

**SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK**

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

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<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by the Board of General Directors	2
Review report	3
Consolidated balance sheet (Form B 02a/TCTD – HN)	4
Consolidated income statement (Form B 03a/TCTD – HN)	6
Consolidated cash flow statement (Form B 04a/TCTD – HN)	7
Notes to the consolidated financial statements (Form B 05a/TCTD – HN)	9

## 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 Chairperson
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)
Ms Nguyen Thi Thanh Mai	Supervisor (appointed on 2 April 2011)

#### Board of 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 deposit; 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 CONSOLIDATED FINANCIAL STATEMENTS

The Board of General Directors is responsible for preparation of the consolidated financial statements which give a true and fair view of the financial position of the Group 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 consolidated 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 consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements on page 4 to page 52 which give a true and fair view of the financial position of the Group 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.

For and on behalf of the Board of General Directors



Tran Xuan Huy  
General Director

Ho Chi Minh City, SR Vietnam  
31 August 2011

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

We have reviewed the accompanying consolidated balance sheet of Saigon Thuong Tin Commercial Joint Stock Bank ("the Bank") and its subsidiaries (together, "the Group") as at 30 June 2011 and the related consolidated income statement and consolidated 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 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. Our responsibility is to express a conclusion on these consolidated 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 consolidated financial statements do not present fairly, in all material respects, the financial position of the Group 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 signatory

Nguyen Hoang Nam  
AC No. 0849/KTV

PricewaterhouseCoopers (Vietnam) Limited  
Ho Chi Minh City, SR Vietnam  
Review report number HCM2936  
1 September 2011

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated 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 - HN

## CONSOLIDATED BALANCE SHEET

			As at 30.6.2011 Million VND	As at 31.12.2010 Million VND
	Notes			
<b>A</b>		<b>ASSETS</b>		
I		Cash and precious metals	12,681,376	12,677,849
II		Balances with the State Bank	3,503,426	3,618,973
III		Placements with and loans to other credit institutions	13,462,892	21,209,735
IV		Trading securities		
1		Trading securities	545,857	2,485,410
2		Less: Provision for diminution in value of trading securities	(143,591)	(205,257)
V		Derivatives and other financial assets	5,760	7,082
VI		Loans, advances and finance leases to customers		
1		Loans, advances and finance leases to customers	80,539,748	82,484,803
2		Less: Provision for losses on loans, advances and finance leases to customers	(915,573)	(820,603)
VII		Investment securities		
1		Available-for-sale securities	21,260,396	19,530,892
2		Held-to-maturity securities	243,270	2,007,504
3		Less: Provision for diminution in value of investment securities	(18,104)	(13,065)
VIII		Investment in other entities and other long-term investments		
3		Investments in associate companies	620,989	-
4		Other long-term investments	653,689	656,579
5		Less: Provision for diminution in value of long-term investments	(1,286)	(5,995)
IX		Fixed assets		
1		Tangible fixed assets	1,625,499	1,602,394
2		Leased assets	1,407	19,886
3		Intangible fixed assets	1,515,203	1,513,239
XI		Other assets	5,501,000	5,617,510
		<b>TOTAL ASSETS</b>	<b>141,081,958</b>	<b>152,386,936</b>

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




## CONSOLIDATED 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	26	8,654,074	4,921,932
2 Interest and similar expenses	27	(6,026,557)	(3,468,568)
<b>I Net interest income</b>		<b>2,627,517</b>	<b>1,453,364</b>
3 Fees and commission income	28	800,231	673,305
4 Fees and commission expenses	29	(217,270)	(104,921)
<b>II Net fee and commission income</b>		<b>582,961</b>	<b>568,384</b>
<b>III Net loss from dealing in foreign currencies, gold and derivatives</b>	30	<b>(6,944)</b>	<b>(325,969)</b>
<b>IV Net (loss)/gain from trading of trading securities</b>	31	<b>(174,609)</b>	<b>54,235</b>
<b>V Net (loss)/gain from disposals of investment securities</b>	32	<b>(921)</b>	<b>7,538</b>
5 Other incomes		30,186	62,784
6 Other expenses		(8,219)	(10,188)
<b>VI Net other income/(expense)</b>		<b>21,967</b>	<b>52,596</b>
<b>VII Dividend income and income from investments in other entities</b>	33	<b>54,831</b>	<b>387,613</b>
<b>VIII General and administrative expenses</b>	34	<b>(1,401,921)</b>	<b>(988,000)</b>
<b>IX Operating profit before provision for credit losses</b>		<b>1,702,881</b>	<b>1,209,761</b>
<b>X Provision for credit losses</b>	5, 9, 22.1	<b>(235,656)</b>	<b>(127,012)</b>
<b>XI Profit before tax</b>		<b>1,467,225</b>	<b>1,082,749</b>
7 Business income tax – current	36	(382,261)	(327,478)
8 Business income tax – deferred	36	-	-
<b>XII Business income tax</b>		<b>(382,261)</b>	<b>(327,478)</b>
<b>XIII Net profit for the period</b>		<b>1,084,964</b>	<b>755,271</b>
<b>XIV Minority interest</b>		<b>(70,578)</b>	<b>46,606</b>
<b>Profit attributable to the equity holders of the Bank during the period</b>		<b>1,155,542</b>	<b>708,665</b>
<b>Earnings per share for profit attributable to the equity holders of the Bank during the period</b>	25		
Basic earnings per share			1,058

  
Luu Van Hoa  
Preparer

  
Nguyen Thi My Hanh  
Chief Accountant

  
Tran Xuan Hai  
General Director  
31 August 2011

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

**CONSOLIDATED CASH FLOW STATEMENT**  
**(Direct method)**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01 Received interest income and similar income	8,832,078	4,829,148
02 Paid interest expense and similar expense	(5,886,591)	(3,292,439)
03 Received fee and commission income	582,961	568,384
04 Net realised (loss)/gain on trading activities (foreign currencies, gold and securities)	(73,250)	652,452
05 Other income	24,693	42,428
07 Cash paid to employees and related operating activities	(1,291,212)	(880,075)
08 Business income tax paid	(354,209)	(258,308)
	<hr/>	<hr/>
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>	<b>1,834,470</b>	<b>1,661,590</b>
<b>Changes in operating assets</b>		
09 Decrease in placements with and loans to other credit institutions	7,992,500	282,045
10 Decrease/(increase) in trading securities and investment securities	767,483	(3,201,312)
11 Decrease in derivatives and other financial assets	1,322	594,429
12 Decrease/(increase) in loans, advances and finance leases to customers	1,944,030	(14,548,887)
14 Decrease/(increase) in other operating assets	211,351	(717,425)
<b>Changes in operating liabilities</b>		
15 Decrease in borrowings from the State and the SBV	(4,819,974)	(795,219)
16 Increase in placements and borrowings from other credit institutions	5,340,672	2,627,094
17 (Decrease)/increase in deposits from customers	(3,158,769)	14,490,024
18 Decrease in valuable papers issued	(3,204,941)	(3,708,481)
19 Increase/(decrease) in borrowings from international and other institutions	440,214	(247,549)
21 (Decrease)/increase in other operating liabilities	(6,181,805)	2,351,649
22 Payments from reserves	(252,951)	(224,763)
	<hr/>	<hr/>
<b>I Net cash flows from operating activities</b>	<b>913,602</b>	<b>(1,436,805)</b>
	<hr/> <hr/>	<hr/> <hr/>


