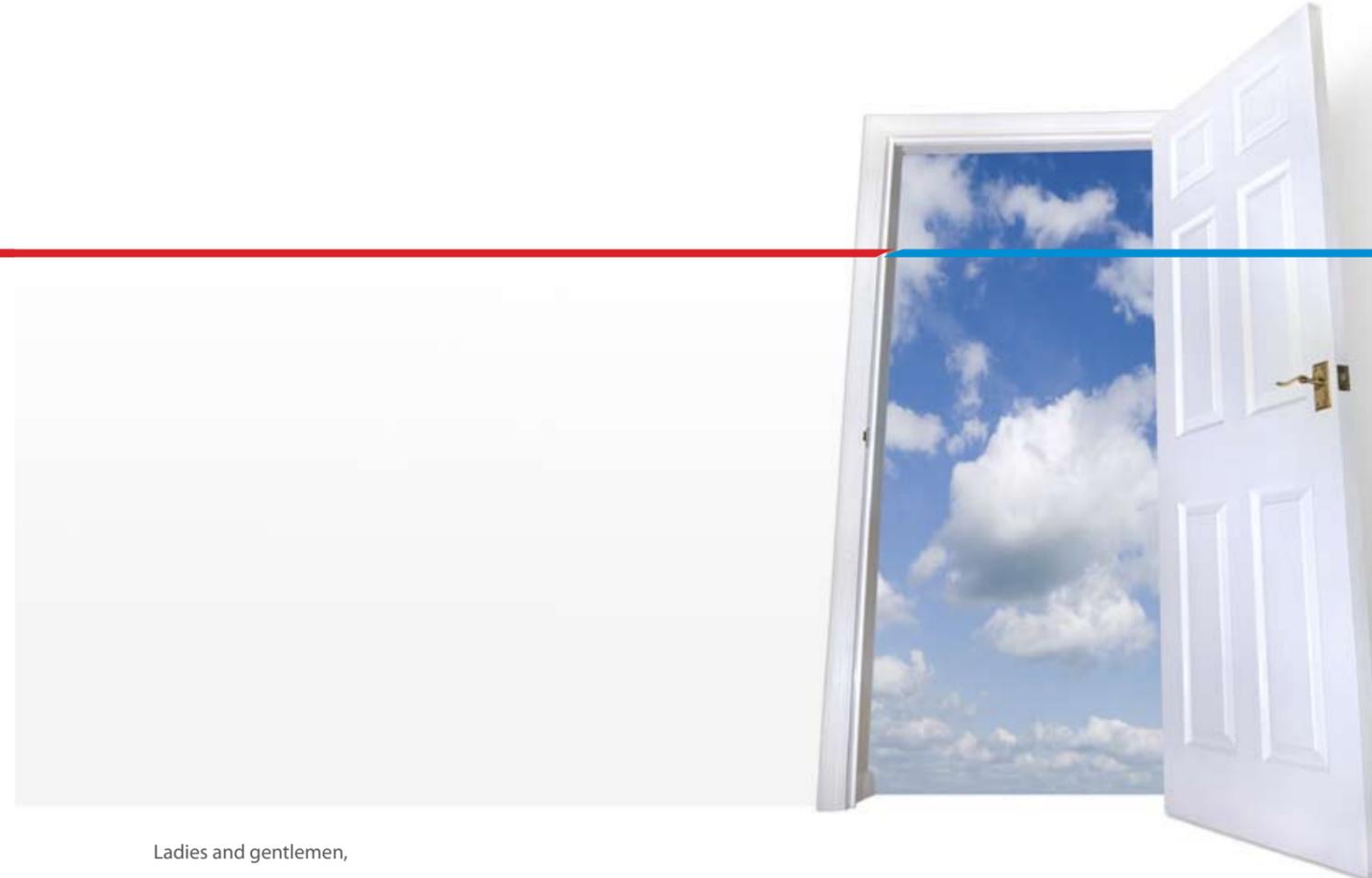


Message from the Chairman of the Board of Directors



Ladies and gentlemen,

Overcoming the challenging year of 2009, Vietnam managed to achieve encouraging results. Economic growth was stable in essence, GDP growth reached 5.32%, FDI was nearly USD 21.5 billion, ODA commitment reached USD 8 billion, while total export and import value were USD 56.5 billion and USD 67.5 billion. In such a global context of economic recession, the Vietnamese economy indeed gained positive results, which has an important meaning for stable and sustainable development.

In a universal effort of the banking industry to combat difficulties, Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) actively followed the guidelines and policies set up by the Government and the State Bank of Vietnam (SBV), managed to provide maximum support to the economy and maintain good performance, achieved and outperformed the Bank's 2009 targets. Total assets increased by 25.9%, mobilized funds by 26.1% and loans by 35.1%. In addition, branch network was expanded, and business performance was increasingly effective and safe.

Following a successful IPO, VietinBank officially changed its type of ownership to a joint stock commercial bank on July 3, 2009. On July 16, 2009, VietinBank became listed on the Ho Chi Minh Stock Exchange with the stock code CTG. These milestones recognized successes of an equitization process for one of the largest state-owned commercial banks in the economy.

In 2010, VietinBank will continue to follow and fulfill the objectives and responsibilities entrusted by the Government and the SBV, developing all business activities, taking steps to build a leading

Banking and Financial Group in Vietnam with the business motto "Safety - Effectiveness - Modernity - Sustainable Growth". VietinBank's targets for the year 2010 are 20% increase in total assets, 20% increase in mobilized funds, 25% growth in loans, NPLs ratio of less than 2.5% and VND 4 trillion of profit before tax.

The year 2010 has come together with great challenges for the economy in general and for the banking sector in particular. To maintain sustainable growth and to achieve strategic objectives require joint effort within VietinBank system from Headquarter to each branch and each employee. In addition, support from shareholders, partners, customers and government agencies is key. With history and achievements of more than 21 years of operation, combined with management's proper directions and policies, the Board of Directors, Board of Management and all employees of VietinBank will continue to devote to the development of the Bank, contributing toward the recovery and growth of the economy, together with the banking industry, fulfilling all political tasks entrusted by the Party, the State and the Government and bringing benefits to the shareholders.



Chairman of the Board
Pham Huy Hung

Business Profile



Vietnam Joint Stock Commercial Bank for Industry and Trade was established on March 26, 1988, upon its separation from State Bank of Vietnam under Decree No. 53/HĐBT of the Council of Ministers.

MILESTONES

Establishment

Vietnam Joint Stock Commercial Bank for Industry and Trade – VietinBank (formerly Industrial and Commercial Bank of Vietnam – Incombank) was established on March 26, 1988, upon the separation from the State Bank of Vietnam under Decree No. 53/HĐBT of the Council of Ministers.

Privatization and Listing

Following the successful IPO on December 25, 2008 at Ho Chi Minh Stock Exchange, VietinBank's General Shareholders Meeting was held on June 4, 2009. On July 16, 2009 VietinBank was listed on Ho Chi Minh Stock Exchange (HOSE) as CTG. On that transaction day, 121.2 million shares of the Bank became the focus of market attention and were one of the two stocks of highest liquidity. On October 11, 2009, VietinBank was ranked the second in the Top 20 leading listed companies in Vietnam.

