as at 30 June 2011 and of its results of operations and cash flows for the period from 1 January 2011 to 30 June 2011 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole.

For and on behalf of the Board of General Directors



Tran Xuan Huy
General Director

Ho Chi Minh City, SR Vietnam
15 August 2011

**REVIEW REPORT TO SHAREHOLDERS
OF SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK**

We have reviewed the accompanying separate balance sheet of Saigon Thuong Tin Commercial Joint Stock Bank ("the Bank") as at 30 June 2011 and the related income statement and cash flow statement for the period from 1 January 2011 to 30 June 2011, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations applicable to banks and other credit institutions operating in SR Vietnam. Our responsibility is to express a conclusion on these separate financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Vietnamese Standard on Auditing applicable to review engagements. A review of financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantively less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate financial statements do not present fairly, in all material respects, the financial position of the Bank as at 30 June 2011, and its financial performance and cash flows for the period from 1 January 2011 to 30 June 2011 in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations applicable to banks and other credit institutions operating in SR Vietnam.



Nguyen Phi Lan
AC No. 0573/KTV
Deputy General Director
Authorised signature

Nguyen Hoang Nam
AC No. 0849/KTV

PricewaterhouseCoopers (Vietnam) Limited
Ho Chi Minh City, SR Vietnam
Review report number HCM2926
15 August 2011

As indicated in Note 2.1 to the separate financial statements, the accompanying separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 02a/TCTD

BALANCE SHEET

			As at 30.6.2011	As at 31.12.2010
		Notes	Million VND	Million VND
A	ASSETS			
I	Cash and precious metals	3	12,572,816	12,570,956
II	Balances with the State Bank	4	3,503,283	3,618,830
III	Placements with and loans to other credit institutions	5	13,721,257	16,376,008
IV	Trading securities			
1	Trading securities	6	545,857	563,683
2	Less: Provision for diminution in value of trading securities	6	(143,591)	(75,822)
V	Derivatives and other financial assets	7	5,760	7,082
VI	Loans and advances to customers			
1	Loans and advances to customers	8	79,838,479	77,359,055
2	Less: Provision for losses on loans and advances to customers	9	(907,122)	(742,016)
VII	Investment securities			
1	Available-for-sales securities	10.1	21,260,396	19,118,540
2	Held-to-maturity securities	10.2	243,270	2,007,504
3	Less: Provision for diminution in value of investment securities	10.1	(18,104)	(10,002)
VIII	Investment in other entities and long-term investments			
1	Investments in subsidiaries	11	1,054,000	1,768,200
3	Investments in associate companies	11	620,000	-
4	Other long-term investments	12	619,289	622,179
5	Less: Provision for diminution in value of long-term investments	11, 12	(81,286)	(103,767)
IX	Fixed assets			
1	Tangible fixed assets	13	1,348,311	1,177,309
3	Intangible fixed assets	14	1,340,872	1,267,739
XI	Other assets	15	5,419,161	6,273,260
	TOTAL ASSETS		140,942,648	141,798,738

The notes on pages 9 to 52 are an integral part of these separate financial statements.

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

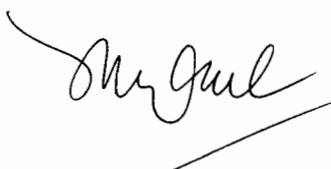
FORM B 02a/TCTD

BALANCE SHEET
(continued)

	Notes	As at 30.6.2011 Million VND	As at 31.12.2010 Million VND
B LIABILITIES AND SHAREHOLDERS' EQUITY			
I Due to Government and borrowings from the State Bank of Vietnam	16	-	4,819,974
II Deposits and borrowings from other credit institutions	17	20,064,264	15,476,345
III Deposits from customers	18	76,159,312	78,858,295
V Borrowings from international and other institutions	19	2,456,078	2,102,704
VI Certificates of deposits	20	25,372,195	24,946,136
VII Other liabilities	21	3,698,933	1,962,175
TOTAL LIABILITIES		127,750,782	128,165,629
VIII SHAREHOLDERS' EQUITY			
Capital and reserves attributable to equity holders of the Bank			
1 Capital	22	10,851,871	10,851,871
2 Reserves	23	1,159,993	1,136,459
3 Foreign exchange difference	23	24,423	-
5 Retained earnings	23	1,155,579	1,644,779
TOTAL SHAREHOLDERS' EQUITY		13,191,866	13,633,109
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		140,942,648	141,798,738
CONTINGENCIES AND COMMITMENTS	37	17,207,718	16,809,365



Luu Van Hoa
Preparer



Nguyen Thi My Hanh
Chief Accountant



Trần Xuân Huy
General Director
15 August 2011

The notes on pages 9 to 52 are an integral part of these separate financial statements.

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 03a/TCTD


INCOME STATEMENT

	Notes	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
1 Interest and similar income	24	8,064,714	4,497,066
2 Interest and similar expenses	25	(5,600,333)	(3,247,632)
I Net interest income		2,464,381	1,249,434
3 Fees and commission income	26	689,092	484,188
4 Fees and commission expenses	27	(199,848)	(89,600)
II Net fee and commission income		489,244	394,588
III Net (loss)/gain from dealing in foreign currencies, gold and derivative instruments	28	(42,608)	20,766
IV Net loss from trading of trading securities	29	(67,769)	(29,426)
V Net (loss)/gain from disposal of investment securities	30	(921)	8,854
5 Other incomes		22,341	30,406
6 Other expenses		(4,948)	(8,007)
VI Net other income	33	17,393	22,399
VII Dividend income and income from investments in other entities	31	124,099	472,696
VIII General and administrative expenses	32	(1,257,816)	(872,359)
IX Operating profit before provision for credit losses		1,726,003	1,266,952
X Provision for credit losses	5, 9, 15, 21.1	(235,514)	(125,060)
XI Profit before tax		1,490,489	1,141,892
7 Business income tax – current	35	(353,277)	(297,604)
8 Business income tax – deferred	35	-	-
XII Business income tax		(353,277)	(297,604)
XIII Net profit for the period		1,137,212	844,288


Luu Van Hoa
Preparer


Nguyen Thi My Hanh
Chief Accountant




Tran Xuan Huy
General Director
15 August 2011

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SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 04a/TCTD


**CASH FLOW STATEMENT
(Direct method)**

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
CASH FLOWS FROM OPERATING ACTIVITIES		
01	7,983,335	4,478,429
02	(5,303,286)	(3,075,130)
03	489,244	394,588
04	(35,427)	558,328
05	20,005	14,020
06	(1,172,403)	(781,314)
08	(330,989)	(225,679)
	<hr/>	<hr/>
	1,650,479	1,363,242
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in operating assets		
09	6,245,505	437,545
10	(1,566,596)	(2,689,534)
11	1,322	594,429
12	(2,480,185)	(12,368,650)
14	1,219,496	(4,630,891)
Changes in operating liabilities		
15	(4,819,974)	(795,219)
16	4,587,919	2,813,560
17	(2,698,983)	14,960,496
18	426,059	(2,358,481)
19	353,374	(104,021)
21	61,568	(329,520)
22	(225,993)	(202,656)
	<hr/>	<hr/>
I	2,753,991	(3,309,700)

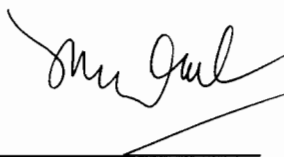
The notes on pages 9 to 52 are an integral part of these separate financial statements.

CASH FLOW STATEMENT
(Direct method)
(continued)

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
CASH FLOWS FROM INVESTING ACTIVITIES		
01 Purchases of fixed assets	(708,017)	(770,578)
02 Proceeds from disposals of fixed assets	1,706	13,835
07 Cash paid for investments in other entities	-	(191,681)
08 Proceeds from disposal of investments in other entities and other long-term investments	97,090	199,956
09 Dividend income and income from investments in other entities	101,618	106,210
II NET CASH FLOWS FROM INVESTING ACTIVITIES	(507,603)	(642,258)
CASH FLOWS FROM FINANCING ACTIVITIES		
04 Dividends paid	(8)	-
III NET CASH FLOWS FROM FINANCING ACTIVITIES	(8)	-
IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,246,380	(3,951,958)
V CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	24,101,597	22,486,612
VI Foreign exchange differences	24,423	(156,379)
VII CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	26,372,400	18,378,275
Cash and cash equivalents are made up of:		
Cash and precious metals	12,572,816	10,907,149
Balances with the State Bank	3,503,283	2,370,942
Placement with other credits institutions with demand and term of original maturity within 3 months	10,096,301	3,950,184
Value paper which have maturity date within 3 months from purchasing date	200,000	1,150,000
	26,372,400	18,378,275



Luu Van Hoa
Preparer



Nguyen Thi My Hanh
Chief Accountant



Trần Văn Huy
General Director
15 August 2011

The notes on pages 9 to 52 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011**
1 GENERAL INFORMATION

Sai Gon Thuong Tin Commercial Joint Stock Bank (herein referred to as "the Bank") is a Vietnamese joint-stock bank registered in the Socialist Republic of Vietnam.