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

**CONSOLIDATED 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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
01 Purchases of fixed assets	(719,600)	(831,739)
02 Proceeds from disposals of fixed assets	1,706	47,513
07 Cash paid for investments in other entities	-	(150,830)
08 Proceeds from disposals of investments in other entities and other long-term investments	97,090	229,177
09 Dividend income	53,918	28,745
Net cash flow from converting a subsidiary into an associate	(1,446,823)	-
<b>II Net cash flows from investing activities</b>	<b>(2,013,709)</b>	<b>(677,134)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>IV Net decrease in cash and cash equivalents</b>	<b>(1,100,107)</b>	<b>(2,113,939)</b>
<b>V Cash and cash equivalents at beginning of the period</b>	<b>27,677,230</b>	<b>23,619,729</b>
<b>VI Foreign exchange differences</b>	<b>27,337</b>	<b>(504,095)</b>
<b>VII Cash and cash equivalents at end of the period</b>	<b>26,604,460</b>	<b>21,001,695</b>

Cash and cash equivalents are made up of:

Cash and precious metals	12,681,376	11,407,141
Balances with the State Bank	3,503,283	2,371,024
Placements with other credits institutions with demand and term of original maturity less than 3 months	10,219,801	6,073,530
Value papers which mature within 3 months from purchasing date	200,000	1,150,000
	<b>26,604,460</b>	<b>21,001,695</b>



Luu Van Hoa  
Preparer



Nguyen Thi My Hanh  
Chief Accountant



Trần Xuân Huy  
General Director  
31 August 2011

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

**NOTES TO THE CONSOLIDATED 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 following subsidiaries and associate:

	Operating Licence	Nature of business	% direct shareholding by the Bank	% indirect shareholding through subsidiary	Total % shareholding by the Group
<b>Subsidiaries</b>					
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%
<b>Associates</b>					
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%

**1 GENERAL INFORMATION (continued)**

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 consolidated financial statements are set out below.

**2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared 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 consolidated 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.

As at 13 June 2011, the Bank disposed 94.2 million shares of Sacombank Securities Joint Stock Company. Accordingly, the shareholding of the Bank at this company reduced from 56.39% to 48.95% making this company become the Bank's associate from a subsidiary.

**2.2 Fiscal year**

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

**2.3 Foreign currencies**

The consolidated financial statements are measured in Vietnamese Dong and presented using millions of 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 consolidated balance sheet and transferred to the consolidated income statement at the balance sheet date.

Differences arising from the translation of financial statements of foreign subsidiaries are recognised in the foreign currency difference reserve.

The foreign exchange rates applicable for monetary items at the balance sheet date are as follows:

	30 June 2011 (VND)
USD	20,618
KHR	4.88
LAK	2.47

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Consolidation (continued)****(i) Subsidiaries**

Subsidiaries are those companies over which the Bank has the power to govern the financial and operating policies. Subsidiaries are consolidated from the date on which control is transferred to the Bank. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Bank. The cost of an acquisition is measured as the fair value of the assets given, equities instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of the minority interest.

Inter-company balances, transactions and unrealised gains on transactions between those companies and the Group are eliminated. Unrealised losses are also eliminated unless transactions provide evidence of an impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure the consistency with the policies adopted by the Bank.

Financial statements of foreign subsidiaries are converted for consolidating into the Bank's financial statements as follows:

- a) Assets and liabilities, both monetary and non-monetary, of the foreign subsidiary are translated at the closing rate;
- b) Revenue, income and expense items of the foreign subsidiary are translated at the average exchange rate;
- c) Exchange differences arising from the conversion of the subsidiary's financial statements are recorded in the foreign exchange difference reserve under the Group's equity.

**(ii) Minority interest**

Minority interest is the portion of the profit or loss and net assets of a subsidiary attributable to equity interest that are not owned, directly or indirectly through subsidiaries, by the parent.

**(iii) Associates and joint-ventures**

Associates are all entities over which the Bank has significant influence but not control.

Joint-venture is a company whereby the Bank and other parties undertake an economic activity which is subject to joint control.

The Bank uses the equity method for consolidating its investments in associates and joint-ventures. The Bank's share of its associates' and joint-ventures' post acquisition profits or losses is recognised in the consolidated income statement. When the Bank's share of losses in an associate and joint-venture equals or exceeds the carrying amount of its investment in the associate and joint-venture, the Bank does not recognise further losses in its consolidated financial statements, unless it has obligations to pay on behalf of the associate and joint-venture. Accounting policies of associates and joint-ventures have been changed where necessary to ensure consistency with the policies adopted by the Bank.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Interest income and expenses**

The Group 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 consolidated income statement on receipt.

**2.6 Fees and commissions income**

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

**2.7 Loans, advances and finance leases to customers**

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

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, advances and finance leases 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 Group'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 Group'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 Group'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)****2.7 Loans, advances and finance leases 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 Group, and has any of its debts transferred to the group of debts with higher risk, the Group is obliged to classify the remaining debts of such customer into groups of debts with higher risk corresponding with their level of risk.

The Group 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 Group its financial information for the Group's assessment of customer's repayment capability.

*Provision for losses on loans, advances and finance leases 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 - Loss	100%

The specific provision is calculated based on net credit exposure of each borrower which equals to loan balance and lease 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.

In accordance with 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, advances to customers at the Bank and finance leases to customers, and excluding the total balance of loans and advances to customers at the Bank and finance leases to customers which are classified as loss.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 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 Group's assessment, could be fully settled when they fall due.

## Group 2: Special mentioned

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

## Group 3: Sub-standard

- Undue commitments which, according to the Group'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 Group'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: Loss

- Undue commitments which, according to the Group'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 - Loss	100%

The specific provision is calculated based on net credit exposure of each borrower which equals to credit commitment 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 guarantees, unconditional and irrevocable commitments and settlement acceptances and excluding those are classified as loss.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Investments****Investments securities**

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

**(i) Trading securities**

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

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

For debt securities acquired at discount or premium, the discount or premium is allocated over the holding period of these securities.

**(iii) Held-to-maturity securities**

Held-to-maturity securities are debt securities with fixed or determinable payment and fixed maturities that the Group'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 book value 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 consolidated income statement on an accruals basis. Pre-acquisition interest income of held-to-maturity securities is deducted against the cost of acquisition.

For debt securities acquired at discount or premium, the discount or premium is allocated over the holding period of these securities.

**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)****2.9 Investments (continued)****Investments securities (continued)****(iii) Held-to-maturity 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 Group made provisions for investment in securities in accordance with the above regulations.

**(iv) Other long-term investments**

Other long-term investments comprise shareholding of less than 20% voting right 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 consolidated income statement when the Group's right to receive payment is established.

**2.10 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:

	Annual rates
Buildings	2%
Office equipments	12.5% - 33.3%
Motor vehicles	16.7%
Other assets	10%
Computer software	20%

Land use rights 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 as in the consolidated income statement.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Leased assets**

Leases of property, plant and equipment where the Group 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 consolidated 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 consolidated income statement on a straight-line basis over the period of the lease.

**2.12 Gold**

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

**2.13 Cash and cash equivalents**

For the purpose of the consolidated 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 from deposit date, government bills and other valued papers which qualify to be discounted at the State Bank of Vietnam and securities which mature within 3 months from purchasing date.

**2.14 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 consolidated income statement. Unrealised gains or losses are recognised in the consolidated balance sheet as the foreign currency difference reserve and transferred to the consolidated income statement at the balance sheet date.

**2.15 Provisions**

Provisions are recognised when: the Group 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 Provision for severance allowances**

In accordance with Vietnamese Labour Laws, employees of the Group 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 Group. 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.

**2.17 Taxation**

Business income tax expense is recognised in the consolidated 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 period 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 period 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.

**2.18 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 and its subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank and its subsidiaries 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.