Other events

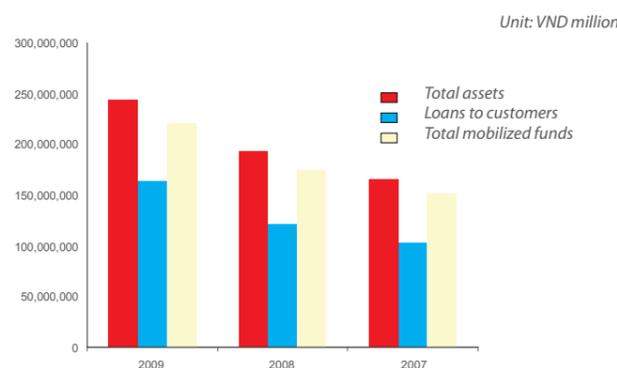
- April 15, 2008 Industrial and Commercial Bank of Vietnam changed its trade name from Incombank to the new trade name VietinBank.
- July 31, 2008 VietinBank received "ISO 9001-2000 Certificate"
- August 5, 2008 Summing up 20 years of construction - development and a ceremony to receive the second class Medal of independence.
- July 8, 2009 Announcing the decision to rename Vietnam Bank for Industry and Trade as Vietnam Joint Stock Commercial Bank for Industry and Trade, under license for establishment and operation No. 142/GP-NHNN, issued by the Governor of State Bank of Vietnam on July 3, 2009.

DEVELOPMENT

Scope of Business

VietinBank provides wholesale and retail banking services both domestically and internationally, lending and investment, trade finance, guarantees and counter-guarantees, foreign exchange, deposits, payment, money transfer, domestic and international credit card issuance and payment, travelers' checks, securities trading, insurance and leasing and other banking and financial services..

Year 2009 Performance



Some basic business results for 2009:

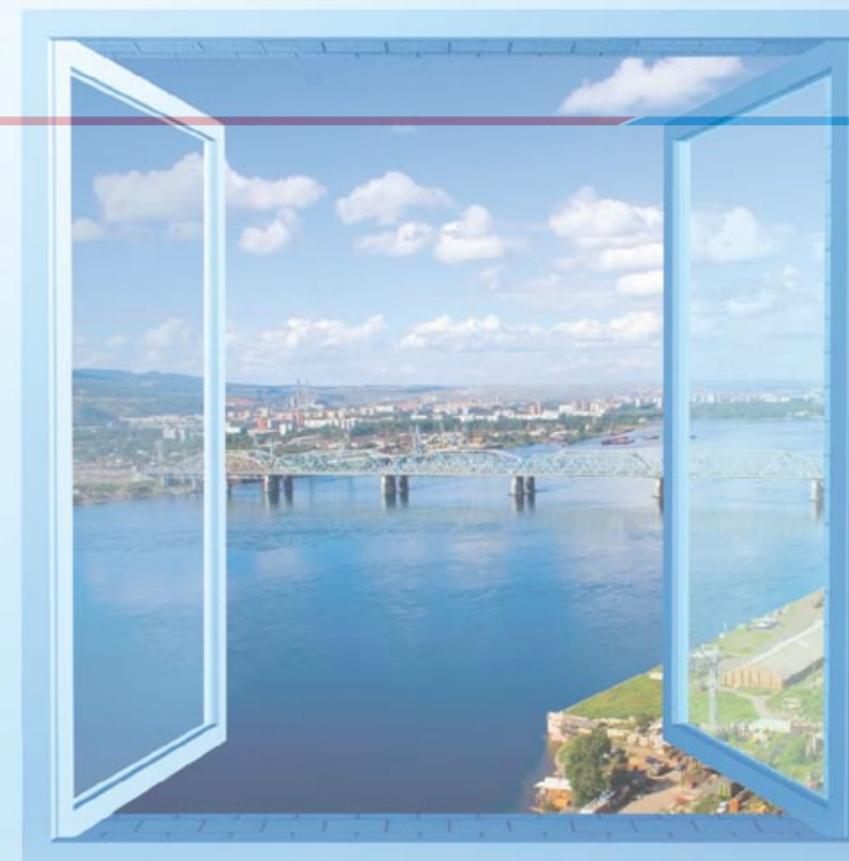
Item	Performance in 2009	Compared to 2008
Total assets (VND billion)	243,785	+25.9%
Equity (VND billion)	12,572	
Profit before tax (VND billion)	3,373	+38.4%
Dividend payout rate (for the last 6 months)	6.83%	
ROAE	20.6%	
CAR	8.06%	
Mobilized funds (VND billion)	220,591	+26.1%
Total outstanding loans (VND billion)	163,170	+35.1%
NPLs ratio	0.61%	

DEVELOPMENT ORIENTATION

Developing Vietinbank to be a modern and advanced banking and financial group in the region; comprehensively meeting all the demands and needs on banking and financial products and services, providing the best support to both domestic and overseas customers; effectively managing all resources and maintaining sustainable growth using the following strategies:

Strategy on Assets and Liabilities

- Increasing the asset size of 20-22% on average year on year,
- Increasing equity from retained earnings and issue additional shares subject to the asset size while ensuring capital adequacy ratio.
- Diversifying ownership structure on the principle that the state ownership is not less than 51%, and selecting reputable foreign strategic shareholders in accordance with the detailed plan approved by the SBV and the Government.



Strategy on Credit and Investment

- Regarding credit as a key business activity, competitive under a commercial basis.
- Maintaining a reasonable credit structure with consistency with Vietinbank strengths.
- Enhancing credit risk management and ensuring NPLs ratio of less than 3%.
- Diversifying credit investment activities in financial markets, taking the role of market orientation, improving the efficiency of capital utilization and managing liquidity of the Bank.

Strategy on Services

- Developing and launching new fee and commission generating banking services, identifying key services to focus on.
- Developing services using modern technology, taking customers' satisfaction level as the development orientation.

Strategy on Human Resource

- Standardizing human resources, providing training to improve the qualification and capability of the employees.
- Refining employment and wage mechanism.
- Building a work force highly competent and professional.

Strategy on Technology

- Regarding information technology application as the key element which supports all business development activities.
- Developing a synchronized, modern and secured information technology system, which is of uniformity - integration - stability.

Strategy on organization and administration

- Managing an organization of reasonable and clear hierarchy.
- Developing and establishing subsidiaries with the orientation of providing a full range of financial products and services to the market.
- Expanding sales network, establishing new branches and transaction offices.
- Developing stronger retail banking system.

Report from the Board of Directors



Performance highlights and implementation against plan of 2009

In 2009, Vietnamese economy in general and the banking sector in particular was more or less still suffering from the aftermath of the global crisis in the previous year. However, with the determination and efforts of the Board of Directors and all employees, 2009 was a successful year for VietinBank. The financial and business indicators for the Bank were better than those in previous year, such as: branch network expansion covering 63 provinces and cities throughout the country; asset and liabilities management improvement; NPLs ratio of 0,6%; profit before tax of VND 3,373 billion, a 30% growth unpredicted according to the plan of 2009.

