



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

**CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH VIETNAMESE ACCOUNTING STANDARDS AND PREVAILING REGULATIONS APPLICABLE TO BANKS AND OTHER CREDIT INSTITUTIONS OPERATING IN THE S. R. VIETNAM**

**FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

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

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

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# JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

## CORPORATE INFORMATION

**Banking Licence No.** 138/GP-NHNN dated 23 May 2008 issued by the State Bank of Vietnam ("the SBV").

Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Department of Planning and Investment of Hanoi People's Committee. The banking licence was issued for a period of 99 years from the date of the banking licence.

### Board of Directors

The members of the Board of Directors for the period from 1 June 2008 to 31 December 2008 and at the date of signing this report:

Mr Nguyen Hoa Binh	Chairman	Appointed on 23 May 2008
Mr Tran Van Ta	Member	Appointed on 23 May 2008
Mr Nguyen Phuoc Thanh	Member	Appointed on 23 May 2008
Ms Le Thi Hoa	Member	Appointed on 23 May 2008
Mr Tran Trong Do	Member	Appointed on 23 May 2008
Ms Nguyen Thi Tam	Member	Appointed on 23 May 2008
Ms Le Thi Kim Nga	Member	Appointed on 23 May 2008

### Board of Management and Chief Accountant

The members of the Board of Management and the Chief Accountant for the period from 1 June 2008 to 31 December 2008 and at the date of signing this report:

Mr Nguyen Phuoc Thanh	General Director	Appointed on 23 May 2008
Ms Nguyen Thi Tam	Deputy General Director	Appointed on 4 June 2008
Ms Nguyen Thu Ha	Deputy General Director	Appointed on 4 June 2008
Mr Dinh Van Muoi	Deputy General Director	Appointed on 4 June 2008
Mr Nguyen Van Tuan	Deputy General Director	Appointed on 4 June 2008
Mr Dao Minh Tuan	Deputy General Director	Appointed on 4 June 2008
Mr Pham Quang Dung	Deputy General Director	Appointed on 4 June 2008
Ms Nguyen Thi Hoa	Chief Accountant	Appointed on 4 June 2008

**Legal representative** Mr Nguyen Phuoc Thanh, General Director

**The Bank's registered office** 198 Tran Quang Khai Street  
Hoan Kiem District, Ha Noi, Vietnam

**The Bank's auditor** PricewaterhouseCoopers (Vietnam) Limited.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM**

We have audited the consolidated financial statements of Joint Stock Commercial Bank for Foreign Trade of Vietnam ("the Bank") and its subsidiaries (together referred to as "Vietcombank"), which comprise the consolidated balance sheet as at 31 December 2008, the consolidated income statement and consolidated statement of cash flows for the period from 1 June 2008 to 31 December 2008, and a summary of significant accounting policies and other explanatory notes. The consolidated financial statements of Vietcombank as at 31 May 2008 (prior to equitisation) were audited by another auditor whose report, dated 14 January 2009, expressed an unqualified opinion.



**The Board of Management's Responsibility for the Consolidated Financial Statements**

The Board of Management of the Bank is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing regulations applicable to banks and other credit institutions operating in SR Vietnam. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**



Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vietcombank's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Vietcombank as at 31 December 2008, and its consolidated financial performance and consolidated cash flows for the period from 1 June 2008 to 31 December 2008 in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and prevailing regulations applicable to banks and other credit institutions operating in SR Vietnam.

Jan S. Lydall  
AC No. N.0559/KTV  
Authorised signatory

Nguyen Phi Lan  
AC No. 0573/KTV

PricewaterhouseCoopers (Vietnam) Limited  
Hanoi, SR Vietnam  
Audit report number HAN 546  
27 April 2009

As indicated in Note 2.1 to the 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.

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

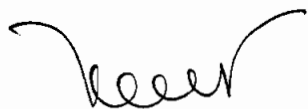
	Notes	31.12.2008 VND million	01.06.2008 VND million
<b>A ASSETS</b>			
<b>I Cash and precious metals</b>	<b>3</b>	<b>3,482,209</b>	<b>3,131,538</b>
<b>II Balances with the State Bank of Vietnam</b>	<b>4</b>	<b>30,561,417</b>	<b>4,721,195</b>
<b>III Placements with and loans to other credit institutions</b>	<b>5</b>	<b>30,367,772</b>	<b>38,289,501</b>
1 Placements with other credit institutions		29,345,297	37,706,603
2 Loans to other credit institutions		1,031,844	596,732
3 Less: provision for losses on loans to other credit institutions		(9,369)	(13,834)
<b>IV Trading securities</b>	<b>8</b>	<b>271,709</b>	<b>212,388</b>
1 Trading securities		403,698	336,389
2 Less: provision for diminution in value of trading securities		(131,989)	(124,001)
<b>VI Loans and advances to customers</b>		<b>108,528,764</b>	<b>106,939,667</b>
1 Loans and advances to customers	6	112,792,965	109,762,527
2 Less: provision for losses on loans and advances to customers	7	(4,264,201)	(2,822,860)
<b>VII Investment securities</b>	<b>9</b>	<b>41,604,460</b>	<b>32,159,344</b>
1 Available-for-sales securities	9.1	30,261,562	27,299,465
2 Held-to-maturity securities	9.2	11,643,476	4,859,879
3 Less: provision for diminution in value of investment securities	9.1	(300,578)	-
<b>VIII Investment in other entities and long-term investments</b>		<b>2,961,634</b>	<b>2,020,476</b>
2 Investments in joint-ventures	10	1,148,757	551,367
3 Investments in associate companies	10	31,331	39,879
4 Other long-term investments	11	1,971,758	1,463,515
5 Less: provision for diminution in value of long-term investments	11	(190,212)	(34,285)
<b>IX Fixed assets</b>		<b>1,360,853</b>	<b>1,143,228</b>
1 Tangible fixed assets	12	1,043,204	862,198
a Cost		2,641,037	2,269,253
b Accumulated depreciation		(1,597,833)	(1,407,055)
2 Leased assets			-
3 Intangible fixed assets	13	317,649	281,030
a Cost		465,819	412,238
b Accumulated depreciation		(148,170)	(131,208)
<b>XI Other assets</b>	<b>14</b>	<b>2,811,630</b>	<b>2,534,608</b>
<b>TOTAL ASSETS</b>		<b>221,950,448</b>	<b>191,151,945</b>

The notes on pages 10 to 61 are an integral part of these financial statements.

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

CONSOLIDATED BALANCE SHEET (continued)  
AS AT 31 DECEMBER 2008

	Notes	31.12.2008 VND million	01.06.2008 VND million
<b>B</b>			
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>I</b>			
<b>Due to the Government and borrowings from the State Bank of Vietnam</b>	<b>15</b>	<b>9,515,633</b>	<b>8,194,549</b>
<b>II</b>			
<b>Deposits and borrowings from other credit institutions</b>	<b>16</b>	<b>23,900,514</b>	<b>21,138,455</b>
1 Deposits from other credit institutions		21,353,964	20,269,155
2 Borrowings from other credit institutions		2,546,550	869,300
<b>III</b>			
<b>Deposits from customers</b>	<b>17</b>	<b>157,067,019</b>	<b>127,015,694</b>
<b>V</b>			
<b>Other borrowed funds</b>	<b>18</b>	<b>3,101,795</b>	<b>2,907,063</b>
<b>VI</b>			
<b>Valuable papers issued</b>	<b>19</b>	<b>2,922,015</b>	<b>2,605,870</b>
<b>VII</b>			
<b>Other liabilities</b>	<b>20</b>	<b>11,550,035</b>	<b>14,599,419</b>
1 Accrued interest expenses		2,835,614	1,937,658
2 Deferred business income tax payables	21	458	640
3 Other liabilities		7,921,988	12,082,123
4 Provision for contingent liabilities	20	791,975	578,998
<b>TOTAL LIABILITIES</b>		<b>208,057,011</b>	<b>176,461,050</b>
<b>VIII</b>			
<b>SHAREHOLDERS' EQUITY</b>			
1 Capital			
a Chartered capital	22	12,100,860	4,429,337
b Other capital	22	63,615	1,336,282
2 Reserves	23	612,159	8,644,046
3 Foreign currency difference reserve	23	145,867	97,093
4 Difference upon assets revaluation	23	8,873	9,728
5 Retained earnings	23	858,668	83,531
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>13,790,042</b>	<b>14,600,017</b>
<b>IX</b>			
<b>MINORITY INTEREST</b>		103,395	90,878
<b>TOTAL LIABILITIES, SHAREHOLDERS' EQUITY AND MINORITY INTEREST</b>		<b>221,950,448</b>	<b>191,151,945</b>



Phung Nguyen Hai Yen  
Deputy Director of Finance  
and Accounting Department



Nguyen Thi Hoa  
Chief Accountant



Nguyen Thi Tam  
Deputy General Director  
27 April 2009

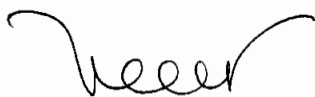
The notes on pages 10 to 61 are an integral part of these financial statements.

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008 (continued)

OFF-BALANCE SHEET ITEMS

	Notes	31.12.2008 VND million	01.06.2008 VND million
<b>I Contingent liabilities</b>			
1	Financial guarantee commitments	11,331,636	10,018,302
2	Letters of credit commitments	26,938,897	36,136,314
		<u>38,270,533</u>	<u>46,154,616</u>
<b>II Commitments</b>			
1	Un-drawn loan commitments	<u>20,711,017</u>	<u>39,006,389</u>



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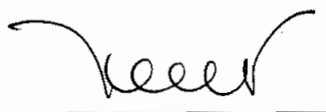
JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

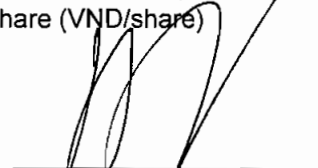
	Notes	From 01.06.2008 to 31.12. 2008 VND million
1 Interest and similar income	25	11,036,896
2 Interest and similar expenses	26	(7,340,053)
<b>I Net interest income</b>		<b>3,696,843</b>
3 Fees and commission income	27	680,881
4 Fees and commission expenses	28	(213,280)
<b>II Net fee and commission income</b>		<b>467,601</b>
<b>III Net gain from dealing in foreign currencies and gold</b>	29	<b>591,402</b>
<b>IV Net gain from trading of trading securities</b>	30	<b>67,891</b>
<b>V Net loss from disposal of investment securities</b>	31	<b>(83,583)</b>
5 Other income	33	210,928
6 Other expenses		-
<b>VI Net other income</b>		<b>210,928</b>
<b>VII Income from investments in other entities</b>	32	<b>544,970</b>
<b>VIII General and administrative expenses</b>	34	<b>(1,730,640)</b>
<b>IX Operating profit before provision for credit losses</b>		<b>3,765,412</b>
<b>X Provision for credit losses</b>		<b>(2,110,704)</b>
<b>XI Profit before tax</b>		<b>1,654,708</b>
7 Business income tax – current	36	(304,608)
8 Business income tax – deferred	36	216
<b>XII Business income tax</b>	36	<b>(304,392)</b>
<b>XIII Net profit for the period</b>		<b>1,350,316</b>
<b>XIV Minority interest</b>		<b>(8,721)</b>
<b>Net profit for the period after minority interest</b>		<b>1,341,595</b>

**XV Earnings per share for profit attributable to the equity holders  
of the Bank during the period**

- Basic earning per share, calculated based on the number of existing ordinary shares (VND/share) 975
- Diluted earning per share (VND/share) 975



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Nguyen Thi Hoa  
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Nguyen Thi Tam  
Deputy General Director  
27 April 2009

The notes on pages 10 to 61 are an integral part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD FROM 1 June 2008 TO 31 DECEMBER 2008  
(Indirect method)**

**From 01.06.2008  
to 31.12.2008  
VND million**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	Net profit before tax	1,654,708
	Adjustments to reconcile net profit for the year to net cash flows from operating activities:	
02	Depreciation and amortization	216,390
03	Provision for credit losses and diminution in value of investments	2,348,440
04	Accrued interest and fee income	(1,685,079)
05	Accrued interest and fee expenses	2,835,614
06	Loss from disposal of fixed assets	1,906
08	Gains on disposal of investments in other entities and other long-term investments and dividend income	(534,126)
09	Unrealised foreign exchange loss	28,469
10	Other adjustments	4,552
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
<b>Changes in operating assets</b>		
11	Decrease in placements with and loans to other credit institutions	1,779,997
12	Increase in trading securities	(11,102,728)
14	Increase in loans and advances to customers	(3,030,438)
15	Adjustments to accrued interest and fee income	1,604,913
17	Increase in other operating assets	(155,551)
<b>Changes in operating liabilities</b>		
18	Decrease in borrowings from the State and the SBV	(11,765)
19	Increase in placements and borrowings from other credit institutions	2,823,140
20	Increase in deposits from customers	31,384,174
22	Increase in borrowed funds	133,651
23	Increase in valuable papers issued	316,145
24	Adjustments to accrued interest and fee expenses	(1,937,658)
25	Decrease in other operating liabilities	(6,365,718)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES BEFORE BUSINESS INCOME TAX</b>		<b>20,309,036</b>
26	Business income tax paid	(556,799)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>19,752,237</b>

The notes on pages 10 to 61 are an integral part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008  
(Indirect method)**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
01 Purchase of fixed assets	(384,782)
07 Cash paid for investments in other entities	(776,326)
09 Dividend income	118,992
<b>II NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,042,116)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
04 Dividend paid	(78,600)
<b>III NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(78,600)</b>
<b>IV NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>18,631,521</b>
<b>V CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>44,826,884</b>
VI Foreign exchange differences adjustment	-
<b>VII CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>63,458,405</b>

Cash and cash equivalents are made up of:

Cash and precious metals	3,482,209
Deposits at the State Bank of Vietnam	30,561,417
Deposit for specific purposes at other credit institutions	6,347,808
Securities due within 3 months	1,728,748
Term deposit at and loan to other credit institutions due within 3 months	21,338,223
	<b>63,458,405</b>



Phung Nguyen Hai Yen  
Deputy Director of Finance  
and Accounting Department



Nguyen Thi Hoa  
Chief Accountant



Nguyen Thi Tam  
Deputy General Director  
27 April 2009

The notes on pages 10 to 61 are an integral part of these financial statements.

# JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

### 1 GENERAL INFORMATION

Joint Stock Commercial Bank for Foreign Trade of Vietnam (herein referred to as "the Bank") is a Vietnamese joint-stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

#### 1.1 *Establishment and operations*

The Bank was established upon the transformation from a state-owned commercial bank to a joint stock commercial bank following an approval of the Prime Minister on equitisation plan of Bank for Foreign Trade of Vietnam and in accordance with other relevant regulations. Joint Stock Commercial Bank for Foreign Trade of Vietnam was granted Banking Licence No. 138/GP-NHNN dated 23 May 2008 by the State Bank of Vietnam ("the SBV") for a period of 99 years and Business Registration Certificate No. 0103024468 dated 2 June 2008 by Department of Planning and Investment of Hanoi People's Committee.

The principal activities of the Bank are to mobilise and receive short, medium and long-term deposit funds from organisations and individuals; lending on a short, medium and long-term basis up to the nature and ability of the Bank's capital resources; conducting settlement and cash services; and other banking services as approved by the SBV; conducting investments in associate, joint-ventures and other companies; investment in bonds and deal in foreign exchange in accordance with prevailing regulations.

#### 1.2 *Chartered capital*

Under Banking Licence No. 138/GP-NHNN dated 23 May 2008 issued by the SBV and Business Registration Certificate No. 0103024468 dated 2 June 2008 issued by Department of Planning and Investment of Hanoi People's Committee, the Bank's chartered capital is VND 12,100,860,260,000. Face value per share is VND 10,000.

	<b>31.12.2008</b>	<b>%</b>
Shares owned by the State of Vietnam (represented by the State Capital and Investment Corporation)	1,097,800,600	90.72%
Shares owned by others	112,285,426	9.28%
Total	1,210,086,026	100%

#### 1.3 *Information on the equitisation of the Bank*

The Bank for Foreign Trade of Vietnam is equitised under Decision No. 1289/QĐ-TTg dated 26 September 2007 of the Prime Minister regarding the approval of the equitisation plan of Bank for Foreign Trade of Vietnam. The enterprise value and the bid price of its share are in accordance with Decision 2900/QĐ-NHNN dated 30 November 2007 issued by the SBV. On 26 December 2007, the Foreign Trade Bank of Vietnam conducted an initial public offering.

The equitisation process of the Bank for Foreign Trade of Vietnam is implemented in accordance with Decree 109/2007/NĐ-CP dated 26 June 2007 issued by the Government and Circular 146/2007/TT-BTC dated 6 December 2007 issued by the Ministry of Finance ("the MoF") on equitisation program for 100% state owned entities.

The SBV is the authority responsible for the equitisation of the Bank for Foreign Trade of Vietnam. The SBV has a representative as the Head of the Steering Committee for Equitisation. Therefore, the SBV is the authorised body to announce the enterprise value and approve the finalisation of financial issues, costs relating to the equitisation, financial support paid to redundant employees, proceeds received from issuance of shares during the equitisation process and the value of the capital portion belonging to the State as at the time when the Bank received its Business Registration Licence (Note 40 – Post Balance Sheet events).

# JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

### 1 GENERAL INFORMATION (CONTINUED)

#### 1.3 Information on the equitisation of the Bank (continued)

On 3 April 2009, the SBV issued Official Letter No 2347/NHNN-CNH, notifying the necessary preparation work to be completed and the unit to be in charge of conducting finalisation of financial issues and hand-over of resources between Bank for Foreign Trade of Vietnam and the Joint Stock Commercial Bank for Foreign Trade of Vietnam. As at 31 December 2008 and at the date of signing these financial statements, the finalisation of the Bank's equitisation and the hand-over of resources have not been completed. As such, adjustments, which may arise from the finalisation of the Bank's equitisation, have not been determined.

#### 1.4 Locations and the network

The Bank's Head Office is located at No 198 Tran Quang Khai Street, Hoan Kiem District, Ha Noi. As at 31 December 2008, the Bank has one (1) Head Office, one (1) Operations Centre and sixty (60) branches nationwide, one (1) Training Centre, three (3) local subsidiaries, one (1) overseas subsidiary, four (4) joint ventures, three (3) associates and one (1) overseas representative office in Singapore.

#### 1.5 Subsidiaries

As at 31 December 2008, the Bank had 4 subsidiaries as follows:

Subsidiary	Operating Licence	Nature of business	% direct shareholding by the Bank
Vietcombank Financial Leasing Company	Operating Licence No. 05/GP-CTCTTC dated 25 May 1998 granted by the SBV	Finance & Non banking	100%
Vietcombank Securities Co., Ltd	Operating Licence No. 09/GPHDKD dated 24 April 2002 and No. 12/GPHDLK dated 23 May 2002 granted by State Securities Commission	Capital market, securities brokerage and investment and financial advisory	100%
Vietcombank Tower 198, Ltd	Investment Licence No. 1578/GP dated 30 May 1996 granted by the Ministry of Planning and Investment	Office leasing	70%
Vietnam Finance Company Limited (Vinafico)	Investment No. 05456282 dated 1987 by Hong Kong Monetary Authority	Finance and non banking	100%

#### 1.5 Number of employees

As at 31 December 2008, Vietcombank had 9,212 employees.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

**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 of Vietcombank have been prepared in million of Vietnamese Dong using the historical cost convention and in accordance with Vietnamese Accounting Standards and prevailing regulations applicable to banks and other credit institutions operating in SR Vietnam.

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. The accounting principles and practices utilized in SR Vietnam may differ from those generally accepted in countries and jurisdictions other than SR Vietnam.

These consolidated financial statements are prepared for the first accounting period of Vietcombank.

**2.2 Accounting year**

Vietcombank's accounting year is from 1 January to 31 December. The first consolidated accounting period of Vietcombank starts on 1 June 2008 and ends on 31 December 2008. Therefore, there are no comparative figures for the income statement.

The accounting period commenced from the first day of equitisation, on which day the assets, liabilities, reserves and capital of the Bank for Foreign Trade of Vietnam were transferred at their existing book values. Immediately after the transfer, adjustments were made to capital, reserves and current liabilities as described in Note 20, Note 22 and Note 23.

**2.3 Foreign currencies**

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in currencies other than Vietnamese Dong are translated into Vietnamese Dong at the rates prevailing on the balance sheet date. Non-monetary foreign currency assets and liabilities are reported using the exchange rate effective at the date of the transaction. Translation adjustments arising from dealing activities as at the balance sheet date are taken to the consolidated income statement. Income/expense transactions incurred in foreign currencies are recognised in the consolidated income statement in VND using the exchange rate ruling on the date of the transactions.

For the purposes of accounting for the investments in joint ventures using the equity method and full consolidation of subsidiaries into the consolidated financial statements, assets and liabilities and equity accounts of these companies are translated into VND at the rate of exchange ruling at the balance sheet date, and the income statement is translated at the average exchange rate for the period. The exchange differences arising on the translation are taken directly to reserves in the consolidated balance sheet.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.3 Foreign currencies (continued)**

The principal exchange rates of main foreign currencies used for monetary assets and liabilities at balance sheet date are:

	<b>31.12.2008</b>	<b>01.06.2008</b>
	<b>VND</b>	<b>VND</b>
United States Dollar	16,977	16,086
Euro	22,048	25,533
Great Britain Pound	26,118	32,172
Swiss Franc	14,148	16,086
Japanese Yen	178	156
Singaporean Dollar	11,243	11,916
Hong Kong Dollar	2,191	2,065
Canadian Dollar	13,802	15,927
Australian Dollar	11,024	15,320

**2.4 Consolidation**

**(i) Subsidiaries**

Subsidiaries are those companies over which the Bank has the power to govern the financial and operating policies. Financial statements of 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 Bank uses the purchase method of accounting to account for the acquisition of subsidiaries. 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 Bank are eliminated. Unrealised losses 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.

**(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 Bank.

**(iii) Associates and joint ventures**

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

Joint venture is a contractual arrangement 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 in consolidated financial statements. 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 associates and joint ventures equals or exceeds the carrying amount of its investment in the associates and joint ventures, the Bank does not recognise further losses in its consolidated financial statements, unless it has obligations to pay on behalf of the associates and joint ventures. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Bank.

# JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.5 Interest income and expenses

Vietcombank records interest income and interest expense on an accruals basis.

Interest income on loans which are classified into Group 2 to Group 5 according to Decision 493/2005/QĐ-NHNN issued by the State Bank of Vietnam ("the SBV") dated 22 April 2005 ("Decision 493") and Decision 18/2007/QĐ-NHNN issued by the SBV dated 25 April 2007 ("Decision 18"), Letter 10788 NHNN ("Official Letter 10788") issued by the SBV on 20 December 2008 is monitored off-balance sheet and recognised in the consolidated income statement on receipt.

#### 2.6 Fees and commissions and dividend income

Fees and commissions are recognised on an accruals basis. Dividends are recognised in the consolidated income statement when Vietcombank's right to receive payment is established.

#### 2.7 Loans and advances to customers

Loans and advances, including receivables from finance lease, are stated in the consolidated balance sheet at the amount of the principal outstanding less any provision for losses.

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

Receivables from finance lease represent the principal amount of future lease payment due under financial lease contract. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and benefits of ownership of the asset to the lease.

In accordance with Decision 493 and Decision 18, Vietcombank is required to classify loans and advances to customers into five groups based on quantitative and qualitative factors as follows:

- Group 1 - Current
- Group 2 - Special mentioned
- Group 3 - Sub-standard
- Group 4 - Doubtful
- Group 5 - Bad

Where a customer owes more than one debt to Vietcombank and has any of its debts classified to a group of debts with higher risk, Vietcombank is required to classify the remaining debts of such customer into the groups of debts with this higher risk.

In accordance with Letter 10788, when a customer settled a debt which is classified as higher risk, the Bank classified the remaining debts in accordance with Decision 493 and Decision 18. If any of the remaining debts are classified as higher risk, the Bank is required to reclassify the remaining debts of such customer into the group of debts with this higher risk.



# JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.8 Provision for losses on loans and advances to customers

In accordance with Decision 493 and Decision 18, the determination of specific provision for loan loss is calculated based on net credit exposure using set rates applied to each group of loans as follows:

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

The specific provision is calculated based on the net credit exposure of each borrower, which equals to total loan and advance balance of the customer less the value of collateral assets. The basis to determine the value for each type of collateral asset is specified in Decision 493 and Decision 18 and the value is discounted at predetermined percentages for each kind of collateral asset.

The collateral value for each type of collateral asset can only be taken into account for provisioning purposes when all conditions below are met:

- The Bank has the right to dispose of the collateral when the customer does not fulfill its obligation as committed.
- Time for disposal of the collateral, as estimated by Vietcombank, does not exceed one year for non-real estate collateral and not exceed two years for real estate collateral.

If collateral does not meet the above conditions, the value of collateral for provisioning purposes is taken as of nil value.

In accordance with Decision 493, a general provision is also required at 0.75% of the total balance of loans and advances to customers, which are classified, from Group 1 to Group 4. The general provision is required to be reached within 5 years from the effective date of Decision 493.

Both specific and general provisions for losses on loans as at 31 December 2008 have been determined based on the classification of outstanding balance of loan and advances to customers as at 30 November 2008.

#### 2.9 Off balance sheet commitments

In accordance with Decision 493 and Decision 18, Vietcombank is required to classify guarantees, settlement acceptances, and unconditional and irrevocable commitments with specific time for settlement, into the following five groups for determination of specific provision for losses on off balance sheet commitments as follows:

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

#### 2.10 Provision for losses on loans and advances to other banks

Provision for loans and advances to other credit institutions are calculated in accordance with Decision 493 and Decision 18.

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# JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.11 Investments in securities

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

##### (i) Trading securities

Trading securities are defined as debt securities or equity securities, which are acquired for selling in the short-term in order to realise profit gained from price difference. Trading securities are initially recognised at cost at date of the transaction. They are subsequently measured at the lower of cost and market value. Gains or losses from the disposal of trading securities are recognised in the income statement.

##### (ii) Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities, which Vietcombank acquires for investment purpose with fixed or determinable payment and fixed maturities where Vietcombank's management has the positive intention and ability to hold until maturity. Held-to-maturity investment securities are not allowed to be sold off before the maturity date or transferred to trading securities or available-for-sale investment securities. Held-to-maturity investment securities are stated at cost of acquisition. They are subsequently measured at the lower of cost and market value if there is indication of long-term diminution in value. Premiums and discounts arising from purchases of held-to-maturity securities are amortised to the income statement using the straight-line basis over the period from the acquisition dates to maturity dates.