**2.19 Dividend distribution**

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

**2.20 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**

	<b>30.6.2011</b>	<b>31.12.2010</b>
	<b>Million VND</b>	<b>Million VND</b>
Cash on hand	3,395,399	3,092,865
Gold	9,284,767	9,584,243
Valuable documents	1,210	741
	<u>12,681,376</u>	<u>12,677,849</u>

**4 BALANCES WITH THE STATE BANK (“SBV”)**

	<b>30.6.2011</b>	<b>31.12.2010</b>
	<b>Million VND</b>	<b>Million VND</b>
Deposits at the State Bank of Vietnam	2,985,593	3,336,797
Deposits at the State Bank of Laos	211,097	117,059
Deposits at the National Bank of Cambodia	306,736	165,117
	<u>3,503,426</u>	<u>3,618,973</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% (As at 31 December 2010: 4%) of the average balance of customer deposits with terms within one year in foreign currencies and 4% (As at 31 December 2010: 2%) 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 prevailing 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	
<b>Placements with other credit institutions</b>			
Demand deposits	44,414	533,053	577,467
Term deposits	8,171,967	4,544,756	12,716,723
	<u>8,216,381</u>	<u>5,077,809</u>	<u>13,294,190</u>
<b>Loans and advances to other credit institutions</b>			
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>8,385,083</u>	<u>5,077,809</u>	<u>13,462,892</u>
<b>31 December 2010</b>			
	Denominated in VND Million VND	Denominated in foreign currencies and gold Million VND	Total Million VND
<b>Placements with other credit institutions</b>			
Demand deposits	165,057	3,760,751	3,925,808
Term deposits	12,438,775	4,718,796	17,157,571
	<u>12,603,832</u>	<u>8,479,547</u>	<u>21,083,379</u>
<b>Loans and advances to other credit institutions</b>			
Short-term loans	127,163	-	127,163
Less: Provision for losses on loans and advances to credit institutions	(807)	-	(807)
	<u>126,356</u>	<u>-</u>	<u>126,356</u>
	<u>12,730,188</u>	<u>8,479,547</u>	<u>21,209,735</u>

## 6 TRADING SECURITIES

	30.6.2011 Million VND	31.12.2010 Million VND
<b>Debt securities</b>		
Debt securities issued by other credit institutions	16,336	366,336
Debt securities issued by local corporations	6,000	646,435
Debt securities issued by overseas corporations	24,735	42,561
	<u>47,071</u>	<u>1,055,332</u>
<b>Equity securities</b>		
Equity securities issued by other local credit institutions	215,822	656,008
Equity securities issued by local corporations	282,964	774,070
	<u>498,786</u>	<u>1,430,078</u>
Total trading securities	545,857	2,485,410
Less: provision for diminution in value of trading securities	(143,591)	(205,257)
	<u>402,266</u>	<u>2,280,153</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 asset/ (liability) Million VND
		Total contract value (at the foreign exchange rate at 30 June)		
		Assets Million VND	Liabilities Million VND	
<b>Derivative currency financial instruments</b>				
- Forward contracts	269,969	-	149	(149)
- Swap contracts	1,652,196	5,909	-	5,909
	<u>1,922,165</u>	<u>5,909</u>	<u>149</u>	<u>5,760</u>

## 7 DERIVATIVES AND OTHER FINANCIAL ASSETS (continued)

	Total contract value (at the foreign exchange rate at the contract date) Million VND	31 December 2010 Total contract value (at the foreign exchange rate at 31 December)		Net asset/ (liability) Million VND
		Assets Million VND	Liabilities Million VND	
<b>Derivative currency financial instruments</b>				
- Forward contracts	225,951	3,519	-	3,519
- Swap contracts	2,510,386	3,563	-	3,563
	<u>2,736,337</u>	<u>7,082</u>	<u>-</u>	<u>7,082</u>

## 8 LOANS, ADVANCES AND FINANCE LEASES TO CUSTOMERS

Loans, advances and finance leases 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	77,519,883	79,817,625
Discounted notes and valuable papers	149,623	-
Financial leases	707,986	558,126
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>80,539,748</u>	<u>82,484,803</u>

Included in loans and advances to customers is VND2,491,202 million (As at 31 December 2010: VND2,750,325 million) advanced to related parties of the Bank (Note 41).

## 8.2 Analysis by group

	30.6.2011 Million VND	31.12.2010 Million VND
Current	79,270,814	82,010,384
Special mention	482,304	29,899
Sub-standard	77,826	31,454
Doubtful	360,633	60,776
Loss	348,171	352,290
	<u>80,539,748</u>	<u>82,484,803</u>

**8 LOANS, ADVANCES AND FINANCE LEASES TO CUSTOMERS (continued)****8.3 Analysis by maturity**

	<b>30.6.2011</b> Million VND	<b>31.12.2010</b> Million VND
Short-term	49,022,076	51,904,547
Medium-term	16,589,506	16,282,072
Long-term	14,928,166	14,298,184
	<u>80,539,748</u>	<u>82,484,803</u>

**8.4 Analysis by currency**

	<b>30.6.2011</b> Million VND	<b>31.12.2010</b> Million VND
Denominated in VND	62,494,547	68,483,419
Denominated in foreign currencies	18,045,201	14,001,384
	<u>80,539,748</u>	<u>82,484,803</u>

**9 PROVISION FOR LOSSES ON LOANS, ADVANCES AND FINANCE LEASES TO CUSTOMERS**

Provision for losses on loans, advances and finance leases to customers comprises:

	<b>30.6.2011</b> Million VND	<b>31.12.2010</b> Million VND
Specific provision (Note 9.1)	293,325	218,921
General provision (Note 9.2)	622,248	601,682
	<u>915,573</u>	<u>820,603</u>

**9.1 Specific provision for losses on loans, advances and finance leases to customers**

	<b>From 1.1.2011 to</b> <b>30.6.2011</b> Million VND	<b>From 1.1.2010</b> <b>to 31.12.2010</b> Million VND
Beginning balance	218,921	102,587
Charge for the period/year	145,355	119,253
Utilisation during the period/year (*)	(938)	(2,919)
Reversal due to converting a subsidiary into an associate (Note 11.1)	(70,013)	-
Closing balance	<u>293,325</u>	<u>218,921</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, ADVANCES AND FINANCE LEASES TO CUSTOMERS  
(continued)**

**9.2 General provision for losses on loans, advances and finance leases to customers**

	From 1.1.2011 to 30.6.2011 Million VND	From 1.1.2010 to 31.12.2010 Million VND
Opening balance	601,681	412,930
Charge for the period/year	20,654	188,752
Utilised in the period/year	(87)	-
Closing balance	<u>622,248</u>	<u>601,682</u>

**10 INVESTMENT SECURITIES**

**10.1 Available-for-sale securities**

	30.6.2011 Million VND	31.12.2010 Million VND
<b>Debt securities</b>		
Government bonds (*)	6,421,109	3,842,042
Bonds issued by other local credit institutions (*)	11,571,984	11,509,286
Bonds issued by local corporations (**)	3,150,013	3,649,922
	<u>21,143,106</u>	<u>19,001,250</u>
<b>Equity securities</b>		
Equity securities issued by local corporations	117,290	529,642
	<u>117,290</u>	<u>529,642</u>
Total available-for-sale securities	21,260,396	19,530,892
Provision for diminution in value of available-for-sale securities	(18,104)	(13,065)
	<u>21,242,292</u>	<u>19,517,827</u>

(\*) As at 31 December 2010, values of Government bonds and bonds 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 17).

(\*\*) Included in bonds 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 41).

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

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

**11 INVESTMENTS IN ASSOCIATES****11.1 Balances of investments in associates**

	<b>30 June 2011</b>		<b>31 December 2010</b>	
	<b>At cost</b>	<b>Carrying value</b>	<b>At cost</b>	<b>Carrying value</b>
	<b>Million VND</b>	<b>Million VND</b>	<b>Million VND</b>	<b>Million VND</b>
Investments in associates	<u>620,000</u>	<u>620,989</u>	<u>-</u>	<u>-</u>

Investment in associates is the investment in Saccombank Securities Joint Stock Company ("SBS"). SBS was one of subsidiaries of the Bank previously. As at 13 June 2011, the Bank disposed additionally 94.2 million shares of SBS. Accordingly, the shareholding of the Bank at this company reduced to 48.95% making this company become the Bank's associate from a subsidiary.