Item	Plan	Results of 2009	Comparison
Total asset (VND billion)	240,388	243,785	increase
Equity growth (VND billion)	13,585	12,572	(*)
Outstanding loans growth rate	28.94%	35.1%	increase
Mobilized funds from the economy growth rate	23.9%	26.1%	increase
Wage expense to total profit before wage expense ratio	54.85%	51.65%	(**)
Profit before tax (VND billion)	2,593	3,373	increase
ROE	15.01%	20.6%	increase
Dividend payout rate (for the last 6 months)	4.31%	6.83%	increase
ROA	1.20%	1.54%	increase
CAR	> 11%	8.06%	(***)
NPLs ratio	< 3%	0.61%	decrease

Note

- * The actual charter capital of VietinBank as approved by the Governor on the date of changing to the joint stock commercial bank was lower than the charter capital under the approval on the Bank's equitization plan of the Government. The reason is that the recorded charter capital is the actual capital contribution of the shareholders. Besides, in 2009 VietinBank did not finish the process of selecting foreign strategic partners.
- ** The actual salary calculation unit of VietinBank as approved by Intemisterial Orgarnizations for 2009 was lower than projected. However, the salary VietinBank paid for its employees was highly competitive.
- *** In 2009, VietinBank utilized its capital to contribute towards the promotion of growth and prevention of economic recession. In 2009, due to the unfavorable impact of the global crisis, the selection of foreign strategic shareholders would be delayed to the next year. Capital adequacy ratio (CAR) at the end of 2009 was 8,06%, above the minimum requirement under the regulation of the State Bank of Vietnam.

Prospects and plans for the future

As anticipated, 2010 is still a year of difficulties and challenges for the economy, particularly for the banking sector. Although there are signs for recovery in the world economy, they are not really sustainable. The fact that developed countries still face various difficulties will have an impact on export markets and foreign direct investment in Vietnam. The overall economic objectives of the Government and National Assembly are to maintain the macroeconomic stability, sustain rationale economic growth, improve growth quality, prevent inflation, and strengthen the ability to ensure social security.

Based on the analysis of economic context and comparative advantages of the Bank, the Board of Directors determines the business direction for the Bank in 2010 as follows:

- (i) Continue strengthening and improving the capacity of the Bank through improving financial capability, technology and risk management, (ii) Switch management mindset towards the application of advanced and modern standards in the world in banking activities, (iii) Bring into play the advantages and overcome existing disadvantages, make full use of market opportunities in order to complete successfully all business objectives for 2010, creating prerequisites for the implementation of business strategies of VietinBank until 2015, (iv) Develop VietinBank into a major financial and banking group with strong competitiveness under the motto: "Safety - Efficiency - Modernity - Sustainable Growth,"

Based on the results achieved in 2009, with a view to developing VietinBank into a leading Banking and Financial Group in Vietnam, the financial plan of VietinBank for 2010 is shown in the following table:

Item	Unit	Target	Growth (%)
Total Asset	VND billion	292,500	20%
Charter Capital	VND billion	18,000-20,000	
Mobilized funds	VND billion	265,000	20%
Total outstanding loans	VND billion	204,000	25%
Profit before tax	VND billion	4,000	18.6%
Projected dividend payout		14%	

Major financial indicators	
ROE	18% - 19%
ROA	1.53%
CAR	>10%
NPLs ratio	<2.5%

Report from the Board of Management



REPORT ON BUSINESS PERFORMANCE

FUND MOBILIZING

Policy on interest rate subsidy of the State Bank of Vietnam to create momentum for economic growth has been driving credit growth and at the same time creating fierce competition in fund mobilization to meet the lending demand of commercial banks, particularly in the last months of 2009. In this context, the balance of funds mobilized by VietinBank was significant. These funds exceeded VND 220 trillion, a 26% growth over the previous year.

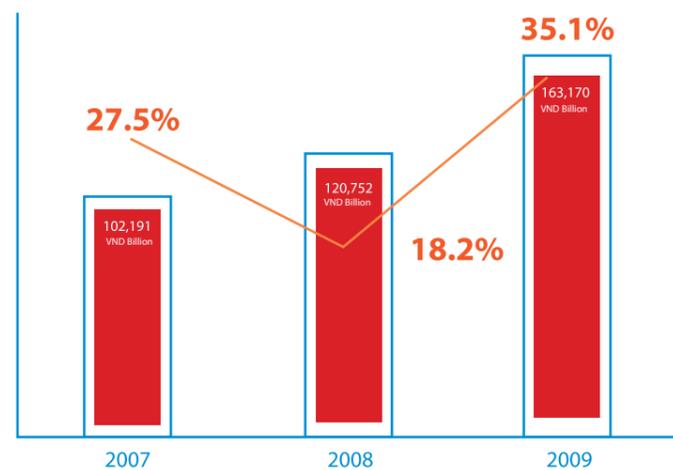
In order to achieve such results, VietinBank focused on promoting fundsmobilizingactivities,applyingflexibleandcompetitiveinterest rate policy, launching new products and product packages with utilities matching various demands of the customers. Some of the typical products are centralized accounts management, automatic account debit for tax payment/ customs fees, cash collection from sales agents/ branches service, automatic investment services, etc. Besides, VietinBank also focus on attracting and exploiting capital from international organizations and ODA such as funds from JBIC, energy saving project and other sources of funds..

FUND UTILIZING

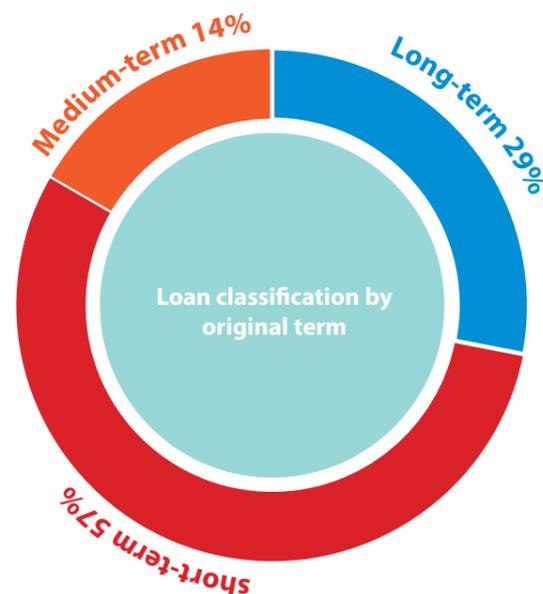
At the very first months of the year, VietinBank identified its target as to grow sustainably, safely and effectively and to maintain and gradually increase market share. Thus, during its operation, funds were managed flexibly across multiple channels to deliver the best economic benefits.

Credit activities

By the end of December 31, 2009, total outstanding loans reached VND 163,170 billion, increased by 35,1%. Together with credit growth, 2009 was also a successful year for the whole system of VietinBank in continuing enhancing customer classification and restructuring, in accordance with a strategy set out by the Board of Directors. As a result, credit quality has been improved dramatically, Loans classified as special mentioned at the end of 2009 was 1.02% (2008 was 3.29%), NPLs ratio stood at 0.61% (2008 was 1.81%) which was the lowest level among commercial banks.



Credit growth rate over years



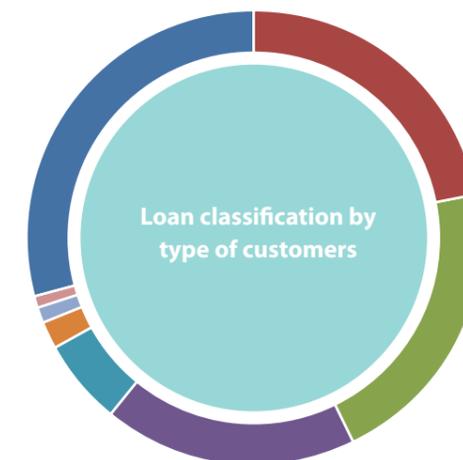
Loan classification by type of industrial sectors and type of customers

Credit funds from VietinBank over the years have always played an important role in supporting economic sectors, contributing towards the formation of development structure of the various regions and localities across the country. So far, VietinBank has been a leading bank to finance major projects of the country especially on Oil and Gas, Power, Posts and Telecommunications, Steel Industry, Petroleum, Cement, Chemicals, Textiles, typically Ca Mau Fertilizer Plant, Cong Thanh Cement, He Duong Cement, Cai Me, Hon La Seaport, Dung Quat Oil Refinery Plant, exports procurement, production and processing companies, etc. VietinBank is also a leading bank to provide credit to SMEs in the economy.