In respect of the Special Government bonds, interest received from the date of determination of the enterprise value for the equitisation purposes (31 December 2006) to the date on which the Bank receives its Business Registration Certificate, was recognised as amounts payable to the State. Interest earned from that date onwards is recognised as income of the Bank in accordance with Official Letter No. 1184 dated 2 February 2009 of the MoF.

##### (iii) Available-for-sale investment securities

Available-for-sale investment securities are defined as debt securities or equity securities, which are acquired for an indefinite period and may be sold at any time. Available-for-sale investment securities are stated at cost of acquisition. They are subsequently measured at the lower of cost and market value. Premiums and discounts arising from purchases of debt securities are amortised to the income statement using the straight-line basis over the period from the acquisition dates to maturity dates.

#### 2.12 Provision for investment in securities

In accordance with Circular 12/2006/TT-BTC issued by the MoF on 21 February 2006, credit institutions are required to make provision for long term investment (including provision for investment in securities) in accordance with regulations applicable to corporates.

In accordance with Circular 13 issued on 27 February 2006 by the Ministry of Finance ("MoF") applicable to corporates 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 by corporates in economic entities (such as limited liability companies, joint stock companies, partnerships, 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.12 Provision for investment in securities (continued)**

In accordance with Letter 7459/NHNN-KTTC issued by the SBV to credit institution 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 indication of long term diminution in value. Equities securities which are not listed in the market and for which the Bank has less than 20% of the voting right, are classified as other long-term investments and are not subject to the guidance of Letter 7459.

Vietcombank made provisions for investments in securities in accordance with the above regulation.

**2.13 Other long term equity investments**

Other long term investments are investments in the equity of unlisted companies of less than 20% of the voting rights. These investments are initially stated at cost of acquisition. Provision is required for other long term investment in accordance with Circular 13.

**2.14 Recognition of dividend received in form of shares**

In accordance with Official Letter No 4964/NHNN-KTTC dated 2 June 2008 of the SBV regarding recognition of dividends received in form of shares, bonus shares and rights to purchase shares of the existing shareholders, dividends received by Vietcombank in form of shares distributed from retained earnings or from share premium reserves or from investment development reserve are recognised as an increase in the value of the investment and as an income in the income statements (Note 32).

**2.15 Repurchase and reserve repurchase agreements**

Assets sold under agreements to repurchase at a specified future date are not derecognised from the consolidated balance sheet. The corresponding cash received is recognised in the consolidated balance sheet as a liability and the difference between the sale price and repurchase price is allocated as interest expense to the consolidated statement of income over the term of agreement using the interest rate of the contract.

Assets purchased under agreements to resell at a specified future date are not recognised in the consolidated balance sheet. The corresponding cash paid is recognised in the consolidated balance sheet as an asset and the difference between the buying price and resell price is allocated as interest income to the consolidated statement of income over the term of agreement using the interest rate in the contract.

**2.16 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 fixed assets and incurred to bring them to working condition for their intended use.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.16 Fixed assets (continued)**

*Depreciation and amortisation*

Depreciation and amortisation of fixed assets are calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

	Number of year
Buildings and building improvement	25 years
Machines and equipment	3 – 5 years
Motor vehicles	6 years
Other tangible fixed assets	4 years
Land use rights (*)	based on lease term
Other intangible assets	4 years

(\*) Land use rights are not amortised if they are granted by the Government of Vietnam and have an indefinite term.

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

**2.17 Gold**

Gold is revalued at the consolidated balance sheet date and the difference arising from revaluation is recorded in the consolidated income statement.

**2.18 Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and precious metals, demand deposits at the SBV and demand and term deposits at banks with less than three-month maturity from the date of deposits and investments in securities with maturity of less than three-months from the date of acquisition.

**2.19 Provision for severance allowance**

In accordance with Vietnamese labour laws, employees of Vietcombank are entitled to a severance allowance based on their years of service. This allowance will be paid as a lump sum when the employee leaves Vietcombank. Provision for severance allowance of Bank for Foreign Trade of Vietnam as at 31 May 2008 was transferred to payables to the State. Vietcombank calculates the provision for severance allowance based on Circular 82/2003/TT-BTC issued by the MoF on 14 August 2003, according to which provision is made at 3% of the total basic salary for social insurance contribution of staff members.

**2.20 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 year taxable profit and the current tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated 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 nor loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.20 Taxation (continued)**

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.

**2.21 Chartered capital**

According to the Banking Licence No. 138 issued by the SBV on 23 May 2008 and Business Registration Licence No 0103024468 dated 2 June 2008, the Bank's chartered capital is at VND 12,100,860,260,000. Face value per share is VND10,000. The chartered capital represents VND 10,978,006 million or 90.72% shareholding owned by the State of Vietnam ("the State") and VND 1,122,854 million or 9.28% shareholding owned by other shareholders.

**2.22 Reserves**

The Bank has established and maintained a number of reserves in accordance with Decree 146/2005/ND-CP issued by the Government of Vietnam on 23 November 2005 applicable to 100% state owned bank and to Office Letter No. 1921/NHNN-TCCB dated 23 March 2009 regarding the distribution to bonus and welfare reserve. These reserves are for specific purposes and distributed from net profit after tax and at prescribed rates as below:

- i) Supplementary chartered capital reserve: 5% of net profit after tax. The supplementary chartered capital reserve does not exceed the Bank's chartered capital.
- ii) Financial provision reserve: 10% of net profit after tax and does not exceed 25% of the Bank's chartered capital.
- iii) Bonus and welfare reserve: 25% of total salary fund of the Bank's staff members in the last 7 months of 2008 in accordance with Official Letter No. 1921.
- iv) Remaining reserves are used to contribute to the investment and development reserve as decided by the Bank.

Vietcombank Securities Company sets up reserves in accordance with Circular 24/2007/TT-BTC issued by the MoF on 27 March 2007.

**2.23 Dividend distribution**

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

**2.24 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 Bank. 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.

The Government of Vietnam, through the SCIC, is the major shareholder of the Bank. For the purpose of these consolidated financial statements, the only Government entities considered as related parties are the SCIC, the MoF and the SBV.

# JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 2.25 Fiduciary activities

Vietcombank commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals and other companies. These assets and income arising thereon are not included in these consolidated financial statements, as they are not assets of Vietcombank.

#### 2.26 Comparative figures

Vietcombank has recorded a number of closing balances of the previous period to appropriate opening account balances for the current period in order to comply with regulations on the equitisation program (Note 2.2) and has reclassified a number of items for comparative purposes.

### 3 CASH AND PRECIOUS METALS

	31.12.2008 VND million	01.06.2008 VND million
Cash on hand in VND	2,120,887	1,760,091
Cash on hand in foreign currencies	1,090,845	1,101,100
Valuable documents	16,136	15,069
Gold	254,341	255,278
	<u>3,482,209</u>	<u>3,131,538</u>

### 4 BALANCES WITH THE STATE BANK OF VIETNAM

	31.12.2008 VND million	01.06.2008 VND million
Balances with the SBV in VND	4,098,428	2,133,726
Balances with the SBV in USD	26,462,989	2,587,469
	<u>30,561,417</u>	<u>4,721,195</u>

Balances with the SBV include deposits for obligatory reserves and demand deposits.

The Bank is required to maintain an obligatory reserve with the SBV, which is adjusted once per month. In December 2008, the obligatory reserve rates applied to Vietnamese dong customer deposits with terms within 12 months and Vietnamese dong customer deposits with terms from above 12 months were 6% and 2%, respectively. The obligatory reserve rates applied to foreign currency deposits with terms within 12 months and foreign currency deposits with terms from above 12 months were 7% and 3%, respectively. Accordingly, the compulsory reserves in December 2008 are VND 3,446,141 million and USD 230,942,730 for deposits in VND and USD, respectively.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**4 BALANCES WITH THE STATE BANK OF VIETNAM (CONTINUED)**

Effective annual interest rates during the period are as follows:

	<b>01.06.2008 to 31.12.2008 (% per annum)</b>
Obligatory reserves in VND	1.2% - 10%
Obligatory reserves in USD	0%
Demand deposit in VND	0%
Demand deposit in USD	1%

**5 PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS**

Placements with, loans and advances to other banks, analysed by original length of term, are as follows:

	<b>Denominated in VND VND million</b>	<b>31.12.2008 Denominated in foreign currencies VND million</b>	<b>Total VND million</b>
<b>Placements with other credit institutions</b>			
Demand deposits with local credit institutions	53,613	38	53,651
Demand deposits with overseas credit institutions	-	6,294,157	6,294,157
Term deposits with local credit institutions	10,383,900	1,654,896	12,038,796
Term deposits with overseas credit institutions	-	10,621,020	10,621,020
Margin deposits (*)	6,622	331,051	337,673
	<b>10,444,135</b>	<b>18,901,162</b>	<b>29,345,297</b>
<b>Loans and advances to other credit institutions</b>			
Short-term loans to local credit institutions	997,889	33,955	1,031,844
	<b>11,442,024</b>	<b>18,935,117</b>	<b>30,377,141</b>
Less: provision for losses on loans and advances to credit institutions			(9,369)
<b>Total</b>			<b>30,367,772</b>

(\*) This represents a margin deposit at Raiffeisen Zentralbank Österreich AG (RZB Bank - Singapore Branch) of USD 19,500,000 (equivalent to VND 331,052 million) that earns interest at a rate equal to Libor plus 0.125% per annum (equivalent to 2.9975% as at 31 December 2008) in accordance with the loan agreement between the Bank and RZB Bank - Singapore Branch. This deposit is currently used by Vietcombank as a pledge for a long-term loan with RZB Bank - Singapore Branch (see Note 18).

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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5 PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS (CONTINUED)

	Denominated in VND VND million	01.06.2008 Denominated in foreign currencies VND million	Total VND million
<b>Placements with other credit institutions</b>			
Demand deposits with local credit institutions	1,127,526	13,063	1,140,589
Demand deposits with overseas credit institutions	-	2,017,332	2,017,332
Term deposits with local credit institutions	17,389,744	1,379,260	18,769,004
Term deposits with overseas credit institutions	-	15,466,001	15,466,001
Margin deposits	-	313,677	313,677
	<u>18,517,270</u>	<u>19,189,333</u>	<u>37,706,603</u>
<b>Loans and advances to other credit institutions</b>			
Short-term loans to local credit institutions	596,732	-	596,732
	<u>19,114,002</u>	<u>19,189,333</u>	<u>38,303,335</u>
Less: provision for losses on loans to credit institutions			(13,834)
<b>Total</b>			<u><u>38,289,501</u></u>

Effective annual interest rates during the period were summarised as follows:

	01.06.2008 to 31.12.2008 (% per annum)
Demand placements with local credit institutions in VND	-
Demand placements with local credit institutions in foreign currencies	-
Term placements with local credit institutions in VND	6.5% – 21%
Term placements with local credit institutions in foreign currencies	0.9% – 8.5%
Term placements with overseas credit institutions in VND	6.5% – 21%
Term placement with overseas credit institutions in foreign currencies	0.05% – 9%
Short-term loans to local credit institutions in VND	6.5% – 21%
Short-term loans to local credit institutions in foreign currencies	0.9% – 8.5%



JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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5 PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS (CONTINUED)

5.1 Provision for losses on loans to credit institutions

	From 01.06.2008 to 31.12.2008 VND million
As at 1 June	13,834
Charge for the period	-
Reversal during the period	(4,465)
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At 31 December	9,369
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6 LOANS AND ADVANCES TO CUSTOMERS

6.1 Analysis by type of loans

	31.12.2008 VND million	01.06.2008 VND million
Loans to domestic businesses and individuals	111,878,319	108,712,422
Loans given on discount of commercial notes and valuable papers	889,873	1,044,914
Loans given to make payments on behalf of customers	11,096	818
Frozen loans awaiting resolution	13,677	4,373
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	<b>112,792,965</b>	<b>109,762,527</b>
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6.2 Analysis by industry

	31.12.2008 VND million	01.06.2008 VND million
Construction	7,552,473	5,953,837
Electricity, gas and water	4,734,813	3,836,081
Manufacturing and processing	44,831,131	43,309,531
Mining	8,176,716	8,211,022
Agriculture, forestry and aquaculture	2,414,403	2,440,513
Transportation, logistics and communications	7,434,487	6,249,148
Trading and service	24,990,989	25,978,140
Hospitality	2,843,598	3,100,610
Others industries	9,814,355	10,683,645
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	<b>112,792,965</b>	<b>109,762,527</b>
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JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

6 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

6.3 Analysis by group

	31.12.2008 VND million	30.11.2008 VND million	01.06.2008 VND million	23.05.2008(*) VND million
Current	104,529,600	96,153,117	102,242,269	102,689,064
Special mentioned	3,061,320	3,375,534	6,551,106	2,241,309
Sub-standard	921,191	1,040,980	376,874	2,224,166
Doubtful	813,087	1,159,621	929	843,919
Bad	3,467,767	3,855,836	591,349	2,249,597
	<b>112,792,965</b>	<b>105,585,088</b>	<b>109,762,527</b>	<b>110,248,055</b>

(\*) The classification of loans and advances as at 23 May 2008 was used as the basis for determining the opening loan loss provision for the period.