Banking Licence No. 0006/NH-GP was granted to the Bank by the State Bank of Vietnam ("the SBV") effective 5 December 1991. The licence is for a period of 50 years and stipulates an initial share capital of VND3,000 million. The Bank commenced its operation on 21 December 1991. The Bank's chartered capital as at 30 June 2011 is VND9,179,230 million.

The Bank's Head Office locates at No. 266-268 Nam Ky Khoi Nghia Street, District 3, Ho Chi Minh City. The Bank has one Head Office, one main transaction office, 72 branches and 306 transaction offices (including one branch in Laos PDR and one branch and one transaction office in Kingdom of Cambodia) and one saving fund.

As at 30 June 2011, the Bank had subsidiaries and associates as follows:

	Operating Licence	Nature of business	% direct shareholding by the Bank	% indirect shareholding through subsidiary	Total % shareholding by the Group
Subsidiaries					
Sacombank Assets Management Co. Ltd.	4104000053	Asset management	100%	0%	100%
Sacombank Leasing Co. Ltd.	04/GP-NHNN	Leasing activities	100%	0%	100%
Saigon Thuong Tin Remittance Express Co., Ltd.	90/QD-NHNN	Money remittance	100%	0%	100%
Saigon Thuong Tin Jewelry Co. Ltd.	4104003812	Process and trade gold and precious metals and gemstone	100%	0%	100%
Saigon Thuong Tin Jewelry Cambodia PLC	Co.0275E/1010	Process and trade gold and precious metals and gemstone	0%	99.98%	99.98%
Sacombank Tech Company	0305584790	IT services, IT equipment trading and others	0%	100%	100%
Associates					
Sacombank Securities JS Company	4104000197	Securities activities	48.95%	0%	48.95%
Sacombank Securities Cambodia PLC	Co.0297E/2011	Securities activities	0%	48.94%	48.94%
Lane Xang Securities Public Company	No. 4343	Securities activities	0%	24.96%	24.96%
Sacombank Securities Global Investment PTE Ltd	No 3	Investment activities	0%	19.58%	19.58%

In the period, the Bank disposed 94.2 million shares of Sacombank Securities Joint Stock Company. Accordingly, the shareholding of the Bank at this company reduced to 48.95% making this company become the Bank's associate.

As at 30 June 2011, the Bank had 8,898 employees (31 December 2010: 8,507 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted for the preparation of these financial statements are set out below.

2.1 Basis of preparation of the separate financial statements

The separate financial statements have been prepared in millions of Vietnamese Dong using the historical cost convention and in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations applicable to banks and other credit institutions operating in SR Vietnam. Accordingly, the separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than SR Vietnam. The accounting principles and practices utilised in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance guiding application of International Accounting Standard on presentation and disclosure for financial instruments becomes effective from the financial year 2011. The Bank is however awaiting for detailed implementation guidance from the State Bank of Vietnam.

Separately, the Bank has also prepared consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations applicable to banks and other credit institutions operating in SR Vietnam for the Bank and its subsidiaries (together, "the Group"). In the consolidated financial statements, subsidiary undertakings – which are those companies over which the Group has the power to govern the financial and operating policies – have been fully consolidated.

Users of these separate financial statements should read them together with the Group's consolidated financial statements as at 30 June 2011 and of its results of operations and cash flows for the period from 1 January 2011 to 30 June 2011 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole.

2.2 Fiscal year

The Bank's fiscal year is from 1 January to 31 December.

2.3 Foreign currencies

The financial statements are prepared in million Vietnamese Dong.

Transactions arising in foreign currencies are translated at rates ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at each month end are translated at the rates of exchange ruling at the month end date. Foreign exchange differences from monthly revaluation are recorded in the foreign currency difference reserve in the balance sheet and transferred to the income statement at the end of the financial period.

2.4 Interest income and expenses

The Bank records interest income and expense on an accruals basis. Interest income from non-performing loans is not accrued and is recognised on an actual collection basis. Interest income is derecognised when a loan becomes overdue and is recorded in off-balance sheet. Interest income on overdue loan is recognised in the income statement on receipt.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Fees and commissions income**

Fees and commission income consists of fees received for settlement services, treasury services, guarantees services and other services. Fees on guarantees services are recognised on an accruals basis. Fees and commissions arising from settlement services, treasury services and other services are recognised on receipt.

2.6 Loans and advances to customers

Short-term loans are those with a repayment date within one year of the date the loan was advanced, medium-term loans are those with a final repayment date between one and five years of the date the loan was advanced and long-term loans are those with a repayment date of more than five years from the date the loan was advanced.

Loan classification and provision for losses 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.

Loans and advances to customers are classified into five groups based on the payment arrears status and other qualitative factors as follows:

Group 1: Current

- Undue debts which, according to the Bank's assessment, could 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, could be fully recovered, both overdue principal and interest in accordance with the remaining payment schedule.

Group 2: Special mention

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

Group 3: Sub-standard

- 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 was 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Loans and advances to customers (continued)**

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;
- Frozen debts and debts which are awaiting resolution.

Where a customer owes more than one debt to the Bank, and has any of its debts transferred to the group of debts with higher risk, the Bank is obliged to classify the remaining debts of such customer into groups of debts with higher risk corresponding with their level of risk.

The Bank shall actively classify those debts into groups of debts with higher risk corresponding with their level of risk in the following situations:

- There are indications of adverse impact to the customer's business environment and sector;
- Customer's financial ratios or repayment capability is weakened;
- Customer does not accurately, completely and promptly provide the Bank its financial information for the Bank's assessment of customer's repayment capability.

Provision for losses on loans and advances to customers

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

	Provision rates
Group 1 - Current	0%
Group 2 - Special mentioned	5%
Group 3 - Sub-standard	20%
Group 4 - Doubtful	50%
Group 5 - Bad	100%

The specific provision is calculated based on net credit exposure of each borrower which equals to loan and advance balance as at 30 June less value of collateral assets. The value of these assets is determined in accordance with Decision 493/2005/QD-NHNN and Decision 18/2007/QD-NHNN.

In accordance with the Decision 493/2005/QD-NHNN dated 22 April 2005, a general provision is also required and should be equal to 0.75% of total balance of loans and advances to customers and excluding the total balance of loans and advances to customers which are classified as bad. This level of the general provision is required to be achieved within 5 years from the effective date of the Decision 493/2005/QD-NHNN.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Credit commitments**

Credit commitments are classified into five groups based on quantitative and qualitative factors as follows:

Group 1: Current

- Undue commitments which, according to the Bank's assessment, could be fully settled when they fall due.

Group 2: Special mentioned

- Undue commitments which, according to the Bank's assessment, could not be fully settled when they fall due.

Group 3: Sub-standard

- Undue commitments which, according to the Bank's assessment, could not be fully settled when they fall due;
- Due commitments which are overdue for less than 30 days.

Group 4: Doubtful

- Undue commitments which, according to the Bank's assessment, could not be fully settled when they fall due;
- Due commitments and contingencies which are overdue from 30 days to 90 days.

Group 5: Bad

- Undue commitments which, according to the Bank's assessment, could not be fully settled when they fall due;
- Due commitments which are overdue for more than 90 days.

Provision for losses on credit commitments

The determination of specific provision for losses on credit commitments is calculated using set rates applied to each group of credit commitments as follows:

	Provision rates
Group 1 - Current	0%
Group 2 - Special mentioned	5%
Group 3 - Sub-standard	20%
Group 4 - Doubtful	50%
Group 5 - Bad	100%

The specific provision is calculated based on net credit exposure of each customer which equals to credit commitment balance as at 30 June 2011 less estimated value of collateral assets. The value of these collateral assets is determined in accordance with Decision 493/2005/QD-NHNN and Decision 18/2007/QD-NHNN.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.7 Credit commitments (continued)**

In accordance with the Decision 493/2005/QD-NHNN dated 22 April 2005, a general provision is also required and should be equal to 0.75% of total balance loans and advances to customers, guarantees, unconditional and irrevocable commitments and settlement acceptances, excluding those are classified as bad.

2.8 Investments**Investment in securities**

Investment securities are classified into three categories: i) trading securities, ii) available for sale securities or ii) held to maturity securities. The Bank is required to classify investment securities at the purchase date.

(i) Trading securities

Trading securities are defined as debt securities or equity securities, which are acquired for the purpose of selling in the short-term in order to realize profit gained from profit difference.

Trading equity securities are initially stated at cost of acquisition. Subsequently, they are measured at lower of cost and market value.

Gains or losses from disposal of trading securities are recognised in the income statement and are reported on a net basis.

(ii) Available-for-sale securities

Available-for-sale securities are defined as debt securities or equity securities which are acquired for an indefinite period of time and may be sold at any time.

Available-for-sale equity securities are initially stated at cost of acquisition. Subsequently, they are measured at lower of cost and market value. Gains or losses from disposal of available-for-sale securities are recognised in the income statement and are reported on a net basis.

(iii) Held-to-maturity securities

Held-to-maturity securities are debt securities with fixed or determinable payment and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity.

Held-to-maturity securities are initially stated at cost of acquisition. Subsequently, they are measured at lower of cost and market value if there is indication of long term diminution in value.

Post-acquisition interest income of held-to-maturity securities is recognised in the income statement on an accruals basis. Pre-acquisition interest income of held-to-maturity securities is deducted against the cost of acquisition.