Following directions of the Board of Directors, VietinBank credit activities were kept balanced between growth objectives and risk management, Investment portfolio was maintained in harmony, key economic sectors with high development potential were set as priorities, policies of economic development of the State and the Government were strictly followed.

In loan structure, VietinBank always preferred investing in key economic sectors, of high stability such as the processing industry and commerce, accounting for 26% and 21% of the structure respectively, followed by other sectors such as construction, manufacturing and distribution of electricity, gas and water. According to its credit policies, VietinBank minimize lending to the highly speculative industries bearing high risks such as real estate and securities, etc., Customers were diversified across economic sectors, ensuring stable development to the Bank..

Customer Type	Percentage
Joint-stock companies	29%
Limited liability companies	22%
Individuals	21%
State-owned enterprises	18%
Private companies and partnership companies	6%
Foreign invested enterprises	2%
Co-operatives	1%
Others	1%



Industrial Sector	Percentage
Manufacturing and processing	26%
Wholesale and retail trade	21%
Construction	11%
Electricity, petroleum & water	10%
Transport, warehouse and communications	9%
Community, social and personal service activities	6%
Agricultural, forestry and aquaculture	4%
Hospitality services	3%
Mining and quarrying	2%
Others	8%



Investment activities

Interbank Market

By the end of December 31, 2009, investment in the interbank market of VietinBank reached VND 24,045 billion, 31.6% up as compared to 2008. Out of these interbank transactions, placements at other credit institutions were VND 22,499 billion and loans to other credit institutions were VND 1,546 billion.

Investment in Securities

Total investment in securities in 2009 was VND 39,276 billion of which investment in debt securities (including Treasury Bills, State Bank bills, government bonds, capital building bonds, Ho Chi Minh City bonds, promissory notes, bonds of credit institutions and reputable economic organizations) was VND 39,103 billion and investment in equity securities was VND 173 billion. Of total investment portfolio, available for sale investment securities accounted for 86.22% and reached VND 33,864 billion; held to maturity investment securities was VND 5,113 billion. The securities held by VietinBank were of high liquidity and brought good profitability.

Capital Contribution Activities

By December 31, 2009, the total contributed capital to subsidiaries, joint ventures and associated companies and other long-term investment was VND 1,464 billion, 61.3% up as compared with 2008. Contributed capital for investment was allocated among a number of prestigious credit institutions and economic organizations with good business performance to ensure the effectiveness of the Bank's investment.

NON-CREDIT ACTIVITIES

Payment Activities

Total number of transactions of VND payments in 2009 reached nearly 9 million, increasing by 42%, and total payment amount was VND 3,700 trillion, 31% up as compared with 2008. VietinBank implemented successfully the budget collection service including domestic tax and import-export tax collection.

For international payment, VietinBank completely centralized all international payment transactions of the whole system to go through the Main Operation Center in accordance with the new model of international payment. In addition to the application of reasonable interest rate and service fees, import and export settlement value was increased; Import value was estimated at USD 7.6 billion (accounting for a market share of 11%, a 2,54% increase compared with 2008), Export value reached USD 4.5 billion

(accounting for 8% of market share), Guarantee value reached USD 790 million, a 53% increase in comparison with 2008.

Moreover, VietinBank set up channels to send money from abroad directly to Vietnam, especially from countries with many Vietnamese workers and compatriots. In 2009, the Bank successfully applied online overseas remittance service application- VietinBank eRemit. VietinBank signed an agreement with Western Union, to accelerate the remittance amount and foreign currency amount purchased from this service. As a result, VietinBank market share increased from 12% to 15% with the total remittance amount of USD 920 million.

Foreign Exchange Trading

Affected by global recession, the supply of foreign currencies was significantly reduced. It was difficult to meet the needs of buying foreign currencies to import goods and raw materials. VietinBank set priority and try to meet the demand for importation of essential goods in accordance with the Government stipulations such as petroleum, fertilizers, pharmaceuticals, pesticides, which accounted for nearly 90% of the total amount of foreign currency trading of VietinBank. Total buying amount was USD 4.39 billion, total selling amount was USD 4.05 billion, amount of foreign currency conversions with international market reached USD 1.9 billion.

Card and E-banking Services

In 2009, VietinBank issued nearly 1 million new ATM cards, increasing the total number of ATM cards issued so far to more than 3 million, with balance of over VND 2,000 billion, employing a network of 1047 ATMs of VietinBank. 9,500 new international credit cards were issued, increased by 21% compared to 2008. Also in this year, VietinBank successfully implemented JCB card payment service, signing agreement to provide automatic payment service by card for highway fee. Over 87,000 customers were using SMS Banking service.

Retail Banking

In 2009, VietinBank continued to focus on promoting retail banking, developing and launching products, providing ultimate convenience for customers. New, high value products such as household business in the markets, lending, revenues and expenditures at home for individual customers, train ticket payment through ATM system, balance fluctuation alert through mobile phone, SMS Banking, etc.

were continuously developed and offered. A diversified product base together with improvement in customer service quality, standardization of business processes, etc helped the Bank to diversify and increase revenues from service for VietinBank.

Networking

VietinBank paid great attention to expanding its network in the year 2009. During the year, VietinBank opened 6 new branches in Cao Bang, Bac Kan, Lai Chau, Dien Bien, Ha Giang, Tuyen Quang and established additional 204 transaction offices which increased the number of VietinBank units up to 150 branches, 1 Main Operation Center, 2 Representative Offices, 793 transaction offices and savings bureaus, 3 administrative units, 4 subsidiaries and 1 joint-venture bank.

Personnel and Salary Payment Activities

VietinBank was one of the first banks to roll over the system of salary paid for each position, subject to productivity and performance, motivating responsibility as productivity is coupled with worthy remuneration. Along with the application of new salary mechanism, VietinBank developed a human resource management software that helped to improve the efficiency of personnel management, training and wages.

Banking Technology

Technology was always identified as first priority in banking operation. In 2009, VietinBank has completed the development of products and services based on modern technology such as budget collection services, tax payments, treasury, customs, SMS Banking services, overseas remittances, remittance of foreign currency, some new card services, VietinBank at Home and the new SWIFT interface. VietinBank also accomplished the process of operation of "Lang Hoa Lac data backup center", and was the only bank in Vietnam to ensure data backup to meet international standards.

Construction activities

In 2009, VietinBank started to build a series of works to ensure the facilities to expand business operations, in which two buildings were completed and put into use - Thanh Xuan Branch and Card Center. Some key works which were in building process were human resource training and development school in Van Canh, Hue and Dong Nai, Representative Office in the Middle region (Da Nang) and South region (Ho Chi Minh City), Branch No. 1 - Ho Chi Minh City, Branch No. 7 - Ho Chi Minh City, etc.

Communication

In 2009, VietinBank successfully launched many communication programs nationwide. As a result, the customer base of the Bank was expanded; the image of the Bank became more and more familiar with all economic sectors both at home and abroad.