**11.2 Movement of investments in associate at carrying value**

	<b>From 1.1.2011</b>	<b>From 1.1.2010</b>
	<b>to 30.6.2011</b>	<b>to 31.12.2010</b>
	<b>Million VND</b>	<b>Million VND</b>
Opening balance	-	84,683
Increase in contributed capital in associates	-	51,000
Share of net assets at the date of converting a subsidiary into an associate (Note 11.1)	675,508	-
Share of net (loss)/profit in the period/year (Note 33)	(54,519)	4,665
Share of payments made from reserves	-	(2,042)
Decrease in contributed capital in the disposed associate	-	(80,037)
Recovery of share of accumulated profit in the disposed associate	-	(27,642)
Transfer to other long-term investments	-	(21,959)
Recovery of share of accumulated profit in the disposed associate due to its transfer to other long-term investments	-	(6,148)
Reclassify an investment from associate to subsidiary	-	(2,520)
Closing balance	<u>620,989</u>	<u>-</u>

**12 OTHER LONG-TERM INVESTMENTS**

The Group's other long-term investments are investments in other entities with shareholding of less than 11% and comprise the following companies:

	<b>30.6.2011</b>	<b>31.12.2010</b>
	<b>Million VND</b>	<b>Million VND</b>
<b>Credit institutions</b>		
Listed credit institutions	95,561	95,561
Unlisted credit institutions	1,634	1,634
	<hr/>	<hr/>
	97,195	97,195
<b>Non credit institutions</b>		
Listed corporations	146,519	149,409
Unlisted corporations	409,975	409,975
	<hr/>	<hr/>
	556,494	559,384
<b>Total long-term investments in other entities</b>	653,689	656,579
Less: Provision for diminution in value of other long-term investments	(1,286)	(5,995)
	<hr/>	<hr/>
<b>Net value of long-term investments in other entities</b>	<u>652,403</u>	<u>650,584</u>

## 13 TANGIBLE FIXED ASSETS

	CURRENCY: Million VND				
	Buildings	Office equipment	Motor vehicles	Other assets	Total
<b>Historical cost</b>					
At 1 January 2011	760,896	824,380	188,278	247,672	2,021,226
New purchases	-	34,260	13,112	3,667	51,039
Transfers from construction in progress and purchase of fixed assets (Note 16.1)	138,759	58,365	28,027	3,287	228,438
Repurchases of lease assets (Note 15)	-	-	11,102	-	11,102
Reversal due to converting a subsidiary into an associate (Note 11.1)	(115,094)	(53,555)	(3,525)	(205)	(172,379)
Disposals	(2,687)	(1,038)	(2,926)	(31)	(6,682)
Reclassification	(11,546)	(21,291)	(1,404)	34,241	-
At 30 June 2011	<u>770,328</u>	<u>841,121</u>	<u>232,664</u>	<u>288,631</u>	<u>2,132,744</u>
<b>Accumulated depreciation</b>					
At 1 January 2011	56,049	272,601	63,992	26,190	418,832
Charge for the period	9,205	89,597	15,145	7,364	121,311
Repurchases of lease assets (Note 15)	-	-	893	-	893
Reversal due to converting a subsidiary into an associate (Note 11.1)	(8,026)	(27,674)	(1,142)	-	(36,842)
Utilised Science and Technology Development Fund (Note 22.2)	-	5,301	-	-	5,301
Disposals	(8)	(912)	(1,303)	(27)	(2,250)
Reclassification	(2,016)	(1,873)	(218)	4,107	-
At 30 June 2011	<u>55,204</u>	<u>337,040</u>	<u>77,367</u>	<u>37,634</u>	<u>507,245</u>
<b>Net book value</b>					
At 1 January 2011	<u>704,847</u>	<u>551,779</u>	<u>124,286</u>	<u>221,482</u>	<u>1,602,394</u>
At 30 June 2011	<u>715,124</u>	<u>504,081</u>	<u>155,297</u>	<u>250,997</u>	<u>1,625,499</u>

Included in office equipment are fixed assets funded by Science and Technology Development Fund with total historical cost of VND53,012 million (As at 31 December 2010: VND53,012 million) and total 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 22.2).

## 14 INTANGIBLE FIXED ASSETS

	CURRENCY: Million VND			
	Land use rights	Computer software	Other intangible fixed assets	Total
<b>Historical cost</b>				
At 1 January 2011	1,275,381	356,010	365	1,631,756
New purchases	-	2,041	-	2,041
Transfers from construction in progress and purchase of fixed assets (Note 16.1)	91,212	17,447	84	108,743
Reversal due to converting a subsidiary into an associate (Note 11.1)	(58,000)	(25,402)	-	(83,402)
Disposals	-	(678)	(449)	(1,127)
At 30 June 2011	<u>1,308,593</u>	<u>349,418</u>	<u>-</u>	<u>1,658,011</u>
<b>Accumulated depreciation</b>				
At 1 January 2011	12,472	105,736	309	118,517
Charge for the period	4,143	28,131	83	32,357
Reversal due to converting a subsidiary into an associate (Note 11.1)	-	(11,235)	-	(11,235)
Utilised Science And Technology Development Fund (Note 22.2)	-	4,295	-	4,295
Disposals	-	(677)	(449)	(1,126)
Reclassifications	(2)	(55)	57	-
At 30 June 2011	<u>16,613</u>	<u>126,195</u>	<u>-</u>	<u>142,808</u>
<b>Net book value</b>				
At 1 January 2011	<u>1,262,909</u>	<u>250,274</u>	<u>56</u>	<u>1,513,239</u>
At 30 June 2011	<u>1,291,980</u>	<u>223,223</u>	<u>-</u>	<u>1,515,203</u>

Included in computer software are fixed assets funded by Science and Technology Development Fund with total historical cost of VND42,949 million (As at 31 December 2010: VND42,949 million) and total accumulated depreciation of VND12,084 million (As at 31 December 2010: VND8,509 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 22.2).

## 15 FINANCE LEASE ASSETS

Motor vehicles  
Million VND**Historical cost**

At 1 January 2011	24,249
Transferred to fixed assets (Note 13)	(11,102)
Reversal due to converting a subsidiary into an associate (Note 11.1)	(11,404)

At 30 June 2011	1,743
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**Accumulated depreciation**

At 1 January 2011	4,363
Charge for the period	145
Transferred to fixed assets (Note 13)	(893)
Reversal due to converting a subsidiary into an associate (Note 11.1)	(3,279)

At 30 June 2011	336
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**Net book value**

At 1 January 2011	19,886
At 30 June 2011	1,407

## 16 OTHER ASSETS

	30.6.2011 Million VND	31.12.2010 Million VND
Construction in progress and purchase of fixed assets (Note 16.1)	1,431,293	1,153,791
Accrued interest income	1,617,937	1,795,941
Receivable from the State Budget (*)	42,319	92,942
Advances for Head Office rental (Note 41)	32,932	55,159
Receivables from customers (**)	1,170,256	1,161,897
Provision for bad debts from customers	(45,950)	-
Advances and internal receivables	164,229	49,630
Deferred expenses	732,971	555,026
Dividends receivable	631	35,645
Deferred tax assets	-	9,376
Investments in finance lease assets	130,949	33,087
Other assets (***)	223,433	675,016
	<u>5,501,000</u>	<u>5,617,510</u>

**16 OTHER ASSETS (continued)**

(\*) Included in receivables from the State Budget is VND42,319 million (As at 31 December 2010: VND75,839 million) of interest receivable which arose from the interest subsidy program.

(\*\*) 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.

(\*\*\*) 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.