6.4 Analysis by maturity

	31.12.2008 VND million	01.06.2008 VND million
Short-term loans	59,343,948	61,349,394
Medium-term loans	13,571,270	13,386,815
Long-term loans	39,877,747	35,026,318
	<b>112,792,965</b>	<b>109,762,527</b>

6.5 Analysis by currency

	31.12.2008 VND million	01.06.2008 VND million
Denominated in VND	67,434,138	56,521,475
Denominated in foreign currencies	45,358,827	53,241,052
	<b>112,792,965</b>	<b>109,762,527</b>

6.6 Analysis by geography

	31.12.2008 VND million	01.06.2008 VND million
Hanoi	29,626,439	30,312,694
Northern	11,001,655	10,430,718
Central	21,058,792	19,812,270
Southern	51,106,079	49,206,845
	<b>112,792,965</b>	<b>109,762,527</b>

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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6 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

6.7 Analysis by types of customers

	31.12.2008 VND million	01.06.2008 VND million
State-owned companies	52,919,287	54,831,055
Limited liabilities companies	15,780,959	14,401,884
Foreign invested companies	9,640,296	10,052,055
Cooperatives and private companies	3,673,869	3,070,801
Individuals	10,859,365	10,788,630
Others	19,919,189	16,618,102
Total	<u>112,792,965</u>	<u>109,762,527</u>

6.8 Interest rates

Effective year end interest rates are as follows:

	From 01.06.2008 to 31.12.2008 (% per annum)
Commercial loans in VND	8.5% – 21%
Commercial loans in USD	5% – 8%

7 PROVISION FOR LOSSES ON LOANS AND ADVANCES TO CUSTOMERS

Provision for losses on loans and advances to customers as at 31 December 2008 comprises:

	Specific Provision VND million	General Provision VND million	Total VND million
As at 1 June 2008	2,012,872	809,988	2,822,860
Provision charged to expense	1,954,668	777	1,955,445
Bad debts written off during the period	(463,705)	-	(463,705)
Reversal during the period	-	(53,253)	(53,253)
Foreign exchange differences from retranslation of provision in foreign currencies	-	2,854	2,854
As at 31 December 2008	<u>3,503,835</u>	<u>760,366</u>	<u>4,264,201</u>

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

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8 TRADING SECURITIES

	31.12.2008 VND million	01.06.2008 VND million
<b>Equity securities</b>		
Equity securities issued by other local credit institutions	121,315	5,533
Equity securities issued by local corporates	282,383	330,856
	<u>403,698</u>	<u>336,389</u>
Less: provision on trading securities	(131,989)	(124,001)
	<u>271,709</u>	<u>212,388</u>

Categorised as listed and unlisted trading securities are as follows:

	31.12.2008 VND million	01.06.2008 VND million
<b>Equity securities</b>		
Listed	279,506	336,389
Non-listed	124,192	-
	<u>403,698</u>	<u>336,389</u>
Less: provision on trading securities	(131,989)	(124,001)
	<u>271,709</u>	<u>212,388</u>

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

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9 INVESTMENT SECURITIES

9.1 Available-for-sale securities

	31.12.2008 VND million	01.06.2008 VND million
<b>Debt securities (*)</b>		
Government bonds	19,353,491	20,293,009
Bonds issued by other local credit institutions	9,624,404	5,123,721
Debt securities issued by local corporate	960,364	1,078,435
	<u>29,938,259</u>	<u>26,495,165</u>
<b>Equity securities</b>		
Shares issued by local corporate (**)	11,541	-
	<u>11,541</u>	<u>-</u>
<b>Other securities</b>		
Trust investments held by and assets managed by overseas banks	-	804,300
Trust investments (***)	311,762	-
	<u>311,762</u>	<u>804,300</u>
<b>Total</b>	<u>30,261,562</u>	<u>27,299,465</u>
<b>Provision for diminution in value of available-for-sale securities</b>	(300,578)	-
	<u>29,960,984</u>	<u>27,299,465</u>

(\*) Details of available-for-sale debt securities are as follows:

	31.12.2008 VND million	01.06.2008 VND million
<b>Debt securities</b>		
Treasury bills issued by the SBV	-	11,700,000
Treasury bills issues by the State Treasury	5,219,190	880,300
Government bonds	12,856,457	5,594,235
Bonds issued by Vietnam Development Bank	6,806,180	3,081,225
Bonds issued by local financial institutions	2,818,223	2,042,496
Bonds issued by local corporate	960,364	1,078,435
Urban bonds	1,277,845	2,118,474
	<u>29,938,259</u>	<u>26,495,165</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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9 INVESTMENT SECURITIES (CONTINUED)

9.1 Available-for-sale securities (continued)

- Treasury bills issued by the State Treasury have period of 1 year and interest rates from 8.98% to 15% per year.
- Government bonds have period from 2 to 10 years and interest rates from 6.5% to 17.5% per year.
- Bonds issued by Vietnam Development Bank have period from 1 to 10 years and interest rates from 6.8% to 15% per year.
- Bonds issued by local financial institutions have period from 2 to 10 years and interest rates from 8.15% to 17.4% per year.
- Bonds issued by local economic organisations have period from 5 to 10 years and interest rates from 8.8% to 10% per year.
- Urban bonds have period from 5 to 10 years and interest rates from 7.8% to 9.25% per year.

(\*\*) These equity securities committed by Viecombank Securities Company ("VCBS") to sell to its employees. These commitments are for a period of 2 years from the date of signing the agreements and will expire in 2009. Accordingly, VCBS agreed to sell to its employees a number of shares at a price as fixed in the commitments on the condition that the employees still work for VCBS at the date of exercising the commitments. The total value of securities fixed at the time was VND 11,541 million. As the market value of the securities at 31 December 2008 was lower than the fixed prices, a provision of VND 4,434 million was made at that date (Note 14).

(\*\*\*) The trust investments represents investments, being the shares of the Bank, trusted by VCBS to LANCON Investment Management Company, a company established in Vietnam for investment and management in accordance with the investment trust agreement signed on 11 July 2008. In accordance with the investment trust agreement, VCBS bears the risk associated to this investment (Note 14)

9.2 Held-to-maturity securities

	31.12.2008	01.06.2008
	VND million	VND million
<b>Debt securities</b>		
Special government bonds (1)	2,200,000	2,200,000
Education government bonds (2)	150,000	150,000
Other bonds (3)	719,552	-
Other Government bonds	10,000	961
Convertible bonds issued by local financial institutions (4)	73,480	96,018
Bonds issued by foreign financial institutions (5)	2,546,550	2,412,900
Bonds issued by local economic organizations	1,535	-
	<u>5,701,117</u>	<u>4,859,879</u>
<b>Other securities</b>		
Trust investments held and managed at overseas (6)	5,942,359	-
	<u>-</u>	<u>-</u>
<b>Provision on held-to-maturity securities</b>		
	<u>11,643,476</u>	<u>4,859,879</u>

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**9 INVESTMENT SECURITIES (CONTINUED)**

**9.2 Held-to-maturity securities (continued)**

(1) Details of Special Government bonds are as follows:

	<b>Date of issue</b>	<b>Date of maturity</b>	<b>Interest per annum</b>	<b>Principal</b>
1 <sup>st</sup> Issuance	20/09/2002	20/09/2022	3.30%	1,000,000
2 <sup>nd</sup> Issuance	04/06/2003	04/06/2023	3.30%	400,000
3 <sup>rd</sup> Issuance	18/11/2003	18/11/2023	3.30%	400,000
4 <sup>th</sup> Issuance	21/12/ 2004	21/12/2024	3.30%	400,000
				2,200,000

(2) Education bonds have a 5-year-term and will expire on 19 May 2010. Education bond interest rate is 8.2% per year and is paid at the maturity date.

(3) These are other bonds which were issued overseas and purchased by the Bank within the period. These bonds were issued in USD. Annual interest rate is at 6.875% per year payable twice per year.

(4) Convertible bonds issued by Military Bank, have a period of 5 years, interest rate of 8% per year and expiry in 2009. The date of interest payment is fixed annually. Transferable rate is 1:1 at the expiry date.

(5) These are debt securities of USD 150 million (equivalent to VND 2,546,550 million at 31 December 2008) issued by UBS AG – Jersey branch. The securities were issued on 31 July 2007 and due on 23 April 2010, with conditions that at least the principal amounts are guaranteed to maturity by the issuer, and interest was determined on the higher of (i) the income from zero coupon bonds issued by the issuer, and (ii) the income derived from the call option in respect of O'Connor Global Multi-strategy Alpha Limited fund, an asset management fund under management of the issuer. These debt securities are used by the Bank as collateral for a long-term borrowing at Raiffeisen Zentralbank Osterreich AG bank – Singapore branch (Note 18).

(6) Trust investments represents an amount of US\$ 350 million which is managed by Pacific Investment Management Company ("PIMCO"), a company with an office in Newport Beach (USA) which established PIMCO Asia Limited in Hong Kong, the organisation that signed the investment trust agreement with the Bank on 1 June 2007.

**10 INVESTMENT IN JOINT VENTURES AND ASSOCIATES**

	<b>31.12.2008</b>		<b>01.06.2008</b>	
	<b>At cost VND million</b>	<b>Carrying value VND million</b>	<b>At cost VND million</b>	<b>Carrying value VND million</b>
Investment in joint-ventures	918,481	1,148,757	344,605	551,367
Investment in associates	57,334	31,331	57,334	39,879
<b>Total</b>	975,815	1,180,088	401,939	591,246

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**10 INVESTMENT IN JOINT-VENTURES, ASSOCIATES (CONTINUED)**

**10.1 Movement of investments in associates and joint ventures**

	Investment in joint-ventures VND million	Investment in associates VND million	Total VND million
As at 1 June 2008	551,367	39,879	591,246
Addition	573,875	-	573,875
Share of net profit/(loss) in the period using the equity method	48,788	4,365	53,153
Share of foreign exchange difference arising from the translation of the financial statements	29,077	-	29,077
Dividends received	(54,350)	(12,913)	(67,263)
As at 31 December 2008	<u>1,148,757</u>	<u>31,331</u>	<u>1,180,088</u>

**10.2 Investments in joint ventures**

	Nature of business	31.12.2008		01.06.2008	
		% shareholding	At cost VND million	% shareholding	At cost VND million
Shinhan Vina Bank	Bank	50	484,340	50	195,765
Vietcombank Bonday Benthanh Co., Ltd	Hotel	52	144,760	52	144,760
Vietcombank Fund Management Company	Investment Fund	51	19,381	51	4,080
Vietcombank Cardiff Insurance Company	Insurance	45	270,000	-	-
<b>Total</b>			<u>918,481</u>		<u>344,605</u>

Shinhan Vina Bank is a bank incorporated in Vietnam with its Head Office located at No.3-5 Ho Tung Mau Street, Ho Chi Minh City, engaging in providing banking services. It is a 50:50 joint venture between the Bank and Shinhan Bank, incorporated in Korea. The joint venture was granted license No. 10/NH-GP dated 04 January 1993 by the SBV for a period of 20 years. The Bank's investment in Shinhan Vina Bank in the period from 1 June 2008 to 31 December 2008 has increased by USD 17 million under Decision No 94/NQ-NHNT.HDQT dated 30 May 2008. The capital contribution ratio between parties remains at 50:50 as at 31 December 2008.

Vietcombank Bonday Benthanh Co., Ltd is incorporated in Vietnam with its Head Office located at 2<sup>nd</sup> Floor, 5 Nguyen Gia Thieu Street, District 3, Ho Chi Minh City, engaging in providing office lease, restaurants, retail trading, car parking and other services. The joint venture was established under the joint venture contract dated 17 September 2004 between the Bank and Ben Thanh Tourist, Ltd and Bonday Investments Limited (Bonday HK) with Investment licence No. 2456/GP dated 07 February 2005 granted by the Ministry of Planning and Investment for an operation period of 49 years. The chartered capital of the Company as at 31 December 2008 is USD 17.6 million which was fully contributed by the Bank and Ben Thanh Tourist, Ltd and Bonday HK with contribution ratio of 52%, 18% and 30%, respectively.



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**10 INVESTMENT IN JOINT-VENTURES, ASSOCIATES (CONTINUED)**

**10.2 Investments in joint ventures (continued)**

Vietcombank Fund Management is incorporated in Vietnam with its head office located at Floor 18 Vietcombank Tower – 198 Tran Quang Khai Street, Hanoi, engaging in providing investment fund management, financial investment and financial consultancy services. The joint venture was established under the joint venture contract dated 8 September 2005 between the Bank and Viet Capital Holdings Pte. Ltd, Singapore ("VCH") and granted its fund management licence No 06/UBCK-GPHDQLQ by the State Securities Commission on 2 December 2005 for a period of 30 years. In the period from 1 June 2008 to 31 December 2008, the chartered capital of the company was at VND 38 billion, of which the Bank made additional contribution of VND15.3 billion in the form of cash on 4 December 2008 to retain a shareholding of 51% in accordance with BoM's resolution No. 18/NQ-NHNT dated 27 June 2008. The shareholding of the VCH remained at 49% as at 31 December 2008.

Vietcombank Cardiff Life Insurance Company is a joint venture the Bank and Cardiff and SeaBank established in Vietnam in accordance with Operation Licence No 55/GP/KDBH by the MoF on 23 October 2008 for a period of 25 years. The company operates in the fields of life insurance, health and accident insurance services, preventing, minimising risks and damages, appraising damages, fund management and investing capital relating to the life insurance industry. The joint venture agreement was signed on 22 January 2007. The chartered capital of the company as at 31 December 2008 is VND 600 billion, which was fully contributed by the Bank, Cardiff and SeaBank with a contribution ratio of 45%, 43% and 12% respectively. The Bank fully contributed VND 270 billion on 22 December 2008 under Decision No 106/ND-NHNT.HDQT dated 28 May 2007.