Social responsibilities and other activities

As a commercial joint stock bank majorly owned by the Government, outside business activities, VietinBank paid much attention to activities related to the Party, Union and other social activities. The Party Apparatus within VietinBank is strengthened; the Party activities attracted great interest and were conducted in the spirit of uniform policies and resolutions across the country. Trade Union activities also contributed to the promotion of internal integration within the Bank, motivating employees' bond to the Bank, and strengthening business operations performance of VietinBank. VietinBank often encouraged employees to take part in local social activities to produce positive changes in the community.

DEVELOPMENT PLAN FOR 2010

INCREASING EQUITY, IMPROVING FINANCIAL CAPACITY

	Plan for charter capital increase in 2010	percentage	Projected amount
I	Charter capital as of beginning of 2010		11,252
II	Increase of charter capital in 2010		7,479 - 8,581
1	First issuance	34.83%	3,920
	- Stock dividends	6.83%	769
	+ Government obtains		686
	- issuance to existing shareholders	28.00%	3,151
	+ Government contributes		2,812
*	Charter capital after first issuance		15,172
	Where:		
	- Government contributes	89.23%	13,538
	- Other shareholders contribute	10.77%	1,634
2	Second issuance	10.00%	1,686
	- To IFC	10.00%	1,686
*	Charter capital after second issuance		16,858
	where:		
	- Government contributes	80.30%	13,538
	- Other shareholders contribute	19.70%	3,320
3	Third issuance	10 -15%	1,873 - 2,975
	- To foreign strategic partners	10-15%	1,873 - 2,975
*	Charter capital after third issuance		18,731-19,833
	where:		
	- Government contributes	72.27% - 68.26%	13,538
	- Other shareholders contribute	27.73% - 31.74%	5,193 - 6,295
III	Charter capital at the end of 2010 (I+II)		18,731 - 19,833
IV	Tier 2		3,971
	- IFC loans (125 mil.USD) 10 years		2,388
	- General reserves		1,583
V	Equity capital at the end of 2010 (III+IV)		22,702 - 23,804

INCREASING TOTAL ASSETS

In the year of 2010, VietinBank will take the most advantage of the extensive network, conduct research and continually offer new products and services to promote further growth of its asset and market share.

Funds mobilizing activities

In 2010, as predicted, the economy shall have to cope with many difficulties, competition in the banking and financial market shall become more aggressive. In this context, the Board of Management has identified mobilized funds development as the major and priority task, the decisive factor to the scale of the Bank. Therefore, VietinBank will continue to actively attract funds, closely monitor the market, apply flexible solutions and policies in mobilizing funds, launch various products and services to meet the needs of all customers, ensure high growth rate in funds mobilization in accordance with a rational structure.

Fund Utilizing Activities

VietinBank will continue to enhance credit and investment growth on the safe and effective basis, specifically:

- Credit activities: Building and maintaining credit structure in accordance with the direction of the SBV and the resources of VietinBank; seeking and approaching customers with good financial potentials, feasible and effective projects, and good solvency; continuing to promote credit activities in the areas encouraged by the Government such as procurement loans, food processing, agricultural products, aquaculture products, export financing; focusing more on retail segment; supplying service package customized to each type of customers.

- Investment activities: Actively forecasting and analyzing developments of the financial and money markets to capture opportunities; especially focusing on developing activities in the interbank market, bond market, maintaining the role of a market maker; diversifying investment portfolio in the capital and money markets; increasing the percentage of investment in government bonds, corporate bonds which are of high liquidity and effectiveness.

IMPROVING SERVICE QUALITY

Further promoting Bank income restructure, in which income from services and non-credit activities plays a further important role. Improving qualifications and sale skills, attitude, customer care services of the front desk employees. Continuing to implement the Regulations on Labor and Regulations on corporate culture to set standards for communication and attitude for customer service for VietinBank's employees, studying and developing new products and services, standardizing processes and all activities.

DEVELOPING CUSTOMER AND PRODUCT BASES

At present, VietinBank has developed a large, potential customer base as well as a diversified range of products and services highly competitive in the market. However, as required to integrate into international economies, facing potentially fierce competition among credit institutions, VietinBank will continue to seek for potential clientele, study and develop new products proactively meeting requirements of the target customer groups, contributing toward the expansion of customer base. Besides these target groups, other customers will continue to be of great attention. Incorporating activities of the subsidiary companies such as VietinBank Securities, VietinBank Leasing Company, VietinBank Insurance Company, VietinBank Asset Management Company, putting into operation the activities of Life Insurance Company, Fund Management Company will also be priorities to provide full financial products package to the customers and increase fee income for the Bank.

RETAIL BANKING DEVELOPMENT

Studying and formulating development strategies and implementing retail banking model and distribution channels to deliver products and services to customers in the most convenient and effective way. Utilizing VietinBank extensive network and diversified products and services to attract customers to use Bank's banking and financial products and services. Strengthening the cohesion between the Bank and its member units to promote cross-sale, providing ultimate convenience to the customers while increasing fee income; employing professional sale staff to maximize sale capacity.

RISK MANAGEMENT AND RISK SUPERVISION

To support business and investment activities, in 2010, VietinBank will continue to focus on improving risk management ability, ensuring strict compliance with SBV regulations and gradually applying international standards in management of credit risks, operational risks, interest rates risks, liquidity risks, etc. VietinBank will also enhance and refine the supervision and internal audit activities to improve management and operation quality and minimize unexpected risks and losses to the Bank.

NETWORK DEVELOPMENT

Continuing the strategy to expand business network by establishing more branches and transaction offices, transaction points in potential areas, urban areas, new commercial and industrial zones; improving the performance of all branches and transaction offices; developing international banking operation and expanding business activities in overseas market. In 2010, VietinBank will consider to establish representative offices and/or branches in countries which have good trade relations with Vietnam. The representative offices soon to be upgraded into full branches in Frankfurt and Berlin (Germany) are projected to be established in the coming time. VietinBank also plans to establish an Islamic banking joint venture with a major bank in the Middle East.

HUMAN RESOURCES DEVELOPMENT

VietinBank is at present the only commercial bank in Vietnam which has its own Human Resource Training and Development School. In 2010, VietinBank will continue to invest in building and developing the School to improve training effectiveness within the system, further enhancing knowledge and capacity for all employees.

Continuing to perform regularly task assignment, assessment, planning and appointment in accordance with the capacity and qualification of each employee; Implementing Regulations on Labor and Corporate culture, creating efficient working environment and culture with good principles, discipline, to motivate business performance, training professional, competent and qualified employees who are also highly ethical and responsible to meet the high development demand of the Bank in the period of international economic and financial integration.

TECHNOLOGY DEVELOPMENT AND BANK MODERNIZATION

In 2010, VietinBank will continue to implement the 2nd phase of the Bank Modernization Project to create a breakthrough in technology and products within VietinBank, ensuring sufficient capacity to compete with domestic and foreign banks. In particular, the Bank will invest, upgrade and put into use such modules as those on Treasury, Credit Risk Management, Operational Risk Management, Financial Management, Internet Banking, Contact Center, Term Equity Transactions as well as continue to upgrade the Personnel Management Module, etc. To positively and effectively support transaction processing activities, The Bank has adopted the strategy to develop information technology 2010 - 2015 to ensure access to advanced standards in the world, upgrading Corebanking system and current professional modules.