**16.1 Construction in progress and purchase of fixed assets**

	<b>From 1.1.2011 to 30.6.2011 Million VND</b>	<b>From 1.1.2010 to 31.12.2010 Million VND</b>
Beginning balance	1,153,791	922,974
Additions in period/year	666,521	1,364,971
Transfers to fixed assets (Note 13 and Note 14)	(337,181)	(1,054,221)
Transfer to deferred expenses and operating expenses	(41,293)	(79,933)
Reversal due to converting a subsidiary into an associate (Note 11.1)	(10,544)	-
Closing balance	<u>1,431,293</u>	<u>1,153,791</u>

**17 DUE TO GOVERNMENT AND BORROWINGS FROM THE STATE BANK OF VIETNAM**

	<b>30.6.2011 Million VND</b>	<b>31.12.2010 Million VND</b>
Borrowings by means of discounting, rediscounting valuable papers	-	4,688,802
Long-term borrowings from the State Bank of Vietnam funded by international institutions	-	131,172
	<u>-</u>	<u>4,819,974</u>

## 18 DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	30 June 2011		Total Million VND
	Denominated in VND Million VND	Denominated in foreign currencies and gold Million VND	
<b>Deposits from other credit institutions</b>			
Demand deposits	491,515	44,987	<b>536,502</b>
Term deposits	8,040,000	3,963,163	<b>12,003,163</b>
	<u>8,531,515</u>	<u>4,008,150</u>	<b>12,539,665</b>
<b>Borrowings from other credit institutions</b>	4,110,090	3,974,330	<b>8,084,420</b>
	<u>12,641,605</u>	<u>7,982,480</u>	<b>20,624,085</b>
	<u><u>12,641,605</u></u>	<u><u>7,982,480</u></u>	<u><u>20,624,085</u></u>
	31 December 2010		Total Million VND
	Denominated in VND Million VND	Denominated in foreign currencies and gold Million VND	
<b>Deposits from other credit institutions</b>			
Demand deposits	106,474	11,306	<b>117,780</b>
Term deposits	11,527,133	975,847	<b>12,502,980</b>
	<u>11,633,607</u>	<u>987,153</u>	<b>12,620,760</b>
<b>Borrowings from other credit institutions</b>	16,314	2,646,339	<b>2,662,653</b>
	<u>11,649,921</u>	<u>3,633,492</u>	<b>15,283,413</b>
	<u><u>11,649,921</u></u>	<u><u>3,633,492</u></u>	<u><u>15,283,413</u></u>

**19 DEPOSITS FROM CUSTOMERS****19.1 By type of deposits**

	<b>30.6.2011</b> <b>Million VND</b>	<b>31.12.2010</b> <b>Million VND</b>
Current deposits	10,062,334	12,311,910
Term deposits	7,858,360	10,408,509
Saving deposits	56,131,211	54,802,314
Marginal deposits	1,078,133	742,368
Deposits for specific purposes	46,609	70,315
	<u>75,176,647</u>	<u>78,335,416</u>

**19.2 By currency**

	<b>Denominated in VND Million VND</b>	<b>30 June 2011 Denominated in foreign currency and gold Million VND</b>	<b>Total Million VND</b>
Current deposits	8,687,300	1,380,034	<b>10,067,334</b>
Term deposits	7,450,920	402,440	<b>7,853,360</b>
Saving deposits	48,560,816	7,570,395	<b>56,131,211</b>
Marginal deposits	225,719	852,414	<b>1,078,133</b>
Deposits for specific purposes	6,373	40,236	<b>46,609</b>
	<u>64,931,128</u>	<u>10,245,519</u>	<u><b>75,176,647</b></u>

	<b>Denominated in VND Million VND</b>	<b>31 December 2010 Denominated in foreign currency and gold Million VND</b>	<b>Total Million VND</b>
Current deposits	10,827,390	1,484,520	<b>12,311,910</b>
Term deposits	9,708,048	700,461	<b>10,408,509</b>
Saving deposits	46,588,387	8,213,927	<b>54,802,314</b>
Marginal deposits	158,574	583,794	<b>742,368</b>
Deposits for specific purposes	68,630	1,685	<b>70,315</b>
	<u>67,351,029</u>	<u>10,984,387</u>	<u><b>78,335,416</b></u>

## 20 BORROWINGS FROM INTERNATIONAL AND OTHER INSTITUTIONS

	30.6.2011 Million VND	31.12.2010 Million VND
Borrowings received from RDF	613,515	402,992
Borrowings received from FMO	205,290	231,072
Borrowings received from SMEDF	139,237	36,875
Borrowings received from IFC	375,000	406,250
Borrowings received from ADB	408,279	394,448
Borrowings received from PROPARCO	824,720	757,280
Borrowings received from NORFUND	103,090	-
	<u>2,669,131</u>	<u>2,228,917</u>

Borrowings from the Rural Development Fund ("RDF") are financed 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 funds 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 funds will mature in 2014.

Borrowings from Financierings – Maatschappij Voor Ontwikkelingslarden ("FMO"), a bank in the Netherland include two facilities: i) one facility is financed for the Bank and ii) one facility is financed for a subsidiary of the Bank with details are as follows:

- i) The facility financed for the Bank is 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.
- ii) The facility financed for a subsidiary of the Bank is used for finance leasing to enterprises operating in Vietnam. The borrowing currency is United States Dollars. Interest is paid semi-annually at LIBOR. The borrowing was granted for 5 years and will mature in 2013.

Borrowings from the Small and Medium Enterprise Development Fund ("SMEDF") are financed by the European Commission. The funds 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 US\$25 million and has a maximum terms 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.

**20 BORROWINGS RECEIVED 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 US\$ to borrowers in Vietnam. The Credit Facility is not exceeding US\$20 million and has a maximum term of 7 years. Interest rates are fixed and floating rates which are determined at the determination date. Interest is paid on 30 April and 21 October, annually. These borrowings will mature in 2016.

Borrowings from The Norwegian Investment Fund For Developing Countries ("Norfund"), an investment fund in Norway, are used to finance for finance leasing to small and medium enterprises operating in Vietnam. The borrowing currency is United States Dollars. The credit limit is USD5 millions and the term is 5 years. Interest is paid semi-annually at LIBOR. These borrowings will mature in 2016.

**21 CERTIFICATES OF DEPOSITS**

	<b>Denominated in VND Million VND</b>	<b>30 June 2011 Denominated in foreign currency and gold Million VND</b>	<b>Total Million VND</b>
Short-term	9,295,824	12,854,840	<b>22,150,664</b>
Medium-term	2,433,155	788,376	<b>3,221,531</b>
	<u>11,728,979</u>	<u>13,643,216</u>	<u><b>25,372,195</b></u>
		<b>31 December 2010 Denominated in foreign currency and gold Million VND</b>	<b>Total Million VND</b>
Short-term	4,501,935	17,629,939	<b>22,131,874</b>
Medium-term	5,567,484	877,778	<b>6,445,262</b>
	<u>10,069,419</u>	<u>18,507,717</u>	<u><b>28,577,136</b></u>

**22 OTHER LIABILITIES**

	<b>30.6.2011</b> <b>Million VND</b>	<b>31.12.2010</b> <b>Million VND</b>
Accrued interest expenses	1,345,969	1,206,003
Remittance in transit payable	30,573	59,531
Payables to the State Budget (Note 37)	269,178	255,809
Payables to customers	84,651	12,150
Unearned interest income	32,906	37,119
Dividends payable	1,380,296	5,617
Payables to employees	26,352	69,457
Other payables	454,928	406,284
Provision for severance allowance	7,550	15,794
General provision for losses on contingencies and commitments (Note 22.1)	75,549	52,388
Science and Technology Development Fund (Note 22.2)	70,649	80,245
Gold borrowings for trading purpose	-	693,356
Payables in relation to gold margin trading in Cambodia	-	2,631,213
Advances from investors for bond brokerage contracts	-	2,922,139
	<u>3,778,601</u>	<u>8,447,105</u>