**10.3 Investments in associates**

	Nature of business	31.12.2008		01.06.2008	
		shareholding %	At cost VND million	shareholding %	At cost VND million
Vietcombank Bonday Limited	Office renting	16.0	30,934	16.0	30,934
Vietcombank Partner Fund I	Investment Fund	11.0	22,000	11.0	22,000
Smartlink Card Joint Stock Service Company	provider	8.8	4,400	8.8	4,400
<b>Total</b>			<b>57,334</b>		<b>57,334</b>

VCB Bonday Co., Ltd. ("the Company") is a joint venture of the Bank and Real Estate Saigon and Bonday Investment Co., Ltd (Bonday Hong Kong) established in accordance with Investment Licence No. 283/GPDC1 dated 14 June 1995 by the Ministry of Planning and Investment with principal operation in office and apartment leasing. Despite holding only 16 percent of the Company's common shares, the Bank has significant influence over the Company's activities since it has one representative as Vice-Chairman in the Company's Board of Directors and one as Deputy General Director.

Vietcombank Partners Fund I ("the Fund") is managed by Vietcombank Fund Management Company, a joint venture of the Bank with Viet Capital Holdings Pte., Ltd, Singapore. The purpose of the Fund is to pool capital from members and invest in securities and other financial instruments. Despite holding only 11 percent of the Fund's contribution, the Bank has significant influence over the Fund's activities because the Fund has been directly managed by Vietcombank Fund Management Company, as joint venture in which the Bank has 51% shareholding. Therefore, this investment is considered as an associate of the Bank.

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

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**10 INVESTMENT IN JOINT-VENTURES, ASSOCIATES (CONTINUED)**

**10.3 Investments in associates (continued)**

Smart Link Card is a joint stock company established in accordance with Certificate No 0103016827 approved by Hanoi Planning and Development on 19 April 2007. Its businesses are in advisory, training, managing, and maintaining ATM and POS systems. Despite holding only 8.8% of the company's chartered capital, the Bank has significant influence over its activities since the Bank has one representative as Chairman in the Company's Board of Directors and one as General Director. Therefore, this investment is considered as an associate of the Bank.

**11 OTHER LONG TERM INVESTMENTS**

Detail of the Bank's other long-term investments as at 31.12.2008 is as follows:

Name	Nature of business	31.12.2008		01.06.2008	
		% shareholding	At cost VND million	% shareholding	At cost VND million
<b>11.1 INVESTMENT IN OTHER FINANCIAL INSTITUTIONS</b>					
<b>Vietcombank</b>					
SWIFT and MasterCard Incorporation	Services	-	761	-	761
Orient Commercial Joint Stock Bank	Bank	7.79	114,922	7.78	86,408
Military Commercial Joint Stock Bank	Bank	7.99	320,758	6.33	182,606
Saigon Industrial Commercial Joint Stock Bank	Bank	9.16	93,408	9.16	93,408
Vietnam International Commercial Joint Stock Bank	Bank	2.42	51,111	2.42	51,111
Central People's Credit Fund	Credit fund	4.50	5,000	4.50	5,000
Credit Fund for small and medium enterprises	Credit fund	3.60	1,800	3.60	1,800
Gia Dinh Commercial Joint Stock Bank	Bank	15.11	238,300	11.00	142,236
Vietnam Export and Import Commercial Joint Stock Bank	Bank	8.75	632,065	11.61	325,091
<b>VCBS</b>					
Phuong Nam Commercial Joint Stock Bank	Bank	-	-	-	43,310
Ocean Commercial Joint Stock Bank	Bank	-	-	-	43,571
VP Bank	Bank	-	-	-	1,511
Vietnam International Commercial Joint Stock Bank	Bank	-	-	-	4,288
Vietnam Export and Import Commercial Joint Stock Bank	Bank	-	-	-	10,871

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11 OTHER LONG TERM INVESTMENTS (CONTINUED)

	Nature of business	31.12.2008		01.06.2008	
		% shareholding	At cost VND million	% shareholding	At cost VND million
<b>11.2 INVESTMENT IN OTHER BUSINESS ENTITIES</b>					
<b>Vietcombank</b>					
Petrolimex Insurance JS Company	Insurance	10.00	34,300	10.00	34,300
Nha Rong Insurance JS Company	Insurance	7.50	12,540	7.50	12,000
Infrastructure Investment JS Company	Construction	1.95	12,176	1.95	12,176
Petro Vietnam Drilling and Well Services JS Co.,	Petroleum	4.36	59,986	4.36	59,986
General Trading and Food processing JS Company	Trading services	3.97	3,739	4.03	3,739
Saigon Telecommunication Service JS Co.,	Telecommunication	3.85	138,072	3.85	134,226
Pacific Petroleum Transportation JS Company	Transportation	10.00	120,000	5.00	60,000
Credit information investment JS Company	Service	1.90	380	1.90	380
Cement Financial JS Company	Financial service	11.00	33,000	11.00	33,000
Vietnam Infrastructure Development and Financial Investment Company	Construction	1.50	75,000	1.50	75,000
Vietcomreal Company	Real estate	11.00	11,000	-	-
<b>VCBS</b>					
A Chau Brokerage JS Co	Services	-	-	20	300
An Giang Plant Protection JS Co	Services	-	-	-	235
Vietnam Handicraft and Art Articles Export-Import Co Ltd	Services	-	-	-	218
Investment and General Export Import JS Co	Services	-	-	-	342
Printing Post-Office JS Co	Telecommunication	-	-	-	598
Vinaconex JS Co	Services	-	-	-	12,998
Airserco Vietnam	Service	-	-	-	894
Falcon Shipping Co	Transportation	-	-	-	11,320
Dong Do Marine JS Co	Services	-	-	-	661
FNBC	Telecommunication	10	13,440	10	13,440
Vietnam Ocean Shipping Co	Transportation	-	-	-	5,730
Total			1,971,758		1,463,515
Less: Provision for diminution in value of investment			(190,212)		(34,285)
			<b>1,781,546</b>		<b>1,429,230</b>

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**11 OTHER LONG TERM INVESTMENTS (CONTINUED)**

During the period, VCBS reclassified its investments of approximately VND 103,551 million in other financial institutions and VND 19,337 million in other economic entities from other long-term investments to trading securities (Note 8).

**12 TANGIBLE FIXED ASSETS**

	Currency: VND million				
	Buildings	Machinery and equipment	Motor vehicles	Other assets	Total
Historical cost					
At 1 June 2008	551,466	1,412,028	160,885	144,874	<b>2,269,253</b>
Additions	11,794	269,333	62,233	25,259	<b>368,619</b>
Disposals	(2,626)	(14,758)	(3,471)	(1,993)	<b>(22,848)</b>
Other movements	(41)	20	-	383	<b>362</b>
Reclassification	-	(7,986)	-	7,986	-
Foreign exchange differences	18,346	7,103	42	160	<b>25,651</b>
At 31 December 2008	<u>578,939</u>	<u>1,665,740</u>	<u>219,689</u>	<u>176,669</u>	<b><u>2,641,037</u></b>
Accumulated depreciation					
At 1 June 2008	186,356	1,034,684	98,841	87,174	<b>1,407,055</b>
Charge for the period	13,787	159,580	13,956	12,363	<b>199,686</b>
Disposals	(1,969)	(14,704)	(3,465)	(1,908)	<b>(22,046)</b>
Reclassification	-	(7,548)	-	7,548	-
Foreign exchange differences	5,896	7,100	34	108	<b>13,138</b>
At 31 December 2008	<u>204,070</u>	<u>1,179,112</u>	<u>109,366</u>	<u>105,285</u>	<b><u>1,597,833</u></b>
Net book value					
At 1 June 2008	<u><b>365,110</b></u>	<u><b>377,344</b></u>	<u><b>62,044</b></u>	<u><b>57,700</b></u>	<u><b>862,198</b></u>
At 31 December 2008	<u><b>374,869</b></u>	<u><b>486,628</b></u>	<u><b>110,323</b></u>	<u><b>71,384</b></u>	<u><b>1,043,204</b></u>

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13 INTANGIBLE FIXED ASSETS

	Land use right	Currency: VND million	
		Others	Total
<b>Historical cost</b>			
At 1 June 2008	222,354	189,884	<b>412,238</b>
New additions	14,547	1,616	<b>16,163</b>
Transfer from CIP	37,295	-	<b>37,295</b>
Disposal	(1,105)	-	<b>(1,105)</b>
Foreign exchange differences	1,226	2	<b>1,228</b>
At 31 December 2008	<u>274,317</u>	<u>191,502</u>	<u><b>465,819</b></u>
<b>Accumulated depreciation</b>			
At 1 June 2008	12,182	119,026	<b>131,208</b>
Charge for the period	1,972	14,732	<b>16,704</b>
Other movements	(28)	28	-
Foreign exchange differences	258	-	258
At 31 December 2008	<u>14,384</u>	<u>133,786</u>	<u><b>148,170</b></u>
<b>Net book value</b>			
At 1 June 2008	<u><b>210,172</b></u>	<u><b>70,858</b></u>	<u><b>281,030</b></u>
At 31 December 2008	<u><b>259,933</b></u>	<u><b>57,716</b></u>	<u><b>317,649</b></u>

14 OTHER ASSETS

	31.12.2008 VND million	01.06.2008 VND million
Construction in progress and purchases of fixed assets	82,702	83,325
Accrued interest income	1,685,079	1,604,913
Advance payment for business income tax	121,583	5,441
Foreclosed assets (Note 14.1)	5,925	26,868
Other assets (Note 14.2)	916,341	814,061
	<u><b>2,811,630</b></u>	<u><b>2,534,608</b></u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

**14 OTHER ASSETS (CONTINUED)**

**14.1 Foreclosed assets**

Foreclosed assets are collateral which the Bank holds for those uncollected debts and related interest receivable.

	<b>VND million</b>
Balance at 01.06.2008	84,789
Proceeds from disposal	(21,000)
Written-off during the period	(32,256)
Others	105
	<hr/>
Balance at 31.12.2008, at cost	31,638
Less: provision for impairment	(25,713)
	<hr/>
Balance at 31.12.2008, net amount	<b>5,925</b>
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**14.2 Other assets**

	<b>31.12.2008 VND million</b>	<b>01.06.2008 VND million</b>
Advances for purchases of fixed assets	136,310	56,597
Advances for transfer of land use right	258,982	18,585
Interim payment of dividends for 2008	78,600	-
Dividend receivables from long-term investments	6,525	24,019
Advances for credit card transactions	201,926	160,641
Prepaid expenses for office rental	114,922	132,517
Materials	26,492	20,145
Advances for contribution to AFT Bank Fund	-	210,100
Receivables of salaries and bonus which were paid in excess of the rate specified in Circular 15/2007/TT-BLĐTBXH issued by the Ministry of Social, Labour and Invalids on 31 August 2008	7,721	-
Other assets	84,863	128,198
	<hr/>	<hr/>
	916,341	750,802
Advance by VCBS in relation to a securities purchase agreement (1)	-	259,462
Advance by VCBS in relation to option agreements with VCBS staff member (2)	-	22,354
Provision for the above advance securities purchase agreement	-	(212,562)
Provision for the above option agreements (2)	-	(5,995)
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	-	63,259
	<hr/>	<hr/>
	<b>916,341</b>	<b>814,061</b>
	<hr/> <hr/>	<hr/> <hr/>

(1) As at 31 December 2008, securities in relation to this agreement were classified as available-for-sale securities and managed by LANCON Investment and Management joint stock company (Note 9.1).

(2) As at 31 December 2008, option agreement with employees was converted into shares and classified as trading securities (Note 9.1).

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15 DEPOSIT AND BORROWINGS FROM GOVERNMENT AND THE STATE BANK OF VIETNAM

	31.12.2008	01.06.2008
	VND million	VND million
<b><i>Deposits from the State Treasury</i></b>	<b>5,584,909</b>	<b>6,836,012</b>
Demand deposits in VND	170,430	228,583
Demand deposits in foreign currencies	5,414,479	6,607,429
<b><i>Deposits from the SBV</i></b>	<b>3,890,190</b>	<b>1,306,238</b>
Demand deposits in VND	-	-
Demand deposits in foreign currencies	3,890,190	1,306,238
<b><i>Borrowing from the SBV</i></b>	<b>40,534</b>	<b>52,299</b>
Borrowing for the Modernization of Banking Payment System Project (1)	23,912	24,168
Special borrowings to support victims of natural disasters (2)	5,002	15,508
Other loans (3)	2,460	2,460
Frozen loans (4)	9,160	10,163
	<b>9,515,633</b>	<b>8,194,549</b>

- 1) Borrowing for the Modernisation of Banking Payment System Project represents a loan from the World Bank through the SBV for Modernization of Banking Payment System Project for a duration of 20 years at interest rate of 6-month LIBOR plus 1.7%.
- 2) Special borrowings to support victims of natural disasters are loans for financial relief to the victims of Linda Storm (in the Mekong Delta area) and the flood victims (in Central Vietnam) in 1997 and 1999 in accordance with instruction of the Government.
- 3) Other loans from the SBV represent the funds borrowed from the SBV to re-lend to SOEs. These loans used to be frozen. However, the frozen period has been over since 27 April 2003. These loans are subject to interest rate of 6% per annum currently.
- 4) Frozen loan represents the funds borrowed from the SBV for Indira Gandhi Company to repay to the Government of India. This is a free interest loan.