CONSTRUCTION

Continuing to build main offices for branches to ensure the expansion of facilities and the improvement of business operations within the Bank system. Some highlighted examples are VietinBank Head Office in 25 Ly Thuong Kiet Street (Hanoi), main office buildings in the Central Region and in Ho Chi Minh City, the system of the Human Resource Training and Development in Hanoi, Hue and Dong Nai. Especially, VietinBank will focus on speeding up the designing process to prepare for the construction of the VietinBank Tower Complex in Ciputra which will be the head quarter of VietinBank in the period 2015 onwards..

MASS COMMUNICATION AND ADVERTISING PROMOTION

Communication and marketing activities in 2010 will be promoted towards a more professional orientation, establishing VietinBank brand so that it becomes friendlier, easily recognized and value additive to the life of all customers.

SOCIAL RESPONSIBILITIES

To further the Party and Social responsibilities in 2010, and to refine and enhance the Party structure and presence within VietinBank will continue to be VietinBank top priorities. The motivations are to enhance the Bank compliance with the directions and policies of the Party and the Government of Vietnam, to strengthen Union bond, and to promote other propaganda and educational programs for the Bank staff in terms of professional work. The social responsibilities also serve to build better social communities and establish VietinBank image in the eyes of customers as both a proficient business and a rational, responsible organization according to the Bank mission: Improving the value of life.

Board of Directors

**MR. PHAM HUY HUNG**

Chairman of the Board of Directors

Qualification

Doctor of Economics (1995 – 1997 University of Finance and Accounting)

Working profile

02/1978 - 09/1980	Officer at Ministry of Finance	04/2002 - 07/2002	General Director in charge, Incombank
10/1980 - 06/1988	Officer at State Bank of Vietnam	07/2002 - 10/2007	General Director and Board Member, IncomBank
07/1988 - 02/1990	Deputy Director at Administrative Department, Incombank	10/2007 - 03/2008	Chairman of the Board of Directors, Incombank
02/1990 - 03/1992	Deputy Director at Credit Department, Incombank	04/2008 – 06/2009	Chairman of the Board of Directors, Vietnam Bank for Industry and Trade
04/1992 - 04/1993	Director at Cash Department, IncomBank	07/2009 - 31/12/2009	Chairman of the Board of Directors, Vietnam Joint Stock Commercial Bank for Industry and Trade
05/1993 - 04/1994	Deputy Director at Incombank Ba Dinh Branch		
05/1994 - 10/1996	Director at Incombank Ba Dinh Branch		
11/1996 - 04/2002	Deputy General Director, Incombank		

**MR. PHAM XUAN LAP**

General Director, Member of the Board

Qualification

Doctor of Economics

Working profile

11/1980 - 11/1989	Officer at Economic Planning Department, SBV
11/1989 - 01/1992	Director at Economic Planning Department, SBV
02/1992 - 03/1993	Credit Officer, Incombank
04/1993 - 03/1994	Director at Assets and Liabilities Department, Incombank
03/1994 - 04/1996	Managing Director, Incombank Main Transaction Center
05/1996 - 12/1996	Deputy Director, IncomBank Chuong Duong Branch
01/1997 - 09/1999	Director, Incombank Ba Dinh Branch
10/1999 - 10/2007	Deputy General Director, Incombank
11/2007 - 03/2008	General Director and Board Member, IncomBank
04/2008 - 06/2009	General Director and Board Member, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	General Director and Board Member, Vietnam Joint Stock Commercial Bank for Industry and Trade

MS. PHAM THI HOANG TAM

Member

Qualification

Doctor of Economics

Working profile

01/1982 - 04/1984	Officer at State Bank of Vietnam (SBV), Ben Tre
04/1984 - 05/1987	Director at Credit Department, SBV Ben Tre
06/1987 - 07/1988	Deputy Director, SBV Ben Tre
06/1988 - 05/1991	Deputy Director, Incombank Ben Tre Branch
05/1991 - 10/1991	Director in charge, Incombank Ben Tre Branch
11/1991 - 09/1999	Director, Incombank Ben Tre Branch
10/1999 - 01/2003	Deputy General Director, Incombank
02/2003 - 08/2006	Deputy Director at Mekong Housing Development Bank
09/2006 - 06/2009	Board Member, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Board Member, Vietnam Joint Stock Commercial Bank for Industry and Trade

Board of Directors

**MR. TRAN XUAN CHAU**

Member

Qualification

Bachelor of Economics and Banking

Working profile

02/1983 - 01/1991	Credit Officer, Incombank Ba Dinh Branch
02/1991 - 07/2008	Banks Supervision Department, SBV
1992	Deputy Director of a Department in Banks Supervision Division, SBV
1993	Director of a Department in Banks Supervision Division, SBV
04/1998 - 08/2008	Deputy Head of the Banks Supervision Division, SBV
08/2008 - 06/2009	Board Member, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Board Member, Vietnam Joint Stock Commercial Bank for Industry and Trade

MS. NGUYEN HONG VAN

Member

Qualification

Master of Banking and Finance

Working profile

12/1990 - 07/1995	Officer at Planning Department, Incombank
07/1995 - 03/2003	Deputy Director at Assets and Liabilities Management Department, Incombank
03/2003 - 03/2006	Director at Planning and Investment Department, Incombank
03/2006 - 03/2008	Director at Planning and ALCO Management Department, Incombank
04/2008 - 08/2008	Director at Planning and ALCO Management Department, VietinBank
09/2008 - 06/2009	Board Member, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Board Member, Vietnam Joint Stock Commercial Bank for Industry and Trade

MS. TRAN THI HONG HANH

Member

Qualification

Doctor

Working profile

07/1980 - 11/1990	Lecturer, Banking Operations School
12/1990 - 01/1993	Former Soviet Union abroad studies
02/ 1993 - 03/1993	Officer at Risk Management Department in Credit Division, SBV
04/1993 - 11/1994	Deputy Director at Risk Management Department in Credit Division, SBV
12/1994 - 04/1998	Director at Projects Valuation, Credit Division, SBV
04/1998 - 07/2009	Deputy Head at Credit Division, SBV
07/2009 - 31/12/2009	Board Member, Vietnam Joint Stock Commercial Bank for Industry and Trade

MS. DO THI THUY

Member

Qualification

Doctor of Economics

Working profile

02/1982 - 07/1997	Lecturer, Bank Operations School
08/1997 - 02/2001	Credit Officer, Incombank
03/2001 - 03/2003	Deputy Director at Short term Credit Department, Incombank
04/2003 - 10/2003	Director at Short term Credit Department, Incombank
11/2003 - 05/2007	Director at Corporate Department, Incombank
06/2007 - 07/2008	Director, Incombank Ba Dinh Branch
08/2008 - 06/2009	Board Member, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Board Member, Vietnam Joint Stock Commercial Bank for Industry and Trade

Board of Management

**MR. PHAM XUAN LAP**

General Director, Member of the Board

Qualification

Doctor of Economics

Working profile

11/1980 - 11/1989	Officer at Economic Planning Department, SBV	05/1996 - 12/1996	Deputy Director, IncomBank Chuong Duong Branch
11/1989 - 01/1992	Director at Economic Planning Department, SBV	01/1997 - 09/1999	Director, Incombank Ba Dinh Branch
02/1992 - 03/1993	Credit Officer, Incombank	10/1999 - 10/2007	Deputy General Director, Incombank
04/1993 - 03/1994	Director at Assets and Liabilities Department, Incombank	11/2007 - 03/2008	General Director and Board Member, IncomBank
03/1994 - 04/1996	Managing Director, Incombank Main Transaction Center	04/2008 - 06/2009	General Director and Board Member, Vietnam Bank for Industry and Trade
		7/2009 - 31/12/2009	General Director and Board Member, Vietnam Joint Stock Commercial Bank for Industry and Trade