Provision for investment in securities

In accordance with Circular 228/2009/TT-BTC issued on 7 December 2009 by the Ministry of Finance applicable to corporate established in Vietnam, no provision is required for securities which are not allowed to be freely traded in the market. Provision is required for securities which are freely traded in the market and for which the market value is below the book value. Provisions for investment in economic entities (such as limited liability companies, joint stock companies, partnership, joint ventures and other long term investments) are required if the economic entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****Investment in securities (continued)**

In accordance with Letter 7459/NHNN-KTTC issued by the SBV to credit institutions on 30 August 2006, provisions are required for trading securities and available for sale securities when the net realisation value (the market value) is lower than the book value. Provision is required for held-to-maturity securities when there is an indication of long term diminution in value. Equity securities which are not listed in the market and for which the Bank has less than 20% voting right, are classified as other long term investments are not subject to the guidance of Letter 7459.

The Bank made provisions for investment in securities in accordance with the above regulations.

Investments in subsidiaries and associates

Subsidiaries are those entities over which the Bank directly or indirectly has power to exercise control over financial and operating policies. Associates are entities over which the Bank has significant influence but not control. Investment in subsidiaries and associates are initially stated at cost of acquisition. Provision is required when the entities in which the Bank invests make losses, except when the loss was anticipated in their business plans before the date of investment.

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

Other long-term investments

Other long-term investments comprise shareholding of less than 20% in invested companies. These investments are initially stated at cost of acquisition. Provision is made where there is a diminution in value of these investments.

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

2.9 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used are as follow:

	Period from 1.1.2011 to 30.6.2011	Period from 1.1.2010 to to 30.6.2010
Buildings	2%	2%
Office equipments	12.5% - 33.3%	12.50% - 33.3%
Motor vehicles	16.7%	16.7%
Other assets	10%	10%
Computer software	20%	20%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Fixed assets (continued)**

Land use rights which are granted for a definite term are amortised, using the straight-line method over the terms indicated in the land use right certificate. Land use rights which are granted for an indefinite term are carried out at cost and not amortised.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised in the income statement.

2.10 Leased assets

Leases of property, plant and equipment where the Bank has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.11 Gold

Gold is revalued at each month end. The differences arising from monthly revaluation are recorded in foreign exchange difference reserve and transferred to the income statement at the balance sheet date.

2.12 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and precious metals, demand deposit at the State Bank, demand and term deposits at banks with the original term not longer than 90 days, Government bills and other valued papers which qualify to be discounted at the State Bank of Vietnam, securities with term of original maturity within 3 months.

2.13 Derivative financial instruments

Derivatives are recorded in a balance sheet account at contract value on the date which a derivative contract is entered into and revalued subsequently at exchange rate of each period end. Gains or losses from realisation of derivatives are recognised in the income statement. Unrealised gains or losses are recognised in balance sheet foreign currency difference reserve and transferred to the income statement at the balance sheet date.

2.14 Provisions

Provisions are recognised when: the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Provisions (continued)**

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

2.15 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Bank are entitled to a severance allowance based on their years of service. This will be paid as a lump sum when the employee leaves the Bank. Provision for severance allowance is made in accordance with Circular 07/2004/TT-BTC dated 9 February 2004 and Circular 82/2003/TT-BTC dated 14 August 2003 issued by the Ministry of Finance.

2.16 Taxation

Business income tax expense is recognised in the income statement based on current income tax and deferred income tax.

Current income tax is the amount of business income tax payable or recoverable in respect of the current year taxable profit and the current tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither accounting nor taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Bank are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Dividend distribution**

Dividend distribution to the Bank's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Bank's shareholders.

2.19 Science and Technology Development Fund

In accordance with applicable regulations and Letter No. 10186/NHNN-TCKT dated 24 December 2009 to the Bank issued by the State Bank of Vietnam, Science and Technology Fund is fully charged to general and administrative expenses when it is set up and credited to a specific account in other liabilities. Subsequently, this fund is used for capital expenditures or revenue expenditures which are qualified to be used from the fund.

3 CASH AND PRECIOUS METALS

	30.6.2011 Million VND	31.12.2010 Million VND
Cash on hand	3,363,006	3,061,813
Gold	9,209,028	9,508,402
Valuable documents	782	741
	<u>12,572,816</u>	<u>12,570,956</u>

4 BALANCES WITH THE STATE BANK

	30.6.2011 Million VND	31.12.2010 Million VND
Demand deposits at the State Bank of Vietnam ("SBV")	2,985,450	3,336,654
Deposits at the State Bank of Laos	211,097	117,059
Deposits at the National Bank of Cambodia	306,736	165,117
	<u>3,503,283</u>	<u>3,618,830</u>

An obligatory reserve is required to be deposited with the SBV. The balance is adjusted once per month and is calculated as 3% of the average balance of customer deposits with terms within one year in Vietnamese dong and 1% of the average balance of customer deposits with terms from above one year. The balance is adjusted once per month and is calculated as 6% of the average balance of customer deposits with terms within one year in foreign currencies and 4% of the average balance of customer deposits with terms from above one year.

Included in deposits at the State Bank of Laos is the restricted balance for capital contribution of Laos branch at a minimum balance of 25% of contributed capital of Laos branch and obligation reserve in accordance to the Laos regulations.

Included in deposits at the National Bank of Cambodia is the restricted balance of VND78,348 million (As at 31 December 2010: VND71,942 million) for capital contribution which is equal to 10% of the contributed capital of Cambodia branch.

5 PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	30 June 2011		Total Million VND
	Denominated in VND Million VND	Denominated in foreign currencies and gold Million VND	
Placements with other credit institutions			
Demand deposits	44,178	533,053	577,231
Term deposits	8,266,155	4,709,169	12,975,324
	<u>8,310,333</u>	<u>5,242,222</u>	<u>13,552,555</u>
Loans and advances to other credit institutions			
Short-term loans	170,045	-	170,045
Less: Provision for losses on loans and advances to credit institutions	(1,343)	-	(1,343)
	<u>168,702</u>	<u>-</u>	<u>168,702</u>
	<u>8,479,035</u>	<u>5,242,222</u>	<u>13,721,257</u>
31 December 2010			
	Denominated in VND Million VND	Denominated in foreign currencies and gold Million VND	Total Million VND
Placements with other credit institutions			
Demand deposits	44,660	941,473	986,133
Term deposits	10,398,000	4,865,519	15,263,519
	<u>10,442,660</u>	<u>5,806,992</u>	<u>16,249,652</u>
Loans and advances to other credit institutions			
Short-term loans	127,163	-	127,163
Less: Provision for losses on loans and advances to credit institutions	(807)	-	(807)
	<u>10,569,016</u>	<u>5,806,992</u>	<u>16,376,008</u>

6 TRADING SECURITIES

	30.6.2011 Million VND	31.12.2010 Million VND
Debt securities		
Debt securities issued by other local credit institutions	16,336	16,336
Debt securities issued by local corporations	6,000	6,000
Debt securities issued by overseas corporations	24,735	42,561
	<u>47,071</u>	<u>64,897</u>
Equity securities		
Equity securities issued by other local credit institutions	215,822	215,822
Equity securities issued by local corporations	282,964	282,964
	<u>498,786</u>	<u>498,786</u>
Total trading securities	545,857	563,683
Less: provision for diminution in value of trading securities	(143,591)	(75,822)
	<u>402,266</u>	<u>487,861</u>

7 DERIVATIVES AND OTHER FINANCIAL ASSETS

	Total contract value (at the foreign exchange rate at the contract date) Million VND	30 June 2011	
		Net contract value (at the foreign exchange rate at 30 June 2011) Assets Million VND	Liabilities Million VND
Derivative currency financial instruments			
- Forward contracts	269,969	-	149
- Swap contracts	1,693,374	5,909	-
	<u>1,963,343</u>	<u>5,909</u>	<u>149</u>
	Total contract value (at the foreign exchange rate at the contract date) Million VND	31 December 2010	
		Net contract value (at the foreign exchange rate at 31 December 2010) Assets Million VND	Liabilities Million VND
Derivative currency financial instruments			
- Forward contracts	225,951	3,519	-
- Swap contracts	2,551,024	3,563	-
	<u>2,776,975</u>	<u>7,082</u>	<u>-</u>

8 LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers were analysed as follows:

8.1 Analysis by type of customers

	30.6.2011 Million VND	31.12.2010 Million VND
Loans to domestic businesses and individuals	77,526,600	75,250,003
Discounted notes and valuable papers	149,623	-
Loans funded by Government, international and other institutions	406,067	334,386
Loans to foreign businesses and individuals	1,756,189	1,773,061
Frozen and awaiting resolution loans	-	1,605
	<u>79,838,479</u>	<u>77,359,055</u>

Included in loans and advances to customers is VND2,496,365 million (As at 31 December 2010: VND3,908,078 million) advanced to the Bank's related parties (Note 40).