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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16 DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

31 December 2008

	Denominated in VND VND million	31.12.2008 Denominated in foreign currencies VND million	Total VND million
<b>Deposits from other credit institutions</b>			
Demand deposits from local credit institutions	3,285,083	8,414,550	11,699,633
Demand deposits from overseas credit institutions	2,202	149,471	151,673
Term deposits from local credit institutions	6,477,118	2,829,603	9,306,721
Term deposits from overseas credit institutions	-	195,937	195,937
	<u>9,764,403</u>	<u>11,589,561</u>	<u>21,353,964</u>
<b>Borrowings from other credit institutions</b>			
Borrowings from local credit institutions	-	2,546,550	2,546,550
Borrowings from overseas credit institutions	-	-	-
	<u>-</u>	<u>2,546,550</u>	<u>2,546,550</u>
	<u>9,764,403</u>	<u>14,136,111</u>	<u>23,900,514</u>
	<u><u>9,764,403</u></u>	<u><u>14,136,111</u></u>	<u><u>23,900,514</u></u>
		<b>01.06.2008</b>	
	Denominated in VND VND million	Denominated in foreign currencies VND million	Total VND million
<b>Deposits from other credit institutions</b>			
Demand deposits from local credit institutions	1,511,345	3,014,777	4,526,122
Demand deposits from overseas credit institutions	4,298	182,804	187,102
Term deposits from local credit institutions	8,547,910	6,588,143	15,136,053
Term deposits from overseas credit institutions	-	419,878	419,878
	<u>10,063,553</u>	<u>10,205,602</u>	<u>20,269,155</u>
<b>Borrowings from other credit institutions</b>			
Borrowings from local credit institutions	65,000	-	65,000
Borrowings from overseas credit institutions	804,300	-	804,300
	<u>869,300</u>	<u>-</u>	<u>869,300</u>
	<u>10,932,853</u>	<u>10,205,602</u>	<u>21,138,455</u>
	<u><u>10,932,853</u></u>	<u><u>10,205,602</u></u>	<u><u>21,138,455</u></u>

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JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

16 DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS (CONTINUED)

Effective annual interest rates during the period are as follows:

	From 01.06.2008 to 31.12.2008 (% per annum)
Demand deposits from local credit institutions in VND	0.15% – 1.2%
Demand deposits from local credit institutions in USD	0.5% – 1.5%
Demand deposits from overseas credit institutions in VND	0.15% – 1.2%
Demand deposits from overseas credit institutions in foreign currencies	0.5% - 1.5%
Term deposits from local credit institutions in VND	6.0% – 21%
Term deposits from local credit institutions in foreign currencies	0.1% - 4.81%
Term deposits from overseas credit institutions in foreign currencies	0.6% – 4.5%
Loans from overseas credit institutions in USD	3.475% - 4.92%

17 DEPOSITS FROM CUSTOMERS

17.1 By type of deposits

	31.12.2008 VND million	01.06.2008 VND million
Demand deposits	52,110,002	42,615,886
Term deposits	51,185,204	37,381,567
Saving deposits	50,278,922	43,247,322
Margin deposits	1,028,314	923,915
Deposits for specific purposes	2,464,577	2,847,004
	<u>157,067,019</u>	<u>127,015,694</u>

17.2 By currency

	Denominated in VND VND million	31.12.2008 Denominated in foreign currency VND million	Total VND million
Demand deposits	25,035,418	27,074,584	52,110,002
Term deposits	33,110,593	18,074,611	51,185,204
Saving deposits	26,147,502	24,131,420	50,278,922
Margin deposits	501,272	527,042	1,028,314
Deposits for specific purposes	826,277	1,638,300	2,464,577
	<u>85,621,062</u>	<u>71,445,957</u>	<u>157,067,019</u>

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JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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17 DEPOSITS FROM CUSTOMERS (CONTINUED)

17.2 By currency (continued)

	Denominated in VND VND million	1 June 2008 Denominated in foreign currency and gold VND million	Total VND million
Demand deposits	22,858,370	19,757,516	42,615,886
Term deposits	23,649,680	13,731,887	37,381,567
Saving deposits	21,709,310	21,538,012	43,247,322
Margin deposits	574,178	349,737	923,915
Deposits for specific purposes	843,639	2,003,365	2,847,004
	<u>69,635,177</u>	<u>57,380,517</u>	<u>127,015,694</u>

Interest rate

01.06.2008 to  
31.12.2008  
(%pa)

Current deposits in VND	2.4% - 3%
Current deposits in foreign currency	1%- 1.25%
Term deposits in VND	7%- 17.5%
Term deposits in foreign currency	1.75% - 6.8%
Saving deposits in VND	7% - 17.5%
Saving deposits in foreign currency	1.75% - 6.8%

18 OTHER BORROWED FUNDS

	31.12.2008 VND million	01.06.2008 VND million
Funds borrowed from Raiffeisen Zentralbank Osterreich AG (*)	2,546,551	2,412,900
Funds received from other individuals and organisations under securities repurchase and reserve repurchase agreements	555,226	494,146
Funds received from international organisations	18	17
	<u>3,101,795</u>	<u>2,907,063</u>

(\*) This borrowing is made in accordance with a bilateral agreement between the Bank and Raiffeisen Zentralbank Österreich AG (RZB), Singapore branch. According to this agreement, RZB has granted a loan to the Bank with an amount of US\$150 million for a period of 5 years at an interest rate as at 31.12.2008 equivalent to RZB's cost of funding (3.25% per annum) plus a margin 0,225% (equivalent to 3.475% per annum as at 31 December 2008). In return, the Bank has to maintain a margin deposit of USD19.5 million (equivalent to VND 331,052 million as at 31 December 2008) at RZB and pledge debt securities of USD150,000,000 issued by UBS -AG, Jersey Branch as collateral for the loan (see Note 9.2).

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

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19 VALUABLE PAPERS ISSUED

	Denominated in VND VND million	31.12.2008 Denominated in foreign currency VND million	Total VND million
<b>Certificates of deposit</b>			
Short-term	1,344	955,150	956,494
Medium-term	93,642	1,841,252	1,934,894
	<u>94,986</u>	<u>2,796,402</u>	<u>2,891,388</u>
<b>Bills and bonds</b>			
Short-term	1,143	1,859	3,002
Medium-term	26,812	813	27,625
	<u>27,955</u>	<u>2,672</u>	<u>30,627</u>
	<u><u>122,941</u></u>	<u><u>2,799,074</u></u>	<u><u>2,922,015</u></u>

1.6. 2008

	Denominated in VND VND million	Denominated in foreign currency VND million	Total VND million
<b>Certificates of deposits</b>			
Short-term	28,738	1,341,432	1,370,170
Medium-term	338,566	859,572	1,198,138
	<u>367,304</u>	<u>2,201,004</u>	<u>2,568,308</u>
<b>Bills and bonds</b>			
Short-term	5,347	3,667	9,014
Medium-term	27,721	827	28,548
	<u>33,068</u>	<u>4,494</u>	<u>37,562</u>
	<u><u>400,372</u></u>	<u><u>2,205,498</u></u>	<u><u>2,605,870</u></u>

Effective annual interest rates during the period are as follows:

	From 01.06.2008 to 31.12.2008 (% per annum)
Short term certificates of deposits in VND	-
Short term certificates of deposits in USD	-
Medium term certificates of deposits in VND	9.12% - 17.7%
Medium term certificates of deposits in USD	-

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

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20 OTHER LIABILITIES

	31.12.2008 VND million	01.06.2008 VND million
Accrued interest expenses	2,835,614	1,937,658
Current business income tax payable	6,598	142,647
Deferred income tax	458	640
Payables relating to the cash received from issuing shares (Note 20.1)	1,109,038	8,881,899
Payable to the State relating to provision for severance allowance of the Foreign Trade Bank of Vietnam as at 31.5.2008	48,698	-
Payable to the State after settlement of capital and reserve funds of Foreign Trade Bank of Vietnam as at 31.5.2008 and to record the capital contribution of the State to the Bank's charter capital (Note 22.1)		-
- from the charter capital and other capital (Note 22.1)	164,440	-
- from retained earnings and reserves (Note 23)	3,010,740	-
Other liabilities (Note 20.2)	3,582,474	3,057,577
Provision for commitments and contingent liabilities (Note 20.3)	791,975	578,998
	<u>11,550,035</u>	<u>14,599,419</u>

20.1 Payables relating to cash received from issuing shares

	VND million
Cash received from issuance of shares to investors	7,179,988
Cash received from issuance of shares to the Bank's staff	342,836
Amounts relating to the conversion of convertible bonds into ordinary capital of the Bank	1,359,075
Payables as at 01.06.2008	<u>8,881,899</u>
Less: - transfers to the Bank's chartered capital	(1,122,854)
- transfers to the SCIC	(6,650,000)
- transfers to the Stock Exchange in HCM City	(7)
Payables as at 31.12.2008	<u>1,109,038</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**20 OTHER LIABILITIES (CONTINUED)**

**20.2 Other liabilities**

	<b>31.12.2008</b> <b>VND million</b>	<b>01.06.2008</b> <b>VND million</b>
Payables to employees	444,557	189,445
Payables for construction and acquisition of fixed assets	179,346	122,943
Provision for severance allowance	2,994	49,376
Interest from investment of the deduction in compulsory reserves, pending resolutions from the SBV	19,663	19,663
Interest of special government bonds relating to the period before VCB transferred into joint stock bank	49,031	-
VAT payable	16,364	17,452
Other taxes payable	29,296	25,097
Receipts from sale of loans, loan collaterals and utilization of foreclosed assets	3,215	24,231
Interest income on investment in securities received in advance pending for allocation	500,174	369,857
Other payables to customers	327,840	463,667
Deposits in custody and waiting for resolution	587,206	579,494
Pending items in settlement	49,355	17,250
Funds of international card organisations to improve card marketing programs	9,982	9,030
Payables to securities investors	1,030,636	816,857
Others	332,815	353,215
	<b><u>3,582,474</u></b>	<b><u>3,057,577</u></b>

**20.3 Provision for guarantees, acceptance upon payments and irrevocable commitments**

	<b>Specific provision</b> <b>VND million</b>	<b>General provision</b> <b>VND million</b>	<b>Total</b> <b>VND million</b>
As at 1 June	252,250	326,748	578,998
Charge for the period	290,056	-	290,056
Reversal during the period	-	(77,079)	(77,079)
As at 31 December	<b><u>542,306</u></b>	<b><u>249,669</u></b>	<b><u>791,975</u></b>

**21 DEFERRED INCOME TAXES**

Movement of deferred income tax during the period is as follows:

	<b>From 01.06.2008 to 31.12.2008</b> <b>VND million</b>
<b>Deferred tax payables as at 1 June 2008</b>	640
Income statement credit	(216)
Foreign exchange difference	34
<b>Deferred tax payables as at 31 December 2008</b>	<b><u>458</u></b>

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

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**21 DEFERRED INCOME TAXES (CONTINUED)**

Deferred income tax incurred by Vinafico due to the temporary differences between the tax base of prepayments for office rental, provision for loan loss and depreciation of fixed assets and their carrying amount for financial reporting purpose at the balance sheet date.

No deferred income taxes have been recognised in these consolidated financial statements in respect of the Bank and other subsidiaries, as there are no significant temporary differences as at 31 December 2008.

**22 CHARTERED CAPITAL AND OTHER CAPITAL**

**22.1 Chartered capital and other capital**

	<b>VND million</b>
As at 01.06.2008, the chartered capital and other capital of the Foreign Trade Bank of Vietnam were transferred as follows:	
Balance as at 01.06.2008	5,702,004
Transfer part of the Bank's chartered capital and other capital to capital represented by the State shareholding	(5,537,564)
Transfer part of the Bank's chartered capital to payables to the State (Note 20)	(164,440)
Contribution of capital of the Bank :	
Shareholding of the State which was transferred from part of the Bank's chartered capital and other capital	5,537,564
Shareholding of the State which was transferred from part of the retained earnings and reserves of the Bank (Note 21)	5,440,442
Chartered capital represented by the State	10,978,006
Chartered capital represented by other shareholders	1,122,854
Balance as at 31.12.2008	<b>12,100,860</b>
Other capital of subsidiaries as at 31.12.2008	63,615
Total Bank's chartered capital as at 31.12.2008	<b>12,164,475</b>

**22.2 Analysis of the Bank's chartered capital**

	<b>Number of shares</b>	<b>Ordinary shares VND million</b>	<b>Share premium VND million</b>	<b>Total share capital VND million</b>
Balance at 01.06.2008	-	-	-	-
Nominal value of shares issued during the period	1,210,086,026	12,100,860	-	12,100,860
Balance at 31.12.2008	1,210,086,026	12,100,860	-	12,100,860

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**23 RESERVES AND RETAINED EARNINGS**

	Currency: VND million							
	Retained earnings	Supplementary chartered capital reserve	Financial provision reserve	Investment and development reserve	Bonus and welfare reserves	Asset revaluation reserve	Foreign exchange difference	Total
As at 01.06.2008, reserves and retained earnings of the Bank for Foreign Trade of Vietnam were transferred as follows:								
Balance as at 01.06.2008	83,531	504,447	940,050	7,049,830	149,719	9,728	97,093	8,834,398
Transfer part of the Bank's retained earnings and part of the Bank's reserves to the State's capital at the Bank (Note 22.1)	(210,308)	(332,582)	(610,408)	(4,287,144)	-	-	-	(5,440,442)
Transfer part of the Bank's reserves to payables to the State (Note 20)	-	(165,068)	(294,397)	(2,551,275)	-	-	-	(3,010,740)
Transfer the Bank's bonus and welfare reserves to payables to the Bank's staff	-	-	-	-	(146,715)	-	-	(146,715)
Profit for the period	1,341,595	-	-	-	-	-	-	1,341,595
Distribution to reserves	(356,754)	64,453	129,620	1,071	161,610	-	-	-
Payment from reserves	-	-	-	-	(1,654)	-	-	(1,654)
Foreign currency difference due to conversion of financial statements	-	-	-	-	-	-	-	-
Asset revaluation difference due to conversion of financial statements	-	-	-	-	-	(855)	-	(855)
Other movements	604	-	100	-	502	-	388	1,594
Balance as at 31.12.2008	858,668	71,250	164,965	212,482	163,462	8,873	145,867	1,625,567

As at 31 December 2008, the retained earnings and reserves of the Bank's subsidiaries, joint venture and associates in relation to the Bank's equitisation have not been finalised (Note 1.3).