**MR. NGUYEN VIET MANH**

Deputy General Director

Qualification

Master of Economics

Working profile

04/1984 - 03/1987	Credit Officer, Incombank Quang Nam Da Nang Branch
04/1987 - 12/1992	Credit Officer, Incombank Dong Da Branch
01/1993 - 01/1997	Deputy Director at Accounting Department, Incombank Dong Da Branch
02/1997 - 01/1999	Deputy Director, Incombank Dong Da Branch
02/1999 - 09/1999	Director, Incombank Dong Da Branch
10/1999 - 03/2003	Director, Incombank Ba Dinh Branch
04/2003 - 03/2008	Deputy General Director, IncomBank
04/2008 - 06/2009	Deputy General Director, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Deputy General Director, Vietnam Joint Stock Commercial Bank for Industry and Trade

MR. NGUYEN VAN DU

Deputy General Director

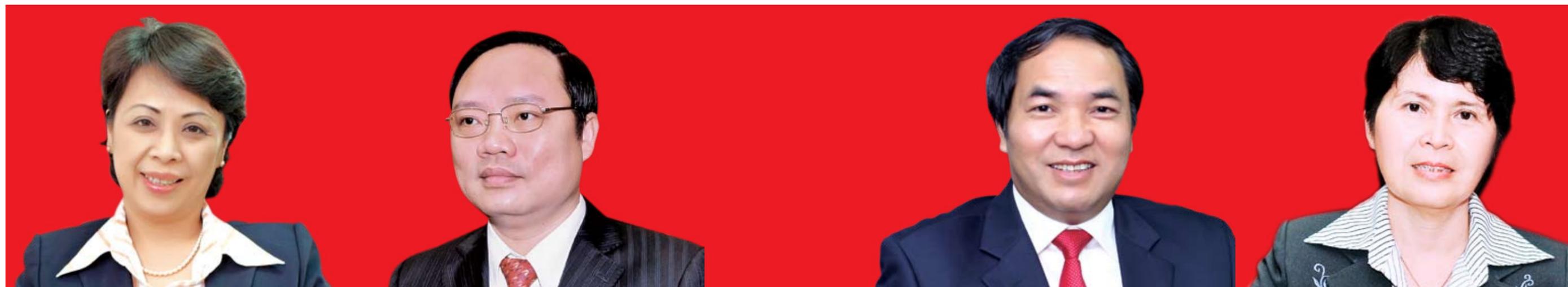
Qualification

Master of Economics

Working profile

03/1986 - 07/1987	Accountant at SBV Thanh Tri, Hanoi
08/1987 - 02/1991	Credit Officer, Incombank Dong Da Branch
03/1991 - 03/1995	Officer, Foreign Affairs Department, Incombank
04/1995 - 06/1995	Deputy Director at Foreign Affairs Department, Incombank
07/1995 - 03/1996	Director in charge at Foreign Capital Exploitation Department, Incombank
04/1996 - 03/2003	Director at Correspondent Banking and Foreign Capital Exploitation, Incombank
04/2003 - 07/2008	Director at Human Resources Department, Incombank
08/2008 - 06/2009	Deputy General Director, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Deputy General Director, Vietnam Joint Stock Commercial Bank for Industry and Trade

Board of Management

**MS. BUI NHUY**

Deputy General Director

Qualification

Master of Economics

Working profile

11/1984 - 4/1990	Officer, Incombank Hai Ba Trung Branch
05/1990 - 03/1993	Credit Officer, Incombank Hà Nội Branch
04/1993 - 04/1995	Credit Officer, IncomBank
05/1995 - 9/1997	Deputy Director at Project Management Department, Incombank
10/1997 - 10/2003	Deputy Director at Project Management and Medium Term Credit Department
11/2003 - 02/2006	Director at Credit Management Department, Incombank
03/2006 - 05/2007	Director at Credit and Investment Policy Department, Incombank
06/2007 - 07/2008	Director at Corporate Department, IncomBank
04/2008 - 07/2008	Director at Corporate Department, VietinBank
08/2008 - 06/2009	Deputy General Director, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Deputy General Director, Vietnam Joint Stock Commercial Bank for Industry and Trade

MR PHAM ANH TUAN

Deputy General Director

Qualification

Master of Business Administration

Working profile

08/1990 - 01/1994	IT Officer, Main Transaction Office No.2, Incombank
02/1994 - 02/1995	Deputy Head at IT Department, Main Transaction Office No.2, Incombank
03/1995 - 09/1997	Head of IT Department, Main Transaction Office No.2, Incombank
10/1997 - 04/1999	Deputy Head of IT Department, Main Transaction Office No.2, Incombank
05/1999 - 05/1999	Deputy Head of IT Department, Incombank. Representative Office in Ho Chi Minh City
06/1999 - 07/2008	Director at IT Center, Incombank
08/2008 - 06/2009	Deputy General Director, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Deputy General Director, Vietnam Joint Stock Commercial Bank for Industry and Trade

MR. NGUYEN VAN THANH

Deputy General Director

Qualification

Doctor of Economics

Working profile

04/1982 - 04/1985	Credit Officer - SBV Hong Gai
05/1985 - 03/1991	Accounting Officer - SBV Ha Nam Ninh
04/1991 - 08/1994	Deputy Director - Accounting Department, Incombank
09/1994 - 01/1996	Director - Administrative Department, Incombank
02/1996 - 09/1999	Director - Accounting Department, Incombank
10/1999 - 03/2008	Deputy General Director, IncomBank
04/2008 - 06/2009	Deputy General Director, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Deputy General Director, Vietnam Joint Stock Commercial Bank for Industry and Trade

MS. NGUYEN PHUONG LY

Deputy General Director

Qualification

Administration Master Degree

Working profile

11/1980 - 06/1983	Officer, SBV
07/1983 - 02/1990	Credit Officer, SBV Hanoi
03/1990 - 10/1991	Credit Officer, Incombank Hanoi Branch
11/1991 - 04/1995	Deputy Director at Credit Department, Incombank
05/1995 - 03/2003	Director at Human Resources Department, Incombank
04/2003 - 03/2008	Deputy General Director, IncomBank
04/2008 - 06/2009	Deputy General Director, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Deputy General Director, Vietnam Joint Stock Commercial Bank for Industry and Trade

Board of Management

**MR. NGUYEN VAN CHUNG**

Chief Accountant

Qualification

Bachelor of Economics

Working profile

03/1985 - 03/1990	Officer and Head of a department in Investment Bank in Ha Son Binh
04/1990 - 03/1992	Accountant, Incombank
04/1992 - 03/1994	Deputy Director at International Accounting Department, Incombank
04/1994 - 03/1998	Director at Accounting Department, Incombank
04/1998 - 03/2008	Chief Accountant, IncomBank
04/2008 - 06/2009	Chief Accountant, Vietnam Bank for Industry and Trade
07/2009 - 31/12/2009	Chief Accountant, Vietnam Joint Stock Commercial Bank for Industry and Trade

MS. TRAN THI LE NGA

Head of Supervisory Board

Qualification

Master of Economics

MS. PHAN THI QUY

Member

Qualification

Bachelor of Economics

MS. PHAM THI THOM

Member

Qualification

Master of Finance and Banking

Other information relating to the Board of Directors, Board of Management and its operation**Operation of the Board of Directors**

VietinBank's Board of Directors, with working term of 5 years, has full authority to make decisions, exercise rights and obligations for purposes and interests of the Bank, except for those falling under the jurisdiction of the General Shareholders' Meeting. The Board of Directors includes 1 Chairman and executive members who are responsible to the shareholders for the Bank performance. VietinBank's Board of Director does not have non-executive and independent member.