**22.1 General provision for losses on credit contingencies and commitments**

	<b>From 1.1.2011</b> <b>to 30.6.2011</b> <b>Million VND</b>	<b>From 1.1.2010</b> <b>to 31.12.2010</b> <b>Million VND</b>
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>

**22.2 Science and Technology Development Fund**

	<b>30.6.2011</b> <b>Million VND</b>	<b>31.12.2010</b> <b>Million VND</b>
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>

**22 OTHER LIABILITIES****22.2 Science and Technology Development Fund (continued)**

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

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

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

	<b>From 1.1.2011 to 30.6.2011 Million VND</b>	<b>From 1.1.2010 to 31.12.2010 Million VND</b>
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>

**23 CAPITAL**

	<b>30.6.2011 Million VND</b>	<b>31.12.2010 Million VND</b>
Share capital (Note 23.1)	10,850,923	10,930,034
Other capital (Note 23.2)	948	948
	<u>10,851,871</u>	<u>10,930,982</u>

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 05a/TCTD - HN

23 CAPITAL (continued)

23.1 Share capital

		30.6.2011 Million VND		31.12.2010 Million VND
Issued and fully paid chartered capital		9,179,230		9,179,230
	<b>Number of shares</b>	<b>Ordinary shares Million VND</b>	<b>Share premium Million VND</b>	<b>Total share capital Million VND</b>
At 1 January 2010	670,035,300	6,700,353	1,376,877	8,077,230
Share dividends	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
New issues to shareholders of subsidiaries	-	-	79,111	79,111
At 31 December 2010	917,923,013	9,179,230	1,750,804	10,930,034
Reversal due to converting a subsidiary into an associate (Note 11.1)	-	-	(79,111)	(79,111)
At 30 June 2011	917,923,013	9,179,230	1,671,693	10,850,923

23.2 Other capital

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

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 05a/TCTD - HN

24 RESERVES AND RETAINED EARNINGS

CURRENCY: Million VND

	Retained earnings undistributed	Reserve for supplementary chartered capital	Financial provision fund	Foreign currency difference reserve	Other reserves	Total
At 1 January 2010	1,463,937	384,573	467,566	-	152,506	2,468,582
Consolidated net profit for the year	1,910,340	-	-	-	-	1,910,340
Appropriation to reserves	(576,991)	101,848	194,304	-	280,839	-
Stock dividends	(1,004,799)	-	-	-	-	(1,004,799)
Dividends paid in cash	(254)	-	-	-	-	(254)
Other movements of reserves	-	-	(366)	80	(249,009)	(249,295)
Transfer to Minority Interest	(32,673)	(2,208)	(2,208)	(730)	580	(37,239)
At 31 December 2010	1,759,560	484,213	659,296	(650)	184,916	3,087,335
Consolidated net profit for the period	1,084,964	-	-	-	-	1,084,964
Appropriation to reserves	(277,607)	1,360	3,113	-	273,134	-
Dividends declared (Note 24.1)	(1,376,885)	-	-	-	-	(1,376,885)
Other movements of reserves	-	(1,211)	-	27,337	(251,740)	(225,614)
Reversal due to converting a subsidiary into an associate (Note 11.1 and Note 24.2)	71,007	(46,372)	(40,005)	650	(20,307)	(35,027)
Transfers to Minority Interest (Note 24.3)	74,552	-	-	-	106	74,658
At 30 June 2011	1,335,591	437,990	622,404	27,337	186,109	2,609,431

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.

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 05a/TCTD - HN

24 RESERVES AND RETAINED EARNINGS (continued)

24.1 Dividend

A dividend of 15% in shares was ratified at the 2010 Annual General Meeting on 2 April 2011. The consolidated financial statements for the period from 1 January 2011 to 30 June 2011 have reflected the dividend.

24.2 Reversal due to converting a subsidiary into an associate

	Retained earnings undistributed	Reserve for supplementary chartered capital	Financial provision fund	Foreign currency difference reserve	Other reserves	Total
Reserves and retained earnings as at 1 January 2011	68,202	46,372	40,005	(650)	20,443	174,372
Loss in the period before converting a subsidiary into an associate	(161,794)	-	-	-	-	(161,794)
Appropriation to reserves before converting a subsidiary into an associate	(9,112)	-	-	-	9,112	-
Movements of reserves before converting a subsidiary into an associate	-	-	-	-	(9,354)	(9,354)
Dividend received before converting a subsidiary into an associate	(42,852)	-	-	-	-	(42,852)
Transfers to Minority Interest	74,549	-	-	-	106	74,655
	<u>(71,007)</u>	<u>46,372</u>	<u>40,005</u>	<u>(650)</u>	<u>20,307</u>	<u>35,027</u>

CURRENCY: Million VND

**24 RESERVES AND RETAINED EARNINGS (continued)****24.3 Minority interest**

CURRENCY: Million VND

	Ordinary shares	Share premium	Retained earnings undistributed	Foreign currency difference reserve	Other reserves	Total
At 1 January 2010	206,800	-	-	-	23,342	230,142
Additional capital	345,605	61,189	-	-	-	406,784
Share of profit	-	-	32,673	-	-	32,673
Share of reserves allocated	-	-	-	730	4,416	5,146
Share of payment of reserves	-	-	-	-	(580)	(580)
Reclassification of a joint venture to a subsidiary	3,249	-	(766)	-	-	2,483
At 31 December 2010	555,654	61,189	31,907	730	27,178	676,658
Share of loss during the period	-	-	(70,578)	-	-	(70,578)
Share of reserves allocated	-	-	(3,975)	-	3,975	-
Share of payment of reserves	-	-	-	-	(4,080)	(4,080)
Dividend received in the period	-	-	(33,149)	-	-	(33,149)
Reversal due to converting a subsidiary into an associate (Note 11.1)	(555,654)	(61,189)	75,792	(730)	(27,073)	(568,854)
As at 30 June 2011	-	-	(3)	-	-	(3)

**25 BASIC EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Bank by the weighted average number of ordinary shares in issue during the period.

	From 1.1.2011 to 30.6.2011	From 1.1.2010 to 30.6.2010
Profit attributable to the equity holders of the Bank (million VND)	1,155,542	708,665
Net profit used to determine basic EPS (million VND)	1,155,542	708,665
Weighted average number of ordinary shares in issue (share)	917,923,013	670,035,300
Basic earnings per share (VND per share)	1,259	1,058

**26 INTEREST AND SIMILAR INCOME**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
On loans and advances to customers	6,205,601	3,754,051
On deposits at and loans and advances to other credit institutions	877,746	529,684
On investments	1,285,590	574,793
On finance leases	54,835	13,851
Other income from credit activities	230,302	49,553
	<u>8,654,074</u>	<u>4,921,932</u>

**27 INTEREST AND SIMILAR EXPENSES**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
On deposits from customers	4,593,399	2,597,833
On borrowings from local credit institutions	742,305	582,878
On certificates of deposits	659,869	254,865
On finance leases	-	990
Others	30,984	32,002
	<u>6,026,557</u>	<u>3,468,568</u>

**28 FEES AND COMMISSION INCOME**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Guarantees	85,092	35,614
Settlement services	347,801	168,182
Cash services	63,347	85,425
Services for securities activities	55,119	139,759
Rental activities	30,976	49,061
Other services	217,896	195,264
	<u>800,231</u>	<u>673,305</u>

**29 FEES AND COMMISSION EXPENSES**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Settlement activities	35,695	23,922
Postage and telecommunication	25,871	21,094
Brokerage services	77,011	37,058
Other expenses	78,693	22,847
	<u>217,270</u>	<u>104,921</u>

**30 NET LOSS FROM DEALING IN FOREIGN CURRENCIES, GOLD AND DERIVATIVES**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Gains from dealing in foreign currencies and gold	595,011	305,500
Losses from dealing in foreign currencies and gold	(601,955)	(128,355)
Net loss from revaluation of foreign currencies and gold	-	(503,114)
	<u>(6,944)</u>	<u>(325,969)</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)