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

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**24 EARNINGS PER SHARE**

**Basic earnings per share**

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

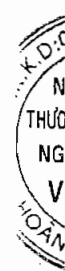
	<b>From 01.06.2008 to 31.12.2008 VND million</b>
Profit attributable to the equity holders of the Bank	1,341,595
Less: appropriation to bonus and welfare funds	(161,610)
	<hr/>
Net profit used to determine basic EPS	1,179,985
Weighted average number of ordinary shares in issue (million)	1,210
Basic and diluted earnings per share (VND per share)	975

**25 INTEREST AND SIMILAR INCOME**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
On loans and advances to customers	8,111,509
On deposits at and loans and advances to other credit institutions	1,368,401
On investments in securities	1,552,718
Other income from credit activities	4,268
	<hr/>
Total	<b>11,036,896</b>

**26 INTEREST AND SIMILAR EXPENSES**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
On deposits from customers	6,670,270
On borrowings from local credit institutions	460,722
On certificates of deposits	191,901
Others	17,160
	<hr/>
Total	<b>7,340,053</b>





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**27 FEES AND COMMISSION INCOME**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
Guarantees	60,434
Settlement services	336,728
Cash services	39,325
Trust and agent services	1,121
Other services	243,273
	<u>680,881</u>

**28 FEES AND COMMISSION EXPENSES**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
Fees on settlement services	122,303
Cash services	7,986
Telecommunication fees	16,688
Trust and agent services	3,313
Other service fees	62,990
	<u>213,280</u>

**29 NET GAIN FROM DEALING IN FOREIGN CURRENCIES**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
Gains from dealing in foreign currencies	2,193,994
Gain from revaluation of foreign currencies	2,371
	<u>2,196,365</u>
Loss from dealing in foreign currencies	(1,574,192)
Loss from revaluation of foreign currencies	(15,695)
Loss from revaluation of gold	(15,076)
	<u>(1,604,963)</u>
	<u><u>591,402</u></u>

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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<b>30</b>	<b>NET GAIN FROM TRADING OF TRADING SECURITIES</b>	<b>From 01.06.2008 to 31.12.2008 VND million</b>
	Proceeds from sale and disposal of trading securities	175,119
	Less: cost of trading securities disposed	(143,287)
	Reversals of provisions for trading securities of VCBS	36,059
		<u>67,891</u>
<b>31</b>	<b>NET LOSS FROM DISPOSAL OF INVESTMENT SECURITIES</b>	<b>From 01.06.2008 to 31.12.2008 VND million</b>
	Provision for diminution in value of available-for-sale debt securities	71,379
	Provision for diminution in value of available-for-sale equity securities	12,204
		<u>83,583</u>
<b>32</b>	<b>INCOME FROM INVESTMENTS IN OTHER ENTITIES</b>	<b>From 01.06.2008 to 31.12.2008 VND million</b>
	Dividend income from investments in other entities	
	From investments in other entities by the Bank	553,136
	<i>Less: dividends received from subsidiaries, joint ventures and associates</i>	(72,165)
		<u>480,971</u>
	From investment activities of VCBS	10,846
	Sharing of net profit/loss of investments in joint-ventures and associates using the equity method	53,153
		<u>544,970</u>
		<u>544,970</u>
	Dividends received from equity investments and other long term investments of the Bank are analysed as follows:	
		<b>From 01.06.2008 to 31.12.2008 VND million</b>
	Dividend received in cash	85,679
	Dividend received in shares distributed from retained earnings	46,053
	Dividend received in shares distributed from share premium	349,239
		<u>480,971</u>
	<b>Total</b>	<b>480,971</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

**33 OTHER INCOME**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
Income from interest rate swap transaction	52,492
Others	158,436
	<u>210,928</u>

**34 GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>From 01.06.2008 to 31.12.2008 VND million</b>
Salaries and related expenses	
- Salary and allowance	673,967
- Salary related contribution	27,370
- Other allowances	2,924
- Others	62,344
	<u>766,605</u>
Expenses on fixed assets	
- Depreciation and amortization	216,390
- Other expenses on fixed assets	61,237
	<u>277,627</u>
Administrative expenditures	382,675
Tax and fees	92,430
Deposit insurance fees	21,091
Provision for the diminution in value of other long term investments	190,212
	<u>1,730,640</u>

**35 VALUE ADDED TAX**

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

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JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

36 BUSINESS INCOME TAX ("BIT")

From 01.06.2008  
to 31.12.2008  
VND million

Current income tax	304,608
Deferred income tax (Note 21)	(216)
	<u>304,392</u>

Business income tax charge at the rate of 28% for the Bank and at the rates from 17% to 25% for the Bank's subsidiaries for the year are based on the estimated taxable income and are subject to review and possible adjustment by the tax authorities.

From 01.06.2008  
to 31.12.2008  
VND million

<b>Net profit before tax</b>	<b>1,654,708</b>
<b>Adjustments</b>	
Share of net profit/loss of investments in joint ventures and associates	(53,155)
Net loss from revaluation of gold and retranslation of foreign currencies	28,469
Income from Government Education bonds exempted from BIT	(7,680)
Non-deductible expenses	15,020
Dividends received during the period exempted from BIT	(491,817)
Utilisation of accumulated losses of VCBS	(48,139)
<b>Estimated current taxable profit</b>	<b>1,097,406</b>
Current BIT for the period	306,359
Reduction of business income tax of VCB Tower	(1,751)
Current BIT payables for the period	304,608
Current BIT payables at the beginning of the period	142,647
Advance for current BIT at the beginning of the period	(5,441)
BIT paid during the period	(556,799)
<b>Closing balance</b>	<b>(114,985)</b>
Represented:	
- BIT payable at the end of the period (Note 20)	6,598
- Advance payment of BIT at the end of the period (Note 14)	(121,583)

The Bank's tax deductions are subject to periodic examination and to possible adjustment by the tax authority. The tax assessment for the period has not been finalised by the tax authority.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

**37 EMPLOYEES REMUNERATION**

	From 01.06.2008 to 31.12.2008 VND million
<b>Number of employees</b>	<b>9,056</b>
<b>Employees remuneration</b>	
Total salary fund	673,967
Bonus	-
Other income	-
Total income	673,967
Average salary	10.63
Average income	10.63

**38 OBLIGATIONS TO THE STATE BUDGET**

Items	01.06.2008	Movements during the period		31.12.2008
	VND million	Payable VND million	Payments VND million	VND million
Value added tax	17,452	115,928	(117,016)	16,364
Business income tax	137,206	304,608	(556,799)	(114,985)
Import export duties	-	455	(455)	-
Land and Housing taxes	-	115	(115)	-
Land rental taxes	7,624	19,404	(10,821)	16,207
Personal income taxes	17,473	34,060	(38,444)	13,089
Other taxes	-	-	-	-
	<u>179,755</u>	<u>474,570</u>	<u>(723,650)</u>	<u>(69,325)</u>
Total	<u>179,755</u>	<u>474,570</u>	<u>(723,650)</u>	<u>(69,325)</u>

**39 OFF BALANCE SHEET COMMITMENTS**

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

	Denominated in VND VND million	31.12.2008	Total VND million	01.06.2008 VND million
		Denominated in foreign currencies VND million		
Letters of credit	1,417	26,937,480	26,938,897	36,136,314
Guarantees	4,482,086	6,849,550	11,331,636	10,018,302
Un-drawn loan commitments	18,659,305	2,051,712	20,711,017	39,006,389
	<u>23,142,808</u>	<u>35,838,742</u>	<u>58,981,550</u>	<u>85,161,005</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**40 POST BALANCE SHEET EVENTS**

On 12 January 2009, the Bank received Official Letter No. 446/BTC-TCDN from the MoF, responding to Official Letter No. 1602/NHNT.KTTC and 1624/NHNT.KTTC of the Bank (see Note 1.3). According to the guidance provided by the MoF in Official Letter No. 446, the Bank is required to report to the SBV and request the SBV to approve the finalisation of financial issues, costs relating to the equitisation, financial support paid to redundant employees, proceeds received from issuance of shares during the equitisation process and announce the value of the capital portion belonging to the State as at the time when the Bank received its first Business Registration Licence.

On 20 January 2009, the Bank submitted Official Letter No. 81/NHNT.KTTC to the SBV, reporting on the matters to be finalised as indicated above.

On 3 April 2009, the SBV issued Official Letter No. 2347/NHNN-CNH, notifying the necessary preparation work to be completed and the unit to be in charge of conducting finalisation of financial issues and hand-over of resources between Bank for Foreign Trade of Vietnam and Commercial Joint Stock Bank for Foreign Trade of Vietnam. Accordingly, as at 31 December 2008 and as at the date of signing these financial statements, the finalisation of the Bank's equitisation and hand-over of resources have not been completed.

**41 RELATED PARTY TRANSACTIONS AND BALANCES**

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

**(a) Balances with related parties**

	<b>31.12.2008</b>	<b>01.06.2008</b>
	<b>VND million</b>	<b>VND million</b>
<b>State Bank of Vietnam</b>		
Loans from the SBV	(40,534)	(52,299)
Obligatory reserves and settlement accounts with the SBV	30,561,417	4,721,195
Demand deposits from the SBV	(3,890,190)	(1,306,328)
Interest from investment of the deduction in compulsory reserves, pending reductions from the SBV	(19,663)	(55,931)
<b>Ministry of Finance</b>		
Loans to the MoF	3,521,378	3,489,853
Accrued interest income on loans to the MoF	82,655	66,404
Demand deposits from the MoF	(5,584,909)	(6,836,012)
<b>Shinhan Vina Bank</b>		
Demand deposits from Shinhan Vina Bank	(134,043)	(5,139)
Term deposits from Shinhan Vina Bank	-	(260,860)
Term deposits with Shinhan Vina Bank	169,770	200,000

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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41 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Transactions with related parties

	31.12.2008 VND million
<b>State Bank of Vietnam</b>	
Interest income from deposits with the SBV	153,096
Interest expense on deposits from the SBV	(30,843)
Interest expense on loans from the SBV	(260,442)
<b>Ministry of Finance</b>	
Interest expense on demand deposits from the MoF	(50,728)
<b>Shinhan Vina Bank</b>	
Interest income on loans to Shinhan Vina Bank	31,341
Interest expense on loans from Shinhan Vina Bank	(4,714)

Capital transactions of the Bank are disclosed in Note 22.

(c) Remuneration of the members of the Board of Directors and the Board of Management

	31.12.2008 VND million
Salaries of the members of the Board of Directors and the Board of Management	2,939
Allowances to the members of the Board of Directors and the Board of Management	815

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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42 DERIVATIVES AND OTHER FINANCIAL ASSETS

	31.12.2008		
	Total contract value (at the foreign exchange rate at the contract date)	Total contract value (at the foreign exchange rate at 31 December)	
		Assets	Liabilities
<b>Derivative currency financial instruments</b>			
- Forward contracts	1,999,232	-	-
- Swap contracts	-	-	-
- Call Options	-	-	-
- Put Options	-	-	-
- Future contracts	-	-	-
	<u>1,999,232</u>	<u>-</u>	<u>-</u>
<b>Other derivative financial instruments</b>	-	-	-
	<u>1,999,232</u>	<u>-</u>	<u>-</u>

43 OPERATING LEASE COMMITMENTS

	31.12.2008 VND million	01.06.2008 VND million
Non-cancellable operating lease commitments	539,053	345,518
<i>of which:</i>		
- Matured before 31.12.2008	-	33,862
- Matured within one year	61,848	69,139
- Matured within 2 to 5 years	181,753	171,624
- Matured after 5 years	295,452	70,893



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**44 FINANCIAL RISK MANAGEMENT**

**44.1 Derivative risk**

At present, risk on derivative products specifically the forward contracts, are managed by the Bank on the basis of compliance with regulations imposed by the SBV on foreign exchange management (Ordinance on Foreign Exchange in 2006) and other applicable regulations of the SBV relating to foreign exchange position and transactions of credit institutions who are allowed to engage into foreign exchange transactions as specified in Decision 1081/2002/QĐ-NHNN of 7/10/2002. According to this Decision, credit institutions who are entitled to engage into foreign exchange deals as approved by the SBV, are allowed to maintain a daily open position which is not more than 30% of the Bank's capital.