8.2 Analysis by group

	30.6.2011 Million VND	31.12.2010 Million VND
Current	78,571,720	76,925,933
Special mention	482,304	29,899
Sub-standard	77,826	30,447
Doubtful	360,633	60,776
Loss	345,996	312,000
	<u>79,838,479</u>	<u>77,359,055</u>

8.3 Analysis by maturity

	30.6.2011 Million VND	31.12.2010 Million VND
Short-term	49,027,479	47,336,925
Medium-term	15,881,520	15,723,946
Long-term	14,929,480	14,298,184
	<u>79,838,479</u>	<u>77,359,055</u>

8 LOANS AND ADVANCES TO CUSTOMERS (continued)**8.4 Analysis by currency**

	30.6.2011 Million VND	31.12.2010 Million VND
Denominated in VND	62,045,505	62,355,491
Denominated in foreign currencies	17,792,974	15,003,564
	<u>79,838,479</u>	<u>77,359,055</u>

9 PROVISION FOR LOSSES ON LOANS AND ADVANCES TO CUSTOMERS

Provision for losses on loans and advances to customers comprises:

	30.6.2011 Million VND	31.12.2010 Million VND
Specific provision (Note 9.1)	291,149	146,532
General provision (Note 9.2)	615,973	595,484
	<u>907,122</u>	<u>742,016</u>

9.1 Specific provision for losses on loans and advances to customers

	Period from 1.1.2011 to 30.6.2011 Million VND	Year from 1.1.2010 to 31.12.2010 Million VND
Beginning balance	146,532	101,662
Charge for the period/year	145,378	47,789
Utilisation during the period/year (*)	(761)	(2,919)
Closing balance	<u>291,149</u>	<u>146,532</u>

(*) Loans are written off at the discretion of the Bank's Risk Management Committee when they consider that all reasonable efforts for recovery of doubtful loans, including legal actions, have been exhausted. Loans are written-off in accordance with the requirements of Decision 493/2005/QD-NHNN.

9 PROVISION FOR LOSSES ON LOANS AND ADVANCES TO CUSTOMERS (continued)

9.2 General provision for losses on loans and advances to customers

	Period from 1.1.2011 to 30.6.2011 Million VND	Year from 1.1.2010 to 31.12.2010 Million VND
Opening balance	595,484	409,994
Charge for the period/year	20,489	185,490
Closing balance	<u>615,973</u>	<u>595,484</u>

10 INVESTMENT SECURITIES

10.1 Available-for-sale securities

	30.6.2011 Million VND	31.12.2010 Million VND
Debt securities		
Government debt securities (*)	6,421,109	3,842,042
Debt securities issued by other local credit institutions (*)	11,571,984	11,509,286
Debt securities issued by local corporations (**)	3,150,013	3,649,922
	<u>21,143,106</u>	<u>19,001,250</u>
Equity securities		
Equity securities issued by local corporations	117,290	117,290
	<u>117,290</u>	<u>117,290</u>
Total available-for-sale securities	<u>21,260,396</u>	<u>19,118,540</u>
Less: Provision for diminution in value of available-for-sale securities	(18,104)	(10,002)
	<u>21,242,292</u>	<u>19,108,538</u>

(*) As at 31 December 2010, values of Government debt securities and debt securities issued by other local credit institutions pledged at the State Bank of Vietnam were VND3,079,826 million and VND1,632,240 million, respectively. As at 30 June 2011, there was no securities pledged at the State Bank of Vietnam (Note 16).

(**) Included in debt securities issued by local corporations is VND480,000 million (As at 31 December 2010: VND850,000 million) of corporate bonds issued by related parties of Sacombank that will mature in 2012 and 2013 (Note 40).

10 INVESTMENT SECURITIES (continued)**10.2 Held-to-maturity securities**

	30.6.2011	31.12.2010
	Million VND	Million VND
Debt securities		
Government debt securities	735	204,170
Debt securities issued by other local credit institutions	12,535	1,253,334
Debt securities issued by local corporations	230,000	550,000
	<u>243,270</u>	<u>2,007,504</u>

11 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	30.6.2011	31.12.2010
	Million VND	Million VND
Investments in subsidiaries	1,054,000	1,768,200
Investment in associates (See Note 11.2)	620,000	-
	<u>1,674,000</u>	<u>1,768,200</u>
Total investments in subsidiaries and associates	1,674,000	1,768,200
Less: Provision for diminution in value of investments in subsidiaries and associates	(80,000)	(102,557)
	<u>1,594,000</u>	<u>1,665,643</u>

11.1 Movement of investments in subsidiaries and associates

	Period from	Year from
	1.1.2011 to	1.1.2010 to
	30.6.2011	31.12.2010
	Million VND	Million VND
Opening balance	1,768,200	1,848,200
Addition	-	201,000
Disposal (See Note 11.2)	(94,200)	(259,041)
Reclassified to other long-term investments	-	(21,959)
	<u>1,674,000</u>	<u>1,768,200</u>
Closing balance	<u>1,674,000</u>	<u>1,768,200</u>

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11 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

11.2 The Bank's investments in subsidiaries and associates

The Bank's investments in subsidiaries and associates comprise the following companies:

Name	Nature of business	Details	30 June 2011		31 December 2010	
			Shareholding %	At cost Million VND	Shareholding %	At cost Million VND
Subsidiaries						
Sacombank Assets Management Co., Ltd.	Assets management	Capital contribution	100.00	500,000	100.00	500,000
Saigon Thuong Tin Remittance Express Co., Ltd.	Money remittance	Capital contribution	100.00	4,000	100.00	4,000
Sacombank Leasing Co., Ltd.	Leasing activities	Capital contribution	100.00	300,000	100.00	300,000
	Manufacture, process and trade					
Sacombank Jewelry Co., Ltd.	gold and precious metals	Capital contribution	100.00	250,000	100.00	250,000
Sacombank Securities Joint Stock Company (*)	Securities activities	Capital contribution	-	-	56.39	714,200
				1,054,000		1,768,200
Associate						
Sacombank Securities Joint Stock Company (*)	Securities activities	Capital contribution	48.95	620,000	-	-
				1,674,000		1,768,200

(*) In the period, the Bank disposed additionally 94.2 million shares of Sacombank Securities Joint Stock Company. Accordingly, the shareholding of the Bank at this company reduced to 48.95% making this company become the Bank's associate.

12 OTHER LONG-TERM INVESTMENTS

The Bank's other long-term investments are investments in other entities with shareholding of less than 11% are analysed as follows:

	30.6.2011	31.12.2010
	Million VND	Million VND
Credit institutions		
Listed credit institutions	95,561	95,561
Unlisted credit institutions	1,634	1,634
	<u>97,195</u>	<u>97,195</u>
Non credit institutions (corporations)		
Listed local corporations	146,519	149,409
Unlisted local corporations	375,575	375,575
	<u>522,094</u>	<u>524,984</u>
Total investments in other entities	<u>619,289</u>	<u>622,179</u>
Provision for diminution in value of long term investments	(1,286)	(1,210)
Total investments in other entities	<u><u>618,003</u></u>	<u><u>620,969</u></u>

13 TANGIBLE FIXED ASSETS

	CURRENCY: Million VND				
	Buildings	Office equipment	Motor vehicles	Other assets	Total
Historical cost					
At 1 January 2011	565,402	715,720	172,883	74,440	1,528,445
New purchases	-	16,439	23,956	1,951	42,346
Transfers from construction in progress (Note 15.1)	138,759	58,326	28,027	3,287	228,399
Disposals	(2,687)	(835)	(2,926)	(31)	(6,479)
At 30 June 2011	<u>701,474</u>	<u>789,650</u>	<u>221,940</u>	<u>79,647</u>	<u>1,792,711</u>
Accumulated depreciation					
At 1 January 2011	39,052	235,062	60,464	16,558	351,136
Charge for the period	7,478	63,084	15,268	4,294	90,124
Charge to Science and Technology Development Fund (Note 21.2)	-	5,301	-	-	5,301
Disposals	(8)	(823)	(1,303)	(27)	(2,161)
At 30 June 2011	<u>46,522</u>	<u>302,624</u>	<u>74,429</u>	<u>20,825</u>	<u>444,400</u>
Net book value					
At 1 January 2011	<u>526,350</u>	<u>480,658</u>	<u>112,419</u>	<u>57,882</u>	<u>1,177,309</u>
At 30 June 2011	<u><u>654,952</u></u>	<u><u>487,026</u></u>	<u><u>147,511</u></u>	<u><u>58,822</u></u>	<u><u>1,348,311</u></u>

Included in office equipment are fixed assets funded by Science and Technology Development Fund with historical cost of VND53,012 million (As at 31 December 2010: VND53,012 million) and accumulated depreciation of VND16,547 million (As at 31 December 2010: VND11,246 million). The accounting policy for those fixed assets is different from similar assets which are purchased outside the Fund. Accordingly, depreciation for those fixed assets is deducted from Science and Technology Development Fund – used (Note 21.2).