**31 NET (LOSS)/GAIN FROM TRADING OF TRADING SECURITIES**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Income from disposals of trading securities	85,170	133,118
Losses from disposals of trading securities	(158,657)	(13,120)
Provision for diminution in value of trading securities	(101,122)	(65,763)
	<u>(174,609)</u>	<u>54,235</u>

**32 NET (LOSS)/GAIN FROM DISPOSAL OF INVESTMENT SECURITIES**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Income from disposals of investment securities	7,444	34,195
Losses from disposals of investment securities	(263)	(31,386)
Provision (charged)/released for diminution in value of investment securities	(8,102)	4,729
	<u>(921)</u>	<u>7,538</u>

**33 DIVIDEND INCOME AND INCOME FROM INVESTMENTS IN OTHER ENTITIES**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Dividend income from trading equity securities	40,601	5,981
Dividend income from investment equity securities	-	1,264
Dividend income from other long-term investments	13,317	27,868
Income from disposal of long-term investments	-	352,500
Income from converting a subsidiary into an associate	55,508	-
Share of loss of investment in associates	(54,519)	-
Provision for diminution in value of long-term investments	(76)	-
	<u>54,831</u>	<u>387,613</u>

**34 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Tax, duties and fees	35,985	23,756
Salaries and related expenses	707,371	458,449
Depreciation	153,814	121,486
Assets rental	149,011	108,694
Repair and maintainance	59,685	41,291
Administrative expenses	257,560	201,822
Deposit insurance premiums	38,495	32,502
	<u>1,401,921</u>	<u>988,000</u>

**35 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 Group are exempt from value added tax.

**36 BUSINESS INCOME TAX ("BIT")**

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Current income tax	382,261	325,043
Income tax on land use right transfer	-	2,435
	<u>382,261</u>	<u>327,478</u>

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

Business income tax charge at a rate of 25% 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.

	<b>Period from 1.1.2011 to 30.6.2011 Million VND</b>	<b>Period from 1.1.2010 to 30.6.2010 Million VND</b>
Net profit before tax	1,467,225	1,082,749
Tax	366,806	270,687
Effect of:		
Tax on income not subject to tax	(12,126)	(44,459)
Tax on expenses not deductible	21,480	125,779
Tax for Cambodia branch	6,101	-
Over provided for the previous year	-	(26,964)
Income tax on land use right transfer	-	2,435
	<u>382,261</u>	<u>327,478</u>

## 37 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	11,983	76,112	(74,737)	13,358
BIT	200,951	382,261	(354,209)	229,003
Other taxes	23,890	58,608	(58,961)	23,537
Other fees	1,883	100,303	(98,906)	3,280
	<u>238,707</u>	<u>617,284</u>	<u>(586,813)</u>	<u>269,178</u>

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

## 38 CONTINGENCIES AND COMMITMENTS (continued)

	31 December 2010		Total Million VND
	Denominated in VND Million VND	Denominated in foreign currencies 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 buying option transaction	65,688	2,485,229	2,550,917
Foreign currency selling option 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 Group 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 Group does not anticipate any significant losses as a result of these transactions.

## 39 COMMITMENTS UNDER OPERATING LEASES

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

	Office rental	
	30.6.2011 Million VND	31.12.2010 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
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 Saccombank (lessee) and Tadimex (lessor), Saccombank 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.

## 40 CAPITAL COMMITMENTS

	30.6.2011 Million VND	31.12.2010 Million VND
Tangible and intangible fixed assets	402,725	495,554

## 41 RELATED PARTY TRANSACTIONS AND BALANCES

The Group had the following transactions for the period from 1 January 2011 to 30 June 2011

	Associates	Bank's management	Others	Million VND Total
Interest income and similar income	-	-	209,565	209,565
Interest expense and similar charges	2,629	848	21,851	25,328
Fee and commission income	53	-	1,597	1,650
Fee and commission expenses	165	-	384	549
Office rental	-	-	18,634	18,634
Remuneration to key management	-	19,341	-	19,341

The Group had the following transactions for the period from 1 January 2010 to 30 June 2010

	Associates	Bank's management	Others	Million VND Total
Interest income and similar income	-	-	45,739	45,739
Interest expense and similar charges	-	2,292	678	2,970
Office rental	-	-	14,196	14,196
Remuneration to key management	-	15,256	-	15,256

## Balances at 30 June 2011

	Associates	Bank's management	Others	Million VND Total
Loans and advances to customers	-	-	2,491,202	2,491,202
Investment securities	-	-	480,000	480,000
Other assets	59,575	-	203,286	262,861
Deposits from customers	-	25,544	898,635	924,179
Other liabilities	-	-	4,956	4,956

## Balances at 31 December 2010

	Associates	Bank's management	Others	Million VND Total
Loans and advances to customers	-	-	2,750,325	2,750,325
Investment securities	-	-	1,350,000	1,350,000
Other assets	-	-	342,560	342,560
Deposits from customers	-	87,485	1,208,819	1,296,304
Other liabilities	-	-	38,281	38,281

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.

## 42 CONCENTRATIONS OF ASSETS AND LIABILITIES BY GEOGRAPHICAL AREA

	Net 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 in securities Million VND
Domestic	78,953,604	120,557,421	2,950,538	604,956	23,333,344
Overseas	1,756,189	3,284,637	6,951,052	1,317,209	43,244
	<u>80,709,793</u>	<u>123,842,058</u>	<u>9,901,590</u>	<u>1,922,165</u>	<u>23,376,588</u>

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 05a/TCTD - HN

43 FINANCIAL RISK MANAGEMENT

43.1 Interest rate risk

The table below summarizes the Group'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	
<b>Assets</b>										
Cash and precious metals	-	12,681,376	-	-	-	-	-	-	-	12,681,376
Balances with the State Bank	-	3,503,426	-	-	-	-	-	-	-	3,503,426
Placements with and loans to other credit institutions (*)	-	-	6,028,531	3,739,034	2,782,999	638,511	275,160	-	-	13,464,235
Trading securities (*)	-	498,786	24,735	22,336	-	-	-	-	-	545,857
Derivatives and other financial assets	-	5,760	-	-	-	-	-	-	-	5,760
Loans and advances to customers (*)	1,268,934	-	21,681,797	51,792,120	1,566,333	1,749,575	2,239,017	241,972	80,539,748	80,539,748
Investment securities (*)	-	117,290	406,715	342,941	3,774,837	5,593,249	11,090,705	177,929	21,503,666	21,503,666
Investment in other entities and long-term investments (*)	-	1,274,678	-	-	-	-	-	-	-	1,274,678
Fixed assets	-	3,142,109	-	-	-	-	-	-	-	3,142,109
Other assets (*)	-	5,546,950	-	-	-	-	-	-	-	5,546,950
<b>Total assets</b>	<b>1,268,934</b>	<b>26,770,375</b>	<b>28,141,778</b>	<b>55,896,431</b>	<b>8,124,169</b>	<b>7,981,335</b>	<b>13,604,882</b>	<b>419,901</b>	<b>142,207,805</b>	
<b>Liabilities</b>										
Due to Government and borrowings from the State Bank of Vietnam	-	-	-	-	-	-	-	-	-	-
Deposits and borrowings from other credit institutions	-	-	13,097,572	4,109,656	2,965,517	451,340	-	-	-	20,624,085
Deposits from customers	-	970,560	57,913,124	11,079,980	3,078,458	1,728,255	405,870	400	75,176,647	
Borrowings received from international and other institutions	-	-	2,081,078	-	31,250	31,250	463,053	62,500	2,669,131	
Certificates of deposits	-	-	13,130,282	4,240,219	5,002,039	2,459,410	540,245	-	25,372,195	
Other liabilities	-	3,778,601	-	-	-	-	-	-	3,778,601	
<b>Total liabilities</b>	<b>-</b>	<b>4,749,161</b>	<b>86,222,056</b>	<b>19,429,855</b>	<b>11,077,264</b>	<b>4,670,255</b>	<b>1,409,168</b>	<b>62,900</b>	<b>127,620,659</b>	
<b>Interest gap of balance sheet items</b>	<b>1,268,934</b>	<b>22,021,214</b>	<b>(58,080,278)</b>	<b>36,466,576</b>	<b>(2,953,095)</b>	<b>3,311,080</b>	<b>12,195,714</b>	<b>357,001</b>	<b>14,587,146</b>	
<b>Interest gap of off balance sheet items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total interest gap</b>	<b>1,268,934</b>	<b>22,021,214</b>	<b>(58,080,278)</b>	<b>36,466,576</b>	<b>(2,953,095)</b>	<b>3,311,080</b>	<b>12,195,714</b>	<b>357,001</b>	<b>14,587,146</b>	

(\*) the above balances exclude provision.