In addition, forward contracts at the Bank are closely monitored in accordance with the Bank's internal regulations. Foreign exchange transactions in generally and forward contracts in particular and other capital transactions (borrowings/deposits) at the Bank are centrally monitored at the Head Office. In accordance with the Bank's regulations and policies, branches are only allowed to deal with customers on the basis to ensure the overall safety position of the Bank and in compliance with regulations relating to forward contracts. Branches are not allowed to maintain its own position in order to avoid exchange rate risk and settlement risk. In accordance with Regulation No 1073/QĐ-NHNT-KDNT dated 29/9/2006 of the Foreign Trade Bank of Vietnam (now the Joint Stock Commercial Bank for Foreign Trade of Vietnam), all foreign exchange transactions are managed and monitored centrally via internal accounts of the Bank. In accordance with this Decision, position at branch including position of the forward contracts at the end of each day will be automatically squared to the Head Office. In addition to ensuring the benefits of forward contracts, ensuring a safety forex position is a top priority by the Bank.

**44.2 Credit risk**

The Bank takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Credit exposures arise principally in lending activities that lead to loans and advances and investment activities that bring debt securities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The credit risk management and control are performed through issuance of related policies and procedures, including credit risk management policies, establishment of Credit Risk Settlement Committee and Credit Committee.

In measuring credit risk of loan and advances to customers and to banks, the Bank adopts guidance provided in 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 SBV as described in Note 2.7 and 2.8 to the financial statements.

In order to manage credit risk, the Bank is to: establish policy and procedures relating to credit management; establish credit manuals; perform credit risk assessment; establish credit rating systems and loan classification; segregated authorization in credit activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

44.3 Market risk

a. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Bank manages interest rate risk by monitoring the level of mismatch of interest rate by terms on a monthly basis.

The real interest rate adjustment term is the remaining time from the date of financial statements to the latest interest rate adjustment term of the items subsequent to the balance sheet.

The following assumptions and conditions have been adopted in the analysis of real interest rate adjustment term of the Bank's items on the balance sheet:

- Cash, gold and gemstones, long-term investments, and other assets (fixed assets, real estate investments and other assets included) are classified as non-interest items.
- Balances with the SBV are considered as current; therefore, the real interest adjustment term is assumed to be one month.
- The real interest adjustment term of trading securities and investments securities is based on issuer's terms on interest rate of securities.
- The real interest adjustment term of due from other banks, loans to customers, due to the Government and the SBV, due to other banks and customer deposits are identified as follows:
  - Items with fixed interest rate during the contractual term: the real interest adjustment term is based on the contractual maturity date subsequent to the balance sheet date.
  - Items with floating interest rate: the real interest adjustment term is based on the latest interest rate term subsequent to the balance sheet date.
- The real interest adjustment term of "valuable papers issued" is based on valuable papers' maturities and the Bank's interest rate for each issuance.
- The real interest adjustment term of other borrowed funds is categorised as one to five years term.
- The real interest adjustment term for other liabilities is categorised from one to three months. In reality, these items can have different interest rate adjustment terms.

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

44.3 Market risk (continued)

a. Interest rate risk (continued)

The table below summarizes Vietcombank's exposure to interest rate risk.

As at 31 December 2008	Overdue	Non-interest bearing	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 Years	Over 5 years	Total
<b>Assets</b>									
Cash and precious metals	-	3,482,209	-	-	-	-	-	-	3,482,209
Balances with the SBV	-	-	30,561,417	-	-	-	-	-	30,561,417
Placements with and loans to other credit institutions (*)	-	2,864	21,887,471	5,223,953	1,076,582	1,273,500	912,771	-	30,377,141
Trading securities (*)	-	403,698	-	-	-	-	-	-	403,698
Derivatives and other financial assets	-	-	-	-	-	-	-	-	-
Loans and advances to customers (*)	2,811,988	-	25,113,430	25,781,250	27,268,622	7,715,711	8,085,165	16,016,799	112,792,965
Investment securities (*)	-	-	200	1,324,850	1,059,622	8,370,856	26,801,376	4,348,134	41,905,038
Investment in other entities and long-term investments (*)	-	3,151,846	-	-	-	-	-	-	3,151,846
Fixed assets and investment properties	-	1,360,853	-	-	-	-	-	-	1,360,853
Other assets (*)	-	2,837,340	-	-	-	-	-	-	2,837,340
<b>Total assets</b>	<b>2,811,988</b>	<b>11,238,810</b>	<b>77,562,518</b>	<b>32,330,053</b>	<b>29,404,826</b>	<b>17,360,067</b>	<b>35,799,312</b>	<b>20,364,933</b>	<b>226,872,507</b>
<b>Liabilities</b>									
Deposits and borrowings from the SBV and other credit institutions	-	5,002	26,518,345	3,470,109	1,419,800	-	1,992,891	10,000	33,416,147
Deposits from customers	-	-	86,304,176	30,424,444	12,065,724	24,771,057	3,501,618	-	157,067,019
Derivatives and other financial liabilities	-	-	-	-	-	-	-	-	-
Other borrowed funds	-	18	-	3,101,777	-	-	-	-	3,101,795
Convertible bonds or valuable papers issued	-	-	670,302	300,933	767,629	1,183,151	-	-	2,922,015
Other liabilities	-	11,550,035	-	-	-	-	-	-	11,550,035
<b>Total liabilities</b>	<b>-</b>	<b>11,555,055</b>	<b>113,492,823</b>	<b>37,297,263</b>	<b>14,253,153</b>	<b>25,954,208</b>	<b>5,494,509</b>	<b>10,000</b>	<b>208,057,011</b>
<b>Total interest gap</b>	<b>2,811,988</b>	<b>(316,245)</b>	<b>(35,930,305)</b>	<b>(4,967,210)</b>	<b>15,151,673</b>	<b>(8,594,141)</b>	<b>30,304,803</b>	<b>20,354,933</b>	<b>18,815,496</b>

(\*) The above balances represent at gross before deducting for any provision.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

**44 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**44.3 Market risk (continued)**

**b. Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam, with VND as its reporting currency. The major currency in which the Bank transacts is VND. The exchange rate between VND and foreign currencies during the year fluctuated significantly. The Bank's loans and advances were mainly denominated in VND with the remainder mainly in USD. However, some of the Bank's other assets are in currencies other than the reporting currency and USD. The Bank's management has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Break down of assets and liabilities by original currency as at 31 December 2008, which has been converted into VND million, is as follows:

As at 31 December 2008	Currency: VND million					
	VND	EUR	USD	GOLD	Others	Total
<b>Assets</b>						
Cash and precious metals	2,120,863	136,865	806,139	254,341	164,001	3,482,209
Balances with the State Bank of Vietnam	4,098,428	-	26,462,989	-	-	30,561,417
Placements with and loans to other credit institutions (*)	11,268,690	3,454,493	13,310,331	-	2,343,627	30,377,141
Trading securities (*)	403,698	-	-	-	-	403,698
Loans and advances to customers (*)	67,434,136	1,196,332	44,108,173	-	54,324	112,792,965
Investment securities (*)	32,589,592	-	9,315,446	-	-	41,905,038
Investment in other entities and long-term investments (*)	2,364,451	-	787,395	-	-	3,151,846
Fixed assets and investment properties	1,360,853	-	-	-	-	1,360,853
Other assets (*)	1,970,548	34,801	803,353	-	28,638	2,837,340
<b>Total assets</b>	<b>123,611,259</b>	<b>4,822,491</b>	<b>95,593,826</b>	<b>254,341</b>	<b>2,590,590</b>	<b>226,872,507</b>
<b>Liabilities and shareholders' equity</b>						
Deposits and borrowings from the State Bank of Vietnam and other credit institutions						
Deposits from customers	85,621,062	3,728,238	66,204,650	-	1,513,069	157,067,019
Derivatives and other financial liabilities	-	-	-	-	-	-
Other borrowed funds	555,227	-	2,546,568	-	-	3,101,795
Convertible bonds (or valuable paper issued)	122,941	262,698	2,536,376	-	-	2,922,015
Other liabilities	10,001,724	84,003	1,427,508	-	36,800	11,550,035
<b>Total liabilities and shareholders' equity</b>	<b>106,835,512</b>	<b>4,970,946</b>	<b>93,746,849</b>	<b>-</b>	<b>2,503,704</b>	<b>208,057,011</b>
<b>Net on-balance sheet position</b>	<b>16,775,747</b>	<b>(148,455)</b>	<b>1,846,977</b>	<b>254,341</b>	<b>86,886</b>	<b>18,815,496</b>

(\*) The above balances represent at gross before deducting for any provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008

44 FINANCIAL RISK MANAGEMENT (CONTINUED)

44.3 Market risk (continued)

c. Liquidity risk

Liquidity risk is the risk that the Bank fails to realize its financial commitments with customers or counterparties due to unavailability of funds or liquidity.

The maturity of monetary assets and liabilities represents the remaining terms of these assets and liabilities from the balance sheet date to the maturity date according to the underlying contractual agreements or terms of issuance.

The following assumptions and conditions have been adopted in the preparation of the Bank's maturity analysis:

- Balances with the SBV are considered as current. This includes the compulsory deposits which are dependent upon the composition and maturity of the Bank's customer deposits;
- The maturity of investment securities is based on redemption dates established by the issuer of these financial instruments;
- The maturities of amounts due from other banks and loans and advances to customers are based on the contractual maturity date. The actual maturity sometimes varies from the original contractual term when the contract is extended. In addition, loans and advances to customers are shown as gross of provisions for impairment loss;
- The maturity of equity investments is considered to be over one year as equity investments have no stated maturity;
- Amounts due to other banks and owed to customers are determined based on either the nature of the amount or their contractual agreements. For example, vostro accounts and current accounts paid upon customers' demand are considered to be current. The maturity of term deposits is based on their contractual maturity date. In practice, such items may be rolled over and maintained for longer periods without withdrawal or repayment.

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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44 FINANCIAL RISK MANAGEMENT (CONTINUED)

44.3 Market risk (continued)

c. Liquidity risk (continued)

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

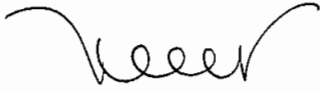
As at 31 December 2008	Overdue						Current				Total
	Over 3 months	Up to 3 months	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years				
<b>Assets</b>											
Cash and precious metals	-	-	3,482,209	-	-	-	-	-	-	-	3,482,209
Balances with the State Bank of Vietnam	-	-	30,561,417	-	-	-	-	-	-	-	30,561,417
Placements with and loans to other credit institutions (*)	-	-	21,662,929	6,023,102	1,440,819	1,218,034	32,257	-	-	-	30,377,141
Trading securities (*)	-	-	-	403,698	-	-	-	-	-	-	403,698
Derivatives and other financial assets	-	-	-	-	-	-	-	-	-	-	-
Loans and advances to customers (*)	1,014,169	1,797,819	5,546,217	19,180,651	34,633,700	15,381,824	35,238,585	-	-	-	112,792,965
Investment securities (*)	-	-	200	1,324,850	9,430,478	26,801,376	4,348,134	-	-	-	41,905,038
Investment in other entities and long-term investments (*)	-	-	976,261	-	-	1,008,457	1,167,128	-	-	-	3,151,846
Fixed assets and investment properties	-	-	-	-	-	5,104	1,355,749	-	-	-	1,360,853
Other assets (*)	-	-	27,298	2,810,042	-	-	-	-	-	-	2,837,340
<b>Total assets</b>	<b>1,014,169</b>	<b>1,797,819</b>	<b>62,256,531</b>	<b>29,742,343</b>	<b>45,504,997</b>	<b>44,414,795</b>	<b>42,141,853</b>	<b>42,141,853</b>	<b>226,872,507</b>		
<b>Liabilities</b>											
Deposits and borrowings from the State Bank of Vietnam and other credit institutions	-	-	24,822,145	97,209	4,101,636	4,371,246	23,911	-	-	-	33,416,147
Deposits from customers	-	-	85,563,880	31,118,941	36,836,781	3,522,970	24,447	-	-	-	157,067,019
Derivatives and other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Other borrowed funds	-	-	-	-	-	3,101,795	-	-	-	-	3,101,795
Convertible bonds (or valuable paper issued)	-	-	469,717	501,518	1,950,780	-	-	-	-	-	2,922,015
Other liabilities	-	-	40,001	11,510,034	-	-	-	-	-	-	11,550,035
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>110,895,743</b>	<b>43,227,702</b>	<b>42,889,197</b>	<b>10,996,011</b>	<b>48,358</b>	<b>48,358</b>	<b>208,057,011</b>		
<b>Net liquidity gap</b>	<b>1,014,169</b>	<b>1,797,819</b>	<b>(48,639,212)</b>	<b>(13,485,359)</b>	<b>2,615,800</b>	<b>33,418,784</b>	<b>42,093,495</b>	<b>42,093,495</b>	<b>18,815,496</b>		

(\*) The above balances represent at gross before deducting for any provision.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JUNE 2008 TO 31 DECEMBER 2008**

The financial statements are approved by the Bank's Management on 27 April 2009.



Phung Nguyen Hai Yen  
Deputy Director of Accounting  
And Finance Department



Nguyen Thi Hoa  
Chief Accountant



Nguyen Thi Tam  
Deputy General Director