14 INTANGIBLE FIXED ASSETS

CURRENCY: Million VND

	Computer software	Land use rights	Others	Total
Historical cost				
At 1 January 2011	319,663	1,044,367	363	1,364,393
New purchases	1,481	-	-	1,481
Transfers from construction in progress and purchases of fixed assets (Note 15.1)	17,444	88,293	86	105,823
Reclassification	(677)	-	(449)	(1,126)
At 30 June 2011	337,911	1,132,660	-	1,470,571
Accumulated depreciation				
At 1 January 2011	91,182	5,166	306	96,654
Charge for the period	27,313	2,477	86	29,876
Charge to Science and Technology Development Fund (Note 21.2)	4,295	-	-	4,295
Disposals	(677)	-	(449)	(1,126)
Reclassification	(55)	(2)	57	-
At 30 June 2011	122,058	7,641	-	129,699
Net book value				
At 1 January 2011	228,481	1,039,201	57	1,267,739
At 30 June 2011	215,853	1,125,019	-	1,340,872

Included in computer software are fixed assets funded by Science and Technology Development Fund with historical cost is VND42,949 million (As at 31 December 2010: VND42,949 million) and accumulated depreciation is VND12,804 million (As at 31 December 2010: 8,509). The accounting policy for those fixed assets is different from similar assets which are purchased outside the Fund. Accordingly, depreciation for those fixed assets is deducted from Science and Technology Development Fund – used (Note 21.2).

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15 OTHER ASSETS

	30.6.2011	31.12.2010
	Million VND	Million VND
Construction in progress and purchase of fixed assets (Note 15.1)	1,429,644	1,141,010
Accrued interest income	1,599,173	1,517,794
Advances for Head Office rental (Note 38)	32,932	35,959
Receivables from customers (i)	1,242,608	1,260,603
Provision for bad debts from customers	(45,950)	-
Advances and internal receivables	164,229	47,176
Receivables from the State Budget (ii)	42,319	75,839
Deferred expenses	727,428	725,641
Receivables from subsidiary (iii)	4,416	1,360,887
Dividends receivable	631	15,469
Other assets (iv)	221,731	92,882
	<u>5,419,161</u>	<u>6,273,260</u>

- (i) Included in receivables from customers is VND277,135 million (As at 31 December 2010: VND256,111 million) of collateral assets which will be used to compensate for bad debts. The Bank is in legal procedure to transfer ownership of these assets to the Bank or in process to realise these assets for recovery.
- (ii) Receivables from the State Budget represents interest which arose from the interest subsidy programs of the Government.
- (iii) These amounts represent gold consigned to Sacombank Jewelry Co., Ltd. for trading purpose.
- (iv) Included in other assets is VND206,881 million (As at 31 December 2010: VND55,513 million) of collateral assets which will be used to compensate for bad debts. Ownership of these assets has been transferred to the Bank.

15.1 Construction in progress and purchase of fixed assets

	Period from	Year from
	1.1.2011 to	1.1.2010 to
	30.6.2011	31.12.2010
	Million VND	Million VND
Beginning balance	1,141,010	918,849
Additions	664,190	1,304,480
Transfer to fixed assets (Note 13 and Note 14)	(334,222)	(1,006,198)
Transfer to deferred expenses and operating expenses	(41,334)	(76,121)
	<u>1,429,644</u>	<u>1,141,010</u>

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16	DUE TO GOVERNMENT AND BORROWINGS FROM THE STATE BANK OF VIETNAM		
	30.6.2011	31.12.2010	
	Million VND	Million VND	
Borrowings by means of discounting, rediscounting valuable papers (Note 10.1)	-	4,688,801	
Other borrowings from SBV	-	131,173	
	<u>-</u>	<u>4,819,974</u>	
	<u><u>-</u></u>	<u><u>4,819,974</u></u>	
17	DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS		
	30 June 2011		
	Denominated	Denominated	
	in VND	in foreign	
	Million VND	currencies	
		and gold	
		Million VND	
		Total	
		Million VND	
Deposits from other credit institutions			
Demand deposits	491,515	44,987	536,502
Term deposits	7,732,000	3,827,084	11,559,084
	<u>8,223,515</u>	<u>3,872,071</u>	<u>12,095,586</u>
	<u><u>8,223,515</u></u>	<u><u>3,872,071</u></u>	<u><u>12,095,586</u></u>
Borrowings from other credit institutions			
	4,007,000	3,961,678	7,968,678
	<u>12,230,515</u>	<u>7,833,749</u>	<u>20,064,264</u>
	<u><u>12,230,515</u></u>	<u><u>7,833,749</u></u>	<u><u>20,064,264</u></u>

17 DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS (continued)

	31 December 2010		Total Million VND
	Denominated in VND Million VND	Denominated in foreign currencies and gold Million VND	
Deposits from other credit institutions			
Demand deposits	342,835	40,666	383,501
Term deposits	11,527,472	975,847	12,503,319
	<u>11,870,307</u>	<u>1,016,513</u>	<u>12,886,820</u>
Borrowings from other credit institutions	-	2,589,525	2,589,525
	<u>11,870,307</u>	<u>3,606,038</u>	<u>15,476,345</u>

18 DEPOSITS FROM CUSTOMERS

18.1 By type of deposits

	30.6.2011 Million VND	31.12.2010 Million VND
Current deposits	10,438,665	11,645,169
Term deposits	8,572,078	11,339,103
Saving deposits	56,131,211	55,214,951
Margin deposits	970,749	649,070
Deposits for specific purposes	46,609	10,002
	<u>76,159,312</u>	<u>78,858,295</u>

18 DEPOSITS FROM CUSTOMERS (continued)

18.2 By currency

	30 June 2011		
	Denominated in VND Million VND	Denominated in foreign currency and gold Million VND	Total Million VND
Current deposits	9,010,271	1,428,394	10,438,665
Term deposits	7,768,711	803,367	8,572,078
Saving deposits	48,560,816	7,570,395	56,131,211
Margin deposits	118,335	852,414	970,749
Deposits for specific purposes	6,373	40,236	46,609
	<u>65,464,506</u>	<u>10,694,806</u>	<u>76,159,312</u>
	<u><u>65,464,506</u></u>	<u><u>10,694,806</u></u>	<u><u>76,159,312</u></u>
	31 December 2010		
	Denominated in VND Million VND	Denominated in foreign currency and gold Million VND	Total Million VND
Current deposits	10,363,962	1,281,207	11,645,169
Term deposits	10,638,642	700,461	11,339,103
Saving deposits	46,793,093	8,421,858	55,214,951
Margin deposits	92,351	556,719	649,070
Deposits for specific purposes	8,317	1,685	10,002
	<u>67,896,365</u>	<u>10,961,930</u>	<u>78,858,295</u>
	<u><u>67,896,365</u></u>	<u><u>10,961,930</u></u>	<u><u>78,858,295</u></u>

19 BORROWINGS FROM INTERNATIONAL AND OTHER INSTITUTIONS

	30.6.2011 Million VND	31.12.2010 Million VND
Borrowings from RDF	613,515	402,992
Borrowings from FMO	95,327	104,859
Borrowings from SMEDF	139,237	36,875
Borrowings from IFC	375,000	406,250
Borrowings from ADB	408,279	394,448
Borrowings from PROPARCO	824,720	757,280
	<u>2,456,078</u>	<u>2,102,704</u>

Borrowings from the Rural Development Fund ("RDF") are granted by the World Bank for a term from one to five years at interest rate of 0.5% per year of balance in USD and from 10.08% to 10.3% per year of balance in Vietnamese dong. These borrowings are lent to borrowers in accordance with the Decision No. 25/QD-NH21 dated 31 January 1997 issued by the Governor of the State Bank of Vietnam. These borrowings will mature in 2014.

Borrowings from Financierings – Maatschappij Voor Ontwikkelingslanden ("FMO"), a bank in the Netherland, are used for the sole purpose of making housing loans to retail non-business clients which meet certain requirements given by FMO. Interest is paid semi-annually at the average rate of 6 month deposit of Vietcombank, Bank for Investment and Development of Vietnam, Asia Commercial Bank and HSBC. These borrowings will mature in 2016.

Borrowings from the Small and Medium Enterprise Development Fund ("SMEDF") are granted by the European Commission. The borrowings are used to finance Vietnamese small and medium enterprises who meet certain conditions required by the project. The interest rate is quoted as either a fixed rate or floating rate. Fixed rate is equal to the rate paid by the Government on its most recently issued five year bonds less a discount rate. Variable rate is equal to the reference interest rate less a discount rate and is determined every six months thereafter. Reference interest rate is the average 6 month VND deposit rate of Vietcombank, Incombank, Bank for Investment and Development of Vietnam and Bank for Agriculture and Rural Development. Discount rate is applied to each type of interest rates and is fixed by the lender on an annual basis. Discount rate for the first year of credit facility is 0.5% for fixed rate or 1% for variable rate. These borrowings will mature in 2013.

Borrowings from the International Finance Corporation ("IFC") are used to finance Vietnamese individuals to purchase and repair houses. The maximum lending period is 10 years and lending currency is Vietnamese dong. The interest rate is determined by a fixed component plus a margin of 1.5% p.a. Prepayment is made each six monthly, starting from 2010. These borrowings will mature in 2017.

Borrowings from Asia Development Bank ("ADB") are used to finance borrowers which are small and medium enterprises ("SME") in Vietnam. The Credit Facility is not exceeding USD25 million and has a maximum term of 6 years. Interest rates are based on LIBOR. Interest is paid on 30 June and 31 December, annually. These borrowings will mature in 2015.