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 05a/TCTD - HN

43 FINANCIAL RISK MANAGEMENT (continued)

43.2 Currency risk

The table below summarises the Group's exposure to currency risk at 30 June 2011.

As at 30 June 2011	VND	USD	GOLD	EUR	JPY	AUD	CAD	CURRENCY: Million VND	
								Others	Total
<b>Assets</b>									
Cash and precious metals	2,133,629	805,535	9,284,767	166,311	24,728	109,511	111,901	44,994	12,681,376
Balances with the State Bank	2,315,714	1,037,550	-	-	-	-	-	150,162	3,503,426
Placements with and loans to other credit institutions (*)	8,386,426	2,677,529	2,244,935	39,842	12,187	38,010	6,648	58,658	13,464,235
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 (*)	62,494,547	15,508,174	2,373,418	104,680	-	-	-	58,929	80,539,748
Investment securities (*)	20,472,766	1,030,900	-	-	-	-	-	-	21,503,666
Investment in other entities and long-term investments (*)	1,274,678	-	-	-	-	-	-	-	1,274,678
Fixed assets	3,073,895	29,471	-	-	-	-	-	38,743	3,142,109
Other assets (*)	5,131,290	206,148	27,840	465	-	-	-	181,207	5,546,950
<b>Total assets</b>	<b>105,906,507</b>	<b>22,073,377</b>	<b>13,930,960</b>	<b>340,943</b>	<b>36,915</b>	<b>147,521</b>	<b>118,549</b>	<b>557,428</b>	<b>143,112,200</b>
<b>Liabilities and shareholders' equity</b>									
Due to Government and borrowings from the State Bank of Vietnam	-	-	-	-	-	-	-	-	-
Deposits and borrowings from other credit institutions	12,641,605	7,942,804	-	14,941	-	-	-	24,735	20,624,085
Deposits from customers	64,931,128	9,730,106	18,665	247,339	9,055	14,211	8,606	217,537	75,176,647
Borrowings received from international and other institutions	1,243,923	1,425,208	-	-	-	-	-	-	2,669,131
Derivatives and other financial liabilities	-	-	113,454	-	25,458	85,492	113,286	566,705	904,395
Certificate of deposits	11,728,979	118	13,643,098	-	-	-	-	-	25,372,195
Other liabilities	2,442,647	1,022,209	61,598	2,412	525	1,853	165	247,192	3,778,601
Capital and reserves	13,520,524	-	-	-	-	-	-	-	13,520,524
<b>Total liabilities and shareholders' equity</b>	<b>106,508,806</b>	<b>20,120,445</b>	<b>13,836,815</b>	<b>264,692</b>	<b>35,038</b>	<b>101,556</b>	<b>122,057</b>	<b>1,056,169</b>	<b>142,045,578</b>
<b>Net on-balance sheet position</b>	<b>(602,299)</b>	<b>1,952,932</b>	<b>94,145</b>	<b>76,251</b>	<b>1,877</b>	<b>45,965</b>	<b>(3,508)</b>	<b>(498,741)</b>	<b>1,066,622</b>
<b>Net off-balance sheet position</b>	<b>-</b>	<b>(419,813)</b>	<b>1,338</b>	<b>(112,552)</b>	<b>1,559</b>	<b>(97,615)</b>	<b>(15,832)</b>	<b>630,963</b>	<b>(11,952)</b>
<b>Total position</b>	<b>(602,299)</b>	<b>1,533,119</b>	<b>95,483</b>	<b>(36,301)</b>	<b>3,436</b>	<b>(51,650)</b>	<b>(19,340)</b>	<b>132,222</b>	<b>1,054,670</b>

(\*) the above balances exclude provision.

SAIGON THUONG TIN COMMERCIAL JOINT STOCK BANK

FORM B 05a/TCTD - HN

43 FINANCIAL RISK MANAGEMENT (continued)

43.3 Liquidity risk

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

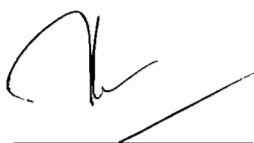
As at 30 June 2011	Overdue					Current				Total
	Over 3 months	Up to 3 months	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years			
<b>Assets</b>										
Cash and precious metals	-	-	12,681,376	-	-	-	-	-	-	12,681,376
Balances with the State Bank	-	-	3,503,426	-	-	-	-	-	-	3,503,426
Placements with and loans to other credit institutions (*)	-	-	6,302,190	3,739,035	3,421,510	1,500	-	-	-	13,464,235
Trading securities (*)	-	-	523,521	22,336	-	-	-	-	-	545,857
Derivatives and other financial assets	-	-	5,760	-	-	-	-	-	-	5,760
Loans and advances to customers (*)	786,630	482,304	5,760,626	15,337,415	28,430,089	17,340,528	12,402,156	-	-	80,539,748
Investment securities (*)	-	-	10,586,399	212,535	5,724,720	4,980,012	-	-	-	21,503,666
Investment in other entities and long-term investments (*)	-	-	-	-	-	-	-	1,274,678	-	1,274,678
Fixed assets and investment properties	-	-	-	-	-	-	612,857	2,529,252	-	3,142,109
Other assets (*)	-	-	1,522,727	596,618	913,094	938,149	1,576,362	-	-	5,546,950
<b>Total assets</b>	<b>786,630</b>	<b>482,304</b>	<b>40,886,025</b>	<b>19,907,939</b>	<b>38,489,413</b>	<b>23,873,046</b>	<b>17,782,448</b>	<b>142,207,805</b>		
<b>Liabilities</b>										
Due to Government and borrowings from the State Bank of Vietnam	-	-	-	-	-	-	-	-	-	-
Deposits and borrowings from other credit institutions	-	-	13,097,572	4,109,655	3,416,858	-	-	-	-	20,624,085
Deposits from customers	-	-	58,883,684	11,079,980	4,806,713	405,870	400	-	-	75,176,647
Borrowings received from international and other institutions	-	-	83,536	151,849	370,370	1,851,055	212,321	-	-	2,669,131
Certificate of deposits	-	-	13,130,282	4,240,219	5,561,450	2,440,244	-	-	-	25,372,195
Other liabilities	-	-	1,946,146	1,642,189	76,117	113,987	162	-	-	3,778,601
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>87,141,220</b>	<b>21,223,892</b>	<b>14,231,508</b>	<b>4,811,156</b>	<b>212,883</b>	<b>127,620,659</b>		
<b>Net liquidity gap</b>	<b>786,630</b>	<b>482,304</b>	<b>(46,255,195)</b>	<b>(1,315,953)</b>	<b>24,257,905</b>	<b>19,061,890</b>	<b>17,569,565</b>	<b>14,587,146</b>		

(\*) the above balances exclude provision.

44 COMPARATIVE FIGURES

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

The consolidated financial statements are approved by the Board of General Directors on 31 August 2011.



Luu Van Hoa  
Preparer



Nguyen Thi My Hanh  
Chief Accountant



Tran Xuan Huy  
General Director