19 BORROWINGS FROM INTERNATIONAL AND OTHER INSTITUTIONS (continued)

Borrowings from Societe De Promotion Et De Participation Pour La Cooperation Economique S.A ("PROPARCO") are used to finance or refinance medium and long term loans in USD to borrowers in Vietnam. The Credit Facility is not exceeding USD20 million and has a maximum term of 7 years. Interest rates are fixed or floating rates which are determined at the determination date. Interest is paid on 30 April and 31 October, annually. These borrowings will mature in 2016.

20 CERTIFICATES OF DEPOSITS

	Denominated in VND Million VND	30 June 2011 Denominated in foreign currency and gold Million VND	Total Million VND
Short-term	9,295,824	12,854,840	22,150,664
Medium-term	2,433,155	788,376	3,221,531
	<u>11,728,979</u>	<u>13,643,216</u>	<u>25,372,195</u>
		31 December 2010 Denominated in foreign currency and gold Million VND	Total Million VND
Short-term	4,501,935	17,629,939	22,131,874
Medium-term	1,936,484	877,778	2,814,262
	<u>6,438,419</u>	<u>18,507,717</u>	<u>24,946,136</u>

21 OTHER LIABILITIES

	30.6.2011 Million VND	31.12.2010 Million VND
Accrued interest expenses	1,344,666	1,047,619
Remittance in transit payable	30,573	59,531
Payables to the State Budget (Note 36)	252,370	232,804
Payable to customers	28,032	10,525
Unearned interest income	32,906	34,836
Dividends payable (*)	1,380,296	3,419
Payables to employees	25,438	60,025
Other payables	451,090	370,583
Provision for severance allowance	7,364	10,200
General provision for losses on contingencies and commitments (Note 21.1)	75,549	52,388
Science and Technology Development Fund (Note 21.2)	70,649	80,245
	<u>3,698,933</u>	<u>1,962,175</u>

(*) Included in dividends payable as at 30 June 2011 is VND1,376,885 million in relation to 2010 dividend which was ratified at the 2010 Annual General Meeting on 2 April 2011. As at 30 June 2011, the Bank has been waiting for approval of the State Bank of Vietnam and the State Securities Commission of Vietnam to pay to the shareholders.

21.1 General provision for losses on credit contingencies and commitments

	Period from 1.1.2011 to 30.6.2011 Million VND	Year from 1.1.2010 to 31.12.2010 Million VND
Beginning balance	52,388	41,855
Charge for the period/year	23,161	10,533
Closing balance	<u>75,549</u>	<u>52,388</u>

21 OTHER LIABILITIES (continued)

21.2 Science and Technology Development Fund

	30.6.2011 Million VND	31.12.2010 Million VND
Science and Technology Development Fund - not yet used (*)	4,040	4,040
Science and Technology Development Fund-used (**)	66,609	76,205
	<u>70,649</u>	<u>80,245</u>

(*) Movement of Science and Technology Development Fund – not yet used:

	Period from 1.1.2011 to 30.6.2011 Million VND	Year from 1.1.2010 to 31.12.2010 Million VND
Beginning balance	4,040	5,013
Addition during the period/year	-	-
Utilisation during the period/year	-	(973)
Closing balance	<u>4,040</u>	<u>4,040</u>

(**) Science and Technology Development Fund-used:

	Period from 1.1.2011 to 30.6.2011 Million VND	Year from 1.1.2010 to 31.12.2010 Million VND
Beginning balance	76,205	94,343
Used for purchases of fixed assets	-	973
Decreases by accumulated depreciation of fixed assets financed by this fund	(9,596)	(19,111)
Closing balance	<u>66,609</u>	<u>76,205</u>

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 05a/TCTD

22 CAPITAL

22.1 Share capital

	30.6.2011	31.12.2010
	Million VND	Million VND
Issued and fully paid chartered capital	9,179,230	9,179,230

	Number of	Ordinary	Share	Total share
	shares	shares	premium	capital
		Million VND	Million VND	Million VND
At 1 January 2010	670,035,300	6,700,353	1,376,877	8,077,230
Share dividends (Note 23)	100,479,947	1,004,799	-	1,004,799
New issues to current shareholders	134,007,060	1,340,071	268,014	1,608,085
New issues to employees	13,400,706	134,007	26,802	160,809
At 31 December 2010	<u>917,923,013</u>	<u>9,179,230</u>	<u>1,671,693</u>	<u>10,850,923</u>
At 30 June 2011	<u>917,923,013</u>	<u>9,179,230</u>	<u>1,671,693</u>	<u>10,850,923</u>

22.2 Other capital

	30.6.2011	31.12.2010
	Million VND	Million VND
Capital for finance of fixed assets and capital construction	795	795
Others	153	153
	<u>948</u>	<u>948</u>

23 RESERVES AND RETAINED EARNINGS

CURRENCY: Million VND

	Retained earnings	Reserve for supplementary chartered capital	Financial provision fund	Foreign exchange difference	Other reserves	Total
At 1 January 2010	1,351,530	364,210	400,151	-	94,932	2,210,823
Net profit for the year	1,798,560	-	-	-	-	1,798,560
Appropriation to reserves	(500,258)	89,928	170,863	-	239,467	-
Share dividends	(1,004,799)	-	-	-	-	(1,004,799)
Dividends paid by cash	(254)	-	-	-	-	(254)
Other movements of reserves	-	-	-	-	(223,092)	(223,092)
At 31 December 2010	1,644,779	454,138	571,014	-	111,307	2,781,238
Net profit for the period	1,137,212	-	-	-	-	1,137,212
Appropriation to reserves	(249,527)	-	169	-	249,358	-
Dividends	(1,376,885)	-	-	-	-	(1,376,885)
Other movements of reserves	-	-	-	24,423	(225,993)	(201,570)
At 30 June 2011	1,155,579	454,138	571,183	24,423	134,672	2,339,995

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:

- Reserve for supplementary chartered capital: 5% of the net profit after business income tax each year as a minimum statutory level is allocated.
- Financial provision fund: 10% of the net profit after the allocation to the above reserve is allocated until the reserve balance reaches 25% of the current capital.

Other reserves include the fund for investment and development and the welfare and bonus fund. The allocations to the fund for investment and development and welfare and bonus fund have been approved by the Board of Management of the Bank and the Annual General Meeting on 2 April 2011.

As at 30 June 2011, the foreign exchange difference from revaluation of monetary balances denominated in foreign currencies and gold was held as a part of the shareholders' equity. Such foreign exchange difference as at year end will be transferred to the income statement.

Dividend

A dividend of 15% was ratified at the 2010 Annual General Meeting on 2 April 2011. The financial statements for the period ended 30 June 2011 have reflected the dividend.

24 INTEREST AND SIMILAR INCOME

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
On loans and advances to customers	6,241,886	3,576,893
On deposits at and loans and advances to other credit institutions	691,682	295,077
On investments	1,072,223	574,793
Other income from credit activities	58,923	50,303
	<u>8,064,714</u>	<u>4,497,066</u>

25 INTEREST AND SIMILAR EXPENSES

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
On deposits from customers	4,613,373	2,715,132
On borrowings from local credit institutions	468,580	246,089
On certificates of deposits	487,396	254,865
Others	30,984	31,546
	<u>5,600,333</u>	<u>3,247,632</u>

26 FEES AND COMMISSION INCOME

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Guarantees	85,092	35,614
Settlement services	347,801	168,182
Cash services	63,347	85,425
Other services	192,852	194,967
	<u>689,092</u>	<u>484,188</u>

27 FEES AND COMMISSION EXPENSES

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
On settlement activities	35,695	23,922
Postage and telecommunication	25,871	21,094
Commission	73,167	37,058
Other expenses	65,115	7,526
	<u>199,848</u>	<u>89,600</u>

28 NET (LOSS)/GAIN FROM DEALING IN FOREIGN CURRENCIES AND GOLD

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Gains from dealing in foreign currencies and gold	447,741	305,500
Losses from dealing in foreign currencies and gold	(490,349)	(128,355)
Net loss from revaluation of foreign currencies and gold	-	(156,379)
	<u>(42,608)</u>	<u>20,766</u>

As at 30 June 2011, the foreign exchange difference from revaluation of monetary balances denominated in foreign currencies and gold was held as a part of the shareholders' equity. Such foreign exchange difference as at year end will be transferred to the income statement (Note 23).

29 NET LOSS FROM TRADING OF TRADING SECURITIES

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Income from disposal of trading securities	-	25,633
Provision for diminution in value of trading securities	(67,769)	(55,059)
	<u>(67,769)</u>	<u>(29,426)</u>

30 NET (LOSS)/GAIN FROM DISPOSAL OF INVESTMENT SECURITIES

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Income from disposal of investment securities	7,444	34,195
Less: Losses from disposal of investment securities	(263)	(31,145)
Making/Reversal of provision for diminution in value of investment securities	(8,102)	5,804
	<u>(921)</u>	<u>8,854</u>

31 DIVIDEND INCOME AND INCOME FROM INVESTMENTS IN OTHER ENTITIES

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Dividend income from trading equity securities	5,936	5,981
Dividend income from investment equity securities	-	1,264
Dividend income from subsidiaries and associates	86,858	100,060
Dividend income from investments in other entities	8,824	12,891
Income from disposal of long-term investments	-	352,500
Reversal of provision for diminution in value of investments in subsidiaries and other entities	22,481	-
	<u>124,099</u>	<u>472,696</u>

32 GENERAL AND ADMINISTRATIVE EXPENSES

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Tax, duties and fees	34,228	23,338
Salaries and related expenses	637,226	423,982
Depreciation and amortisation	120,000	102,944
Assets rental	145,017	86,358
Repair and maintenance	59,685	41,291
Administrative expenses	223,165	161,945
Deposit insurance premiums	38,495	32,501
	<u>1,257,816</u>	<u>872,359</u>

33 NET OTHER INCOME

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Other income		
Gains on disposals of fixed assets	-	8,379
Other incomes	22,341	22,027
	<u>22,341</u>	<u>30,406</u>
Other expenses		
Losses on disposals of fixed assets	(2,612)	(5,456)
Other expenses	(2,336)	(2,551)
	<u>(4,948)</u>	<u>(8,007)</u>
	<u>17,393</u>	<u>22,399</u>

34 VALUE ADDED TAX

Earned fees and commissions are subject to value added tax at the rate of 10% under the deduction method, foreign currency and gold operations are subject to value added tax at the rate of 10% under the direct method. All other banking activities of the Bank are exempt from value added tax.

35 BUSINESS INCOME TAX ("BIT")

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Current income tax	353,277	295,169
Income tax on land use right transfer	-	2,435
	<u>353,277</u>	<u>297,604</u>

No deferred tax was recognised in the financial statements as there were no significant temporary differences as at 30 June 2010 and 30 June 2011.

35 BUSINESS INCOME TAX ("BIT") (continued)

Business income tax charge at a rate of 25% for the period from 1 January 2010 to 30 June 2010 and for the period from 1 January 2011 to 30 June 2011 is based on the estimated taxable income and is subject to the review and possible adjustment by the tax authorities.

	Period from 1.1.2011 to 30.6.2011 Million VND	Period from 1.1.2010 to 30.6.2010 Million VND
Net profit before tax	1,490,489	1,141,892
Tax	372,622	285,473
Effect of:		
Tax on income not subject to tax	(25,446)	(29,362)
Tax on non-deductible expenses	-	39,058
Tax for Cambodia Branch	6,101	-
Income tax on land use right transfer	-	2,435
	<u>353,277</u>	<u>297,604</u>

36 OBLIGATIONS TO THE STATE BUDGET

Items	1 January 2011 Million VND	Movements during the period		30 June 2011 Million VND
		Payable Million VND	Payments Million VND	
VAT	17,175	66,478	(71,241)	12,412
BIT	192,187	353,277	(330,989)	214,475
Other taxes	22,279	56,531	(56,607)	22,203
Other fees	1,163	100,887	(98,770)	3,280
	<u>232,804</u>	<u>577,173</u>	<u>(557,607)</u>	<u>252,370</u>

37 CONTINGENCIES AND COMMITMENTS

The aggregate amounts of outstanding guarantees, letters of credit and other commitments at the end of the period were:

	Denominated in VND Million VND	30 June 2011 Denominated in foreign currencies Million VND	Total Million VND
Letters of credit at sight	-	6,086,953	6,086,953
Deferred letters of credit	-	864,099	864,099
Borrowing guarantees	41,920	-	41,920
Payment guarantees	1,589,132	31,295	1,620,427
Performance guarantees	470,789	31,498	502,287
Bidding guarantees	108,452	2,442	110,894
Other guarantees	329,060	345,950	675,010
Foreign currency buying spot transactions	-	1,953,494	1,953,494
Foreign currency selling spot transactions	-	1,965,445	1,965,445
Foreign currency paid swap transactions	222,633	1,474,200	1,696,833
Foreign currency received swap transactions	128,183	1,562,173	1,690,356
	<u>2,890,169</u>	<u>14,317,549</u>	<u>17,207,718</u>

37 CONTINGENCIES AND COMMITMENTS (continued)

	Denominated in VND Million VND	31 December 2010 Denominated in foreign currencies Million VND	Total Million VND
Letters of credit at sight	-	4,202,877	4,202,877
Deferred letters of credit	-	985,313	985,313
Borrowing guarantees	17,720	-	17,720
Payment guarantees	1,064,093	38,281	1,102,374
Performance guarantees	377,537	32,261	409,798
Bidding guarantees	92,787	3,219	96,006
Other guarantees	201,199	167,752	368,951
Foreign currency buying spot transactions	-	2,161,302	2,161,302
Foreign currency selling spot transactions	-	2,275,581	2,275,581
Foreign currency paid swap transactions	65,688	2,485,229	2,550,917
Foreign currency received swap transactions	7,940	2,630,586	2,638,526
	<u>1,826,964</u>	<u>14,982,401</u>	<u>16,809,365</u>

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities that are presented off balance sheet. The commitments and contingent liabilities include guarantees, letters of credit, foreign currency forward contracts and undue spot contracts. The Bank does not anticipate any significant losses as a result of these transactions.

38 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	Office rental	
	30.6.2011	31.12.2010
	Million VND	Million VND
Within 1 year	37,267	34,049
Between 1 and 5 years	192,001	175,423
Over 5 years	1,315,568	1,209,037
	<hr/>	<hr/>
Total minimum payments	<u>1,544,836</u>	<u>1,418,509</u>

According to Office Rental Lease Contract No. 39/2006/HDTVP dated 8 April 2006 between Sacombank (lessee) and Tadimex (lessor), Sacombank committed to lease the building at 266-268 Nam Ky Khoi Nghia, District 3, Ho Chi Minh City for a lease term of 39 years from 1 March 2007 to 28 February 2045 with the total space of 20,317 square metres. In accordance with the contract's terms, the Bank advanced a sum of US\$3,500,000 to Tadimex to part finance the construction of the building. This amount will be deducted against the annual rental fee over 11 years with US\$500,000 for the first year and US\$300,000 for each of the following years from the commencement of the lease. Monthly rental fee for the first year is US\$6/square metre/month for the basement and US\$12/square metre/month for the other floors. The rental fee for the second year onwards will increase by 1% annually.

39 CAPITAL COMMITMENTS

	30.6.2011	31.12.2010
	Million VND	Million VND
Tangible and intangible fixed assets	402,725	495,554
	<hr/>	<hr/>

40 RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Bank had the following transactions and balances with related parties:

Period from 1 January 2011 to 30 June 2011

	Unit: Million VND				
	Subsidiaries	Associate s	Key management	Others	Total
Interest income and similar income	30,888	-	-	209,565	240,453
Interest expense and similar expenses	46,853	2,629	848	21,851	72,181
Fee and commission income	4,275	53	-	1,597	5,925
Fee and commission expenses	43,788	165	-	384	44,337
Income from dealing in foreign currencies and gold	852	-	-	-	852
Expense from dealing in foreign currencies and gold	3,186	-	-	-	3,186
Dividend income	82,852	-	-	-	82,852
Purchase of fixed assets	35,479	-	-	-	35,479
Remuneration	-	-	19,341	-	19,341

Period from 1 January 2010 to 30 June 2010

	Unit: Million VND				
	Subsidiaries	Associates	Key management	Others	Total
Interest income and similar income	40,741	-	-	45,739	86,480
Interest expense and similar expenses	74,535	-	2,292	678	77,505
Funding cost	34,533	-	-	-	34,533
Fee and commission income	8,292	-	-	-	8,292
Fee and commission expenses	11,588	-	-	-	11,588
Net other income/(expenses)	17,017	-	-	-	17,017
Dividend income	100,600	-	-	-	100,600
Remuneration	-	-	15,256	-	15,256

40 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

As at 30 June 2011

	Unit: Million VND				
	Subsidiaries	Associates	Key management	Others	Total
Placements with and loans to other credit					
institutions	444,079	-	-	-	444,079
Loans and advances to customers	5,163	-	-	2,491,202	2,496,365
Investment securities	-	-	-	480,000	480,000
Other assets	152,737	59,672	-	203,286	415,695
Deposits from customers	325,760	-	25,544	898,635	1,249,939
Other liabilities	99,087	-	-	4,956	104,043

As at 30 June 2010

	Unit: Million VND				
	Subsidiaries	Associates	Key management	Others	Total
Placements with and loans to other credit					
institutions	454,723	-	-	-	454,723
Loans and advances to customers	2,450,583	-	-	1,457,495	3,908,078
Investment securities	-	-	-	1,350,000	1,350,000
Other assets	1,911,516	-	-	80,753	1,992,269
Deposits and borrowings from local credit					
institutions	720,444	-	-	-	720,444
Deposits from customers	1,846,622	-	87,485	90,438	2,024,545
Other liabilities	119,640	-	-	-	119,640

The remuneration of the Board of Management and Board of General Directors of the Bank for the period are VND9,300 million (period from 1.1.2010 to 30.6.2010: VND4,846 million) and VND10,041 million (period from 1.1.2010 to 30.6.2010: VND10,410 million), respectively.

41 CONCENTRATIONS OF ASSETS AND LIABILITIES BY GEOGRAPHICAL AREA

	Loans and advances to customers and other credit institutions Million VND	Deposits and borrowings from customers and other credit institutions Million VND	Credit commitments Million VND	Derivatives financial instruments (total contract value) Million VND	Net trading and investment securities Million VND
Domestic	78,252,335	120,767,212	2,950,538	646,134	24,056,587
Overseas	1,756,189	3,284,637	6,951,052	1,317,209	43,244
	<u>80,008,524</u>	<u>124,051,849</u>	<u>9,901,590</u>	<u>1,963,343</u>	<u>24,099,831</u>

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

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42 FINANCIAL RISK MANAGEMENT

42.1 Interest rate risk

The table below summaries the Bank's exposure to interest rate risk.

As at 30 June 2011	Overdue	Non-interest bearing	Up to 1 month	1-3 months	3-6 months	6-12 months	CURRENCY: Million VND			
							1-5 years	Over 5 years	Total	
Assets										
Cash and precious metals	-	12,572,816	-	-	-	-	-	-	-	12,572,816
Balances with the State Bank	-	3,503,283	-	-	-	-	-	-	-	3,503,283
Placements with and loans to other credit institutions	-	-	6,481,780	3,635,384	2,782,999	512,937	309,500	-	-	13,722,600
Trading securities (*)	-	498,786	24,735	22,336	-	-	-	-	-	545,857
Derivatives and other financial assets	-	5,760	-	-	-	-	-	-	-	5,760
Loans and advances to customers (*)	1,266,759	-	21,657,310	51,719,308	1,383,809	1,747,763	1,821,558	241,972	-	79,838,479
Investment securities (*)	-	117,290	406,715	342,941	3,774,837	5,593,249	11,090,705	177,929	-	21,503,666
Investment in other entities and long-term investments (*)	-	2,293,289	-	-	-	-	-	-	-	2,293,289
Fixed assets	-	2,689,183	-	-	-	-	-	-	-	2,689,183
Other assets	-	5,465,111	-	-	-	-	-	-	-	5,465,111
Total assets	1,266,759	27,145,518	28,570,540	55,719,969	7,941,645	7,853,949	13,221,763	419,901	142,140,044	
Liabilities										
Due to Government and borrowings from the State Bank of Vietnam	-	-	-	-	-	-	-	-	-	-
Deposits and borrowings from other credit institutions	-	-	12,550,403	4,109,655	2,965,517	438,689	-	-	-	20,064,264
Borrowings from international and other institutions	-	-	2,081,078	-	31,250	31,250	250,000	62,500	-	2,456,078
Deposits from customers	-	970,749	58,807,745	11,247,495	3,068,926	1,728,255	335,931	211	-	76,159,312
Certificates of deposits	-	-	13,130,282	4,240,219	5,002,039	2,459,410	540,245	-	-	25,372,195
Other liabilities	-	3,698,933	-	-	-	-	-	-	-	3,698,933
Total liabilities	-	4,669,682	86,569,508	19,597,369	11,067,732	4,657,604	1,126,176	62,711	127,750,782	
Interest gap of balance sheet items	1,266,759	22,475,836	(57,998,968)	36,122,600	(3,126,087)	3,196,345	12,095,587	357,190	14,389,262	
Interest gap of off balance sheet items	-	-	-	-	-	-	-	-	-	
Total interest gap	1,266,759	22,475,836	(57,998,968)	36,122,600	(3,126,087)	3,196,345	12,095,587	357,190	14,389,262	

(*) the above balances exclude provision.

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

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42 FINANCIAL RISK MANAGEMENT (continued)

42.2 Currency risk

The table below summarises the Bank's exposure to currency risk at 30 June 2011. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by currency.

As at 30 June 2011	VND	USD	GOLD	EUR	JPY	AUD	CAD	CURRENCY: Million VND	
								Others	Total
Assets									
Cash and precious metals	2,137,441	770,535	9,209,028	166,164	24,728	108,749	111,177	44,994	12,572,816
Balances with the State Bank	2,315,571	1,037,550	-	-	-	-	-	150,162	3,503,283
Placements with and loans to other credit institutions (*)	8,480,378	2,845,592	2,244,935	37,672	10,707	38,010	6,648	58,658	13,722,600
Trading securities (*)	521,122	-	-	-	-	-	-	24,735	545,857
Derivatives and other financial assets	102,440	778,070	-	29,645	-	-	-	-	910,155
Loans and advances to customers (*)	62,045,506	15,255,946	2,373,418	104,680	-	-	-	58,929	79,838,479
Investment securities (*)	20,472,766	1,030,900	-	-	-	-	-	-	21,503,666
Investment in other entities and long-term investments (*)	2,293,289	-	-	-	-	-	-	-	2,293,289
Fixed assets	2,638,063	12,377	-	-	-	-	-	38,743	2,689,183
Other assets	5,137,194	118,405	27,840	465	-	-	-	181,207	5,465,111
Total assets	106,143,770	21,849,375	13,855,221	338,626	35,435	146,759	117,825	557,428	143,044,439
Liabilities and shareholders' equity									
Due to Government and borrowings from the State Bank of Vietnam	-	-	-	-	-	-	-	-	-
Deposits and borrowings from other credit institutions	12,230,514	7,794,074	-	14,941	-	-	-	24,735	20,064,264
Borrowings from international and other institutions	1,243,923	1,212,155	-	-	-	-	-	-	2,456,078
Derivatives and other financial liabilities	-	-	113,454	-	25,458	85,492	113,286	566,705	904,395
Deposits from customers	65,464,505	10,179,394	18,665	247,339	9,055	14,211	8,606	217,537	76,159,312
Certificates of deposits	11,728,978	118	13,643,099	-	-	-	-	-	25,372,195
Other liabilities	2,372,174	1,013,014	61,598	2,412	525	1,853	165	247,192	3,698,933
Capital and reserves	13,191,866	-	-	-	-	-	-	-	13,191,866
Total liabilities and shareholders' equity	106,231,960	20,198,755	13,836,816	264,692	35,038	101,556	122,057	1,056,169	141,847,043
Net on-balance sheet position	(88,190)	1,650,620	18,405	73,934	397	45,203	(4,232)	(498,741)	1,197,396
Net off-balance sheet position	-	(419,813)	1,338	(112,552)	1,559	(97,615)	(15,832)	630,963	(11,952)
Total position	(88,190)	1,230,807	19,743	(38,618)	1,956	(52,412)	(20,064)	132,222	1,185,444

(*) the above balances exclude provision.

42 FINANCIAL RISK MANAGEMENT (continued)

42.3 Liquidity risk

The table below analysed the Bank's assets and liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date.

As at 30 June 2011	Overdue					Current			Total	CURRENCY: Million VND
	Over 3 months	Up to 3 months	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years			
Assets										
Cash and precious metals	-	-	12,572,816	-	-	-	-	-	-	12,572,816
Balances with the State Bank	-	-	3,503,283	-	-	-	-	-	-	3,503,283
Placements with and loans to other credit institutions (*)	-	-	6,481,780	3,635,384	3,295,936	309,500	-	-	-	13,722,600
Trading securities (*)	-	-	523,521	22,336	-	-	-	-	-	545,857
Derivatives and other financial assets	-	-	5,760	-	-	-	-	-	-	5,760
Loans and advances to customers (*)	784,455	482,304	5,736,139	15,264,603	28,245,753	16,923,069	12,402,156	-	-	79,838,479
Investment securities (*)	-	-	10,586,399	212,535	5,724,720	4,980,012	-	-	-	21,503,666
Investment in other entities and long-term investments (*)	-	-	-	-	-	-	-	2,293,289	-	2,293,289
Fixed assets	-	-	-	-	-	-	580,257	2,108,926	-	2,689,183
Other assets	-	-	1,437,606	574,545	2,382,246	923,996	146,718	-	-	5,465,111
Total assets	784,455	482,304	40,847,304	19,709,403	39,648,655	23,716,834	16,951,089	142,140,044		
Liabilities										
Due to Government and borrowings from the State Bank of Vietnam	-	-	-	-	-	-	-	-	-	-
Deposits and borrowings from other credit institutions	-	-	12,550,403	4,109,655	3,404,206	-	-	-	-	20,064,264
Borrowings from international and other institutions	-	-	83,536	151,849	370,370	1,638,002	212,321	-	-	2,456,078
Deposits from customers	-	-	59,778,305	11,247,495	4,797,182	335,931	399	-	-	76,159,312
Certificates of deposits	-	-	13,130,282	4,240,219	5,561,450	2,440,244	-	-	-	25,372,195
Other liabilities	-	-	1,966,964	1,573,418	69,960	88,426	165	-	-	3,698,933
Total liabilities	-	-	87,509,490	21,322,636	14,203,168	4,502,603	212,885	127,750,782		
Net liquidity gap	784,455	482,304	(46,662,186)	(1,613,233)	25,445,487	19,214,231	16,738,204	14,389,262		

(*) the above balances exclude provision.

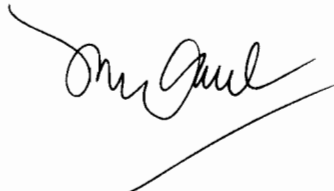
43 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

The separate financial statements are approved by the Board of General Directors on 15 August 2011.



Luu Van Hoa
Preparer



Nguyen Thi My Hanh
Chief Accountant



Tran Xuan Huy
General Director