Changes in personnel

In 2009, Ms Tran Thi Hong Hanh joined VietinBank's Board of Directors. She is now acting both as a member of VietinBank's Board of Directors and Deputy Head of the Credit Department of the State Bank of Vietnam.

On December 10, 2009 The Board of Directors of VietinBank issued Decision No. 1433/QD-HDQT-NHCT1 on acceptance of resignation of Mr Vo Tan Thanh – Deputy General Director due to personal reason. The Decision took effect from December 15, 2009.

Operations of Committees under the Board of Directors

Currently, there are 4 committees under the Board of Directors: Risks management Committee, Personnel, Salary and Emulation Committee, Policy Committee, ALCO Management Committee operating under VietinBank's statutes and prevailing law.

Information on Charter Capital and Shareholders Structure



Information on Charter Capital and Shareholders Structure



Ownership structure

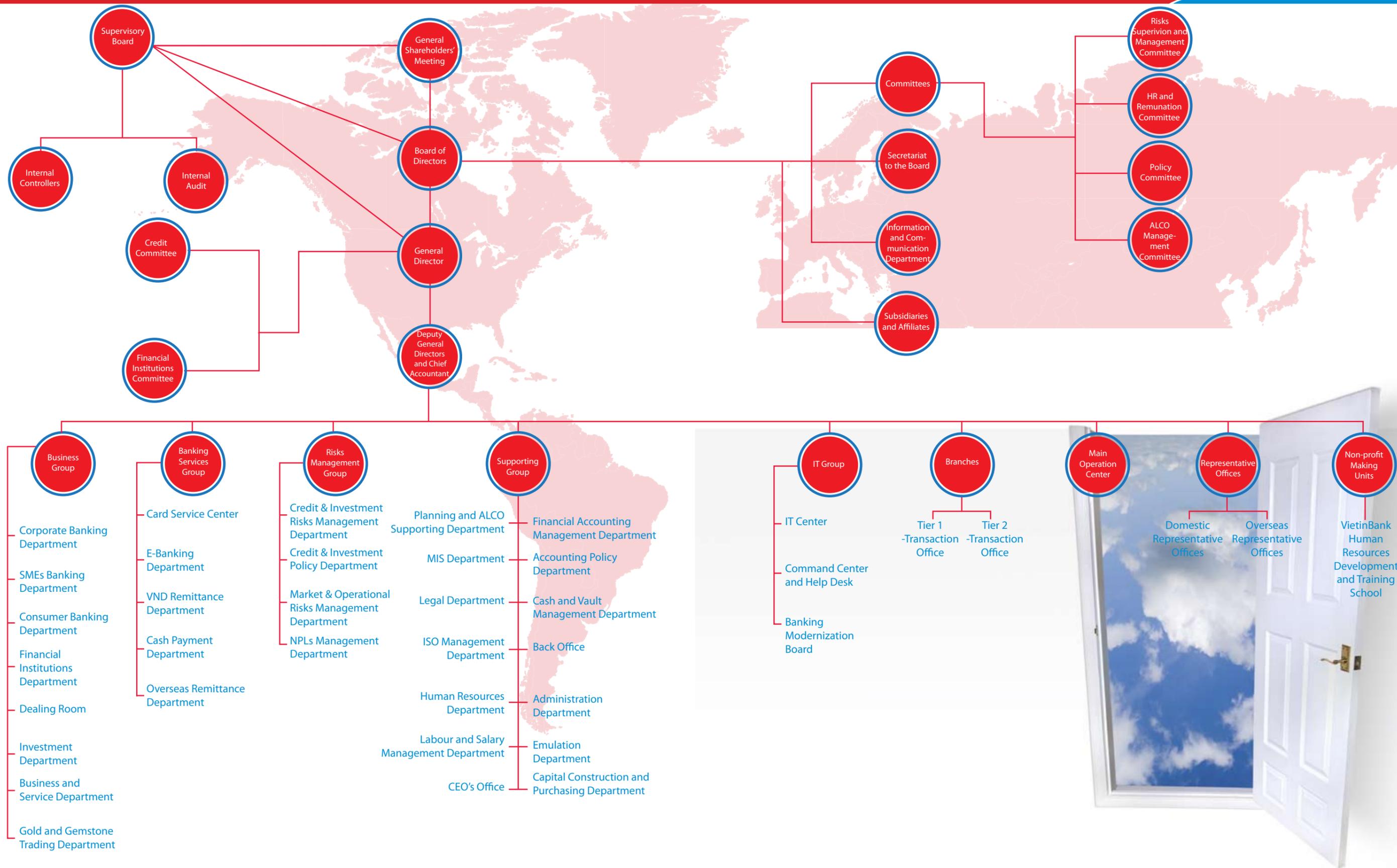
	Domestic shareholders		Foreign shareholders		Total	
	Value	Percentage (%)	Value	Percentage (%)	Value	Percentage (%)
Total paid in capital	11,205,860,340,000	99.58%	47,112,460,000	0.42%	11,252,972,800,000	100%
1. Founders	0	0.00%	0	0	0	0.00%
2. Shareholder owns more than 5%	10,040,855,000,000	89.23%	0	0	10,040,855,000,000	89.23%
The State	10,040,855,000,000	89.23%	0	0	10,040,855,000,000	89.23%
3. Shareholder owns from 1% to 5%	268,000,000,000	2.38%	0	0	268,000,000,000	2.38%
VietinBank Trade Union	268,000,000,000	2.38%	0	0	268,000,000,000	2.38%
4. Shareholders own less than 1%	944,117,800,000	8.39%	47,112,460,000	0.42%	944,117,800,000	8.39%
5. Treasury shares	0	0.00%	0	0	0	0.00%

List of shareholders who hold restricted shares

No.	Shareholder(s)	Total shares owned	Number of restricted shares	Restricted period
1	The State	1,004,085,500		According to the stipulations of the State
2	VietinBank Trade Union	26,800,000	26,800,000	Not allowed to sell shares
3	Strategic shareholders	22,247,813	20,324,580	3 years from the date of receipt of the Business Certificate by Vietnam JSC Bank for Industry and Trade
4	Members of the Board of Directors, Board of Management, Supervision Board, Chief Accountant	207,318	207,318	100% within 6 months from the listing date; 50% within the next 6 months



Organization Chart



Subsidiaries



Subsidiaries and investment in subsidiaries

Sequence	Name	Scope of activities	% owned by VietinBank
1	VietinBank Leasing Co. Ltd	Banking and Finance	100%
2	VietinBank Securities Jsc	Capital Market	76%
3	VietinBank debt and asset management company	Asset Management	100%
4	VietinBank Insurance Co., Ltd	Non-life Insurance	100%



Performance of VietinBank's subsidiaries in 2009

VietinBank Leasing Co. Ltd

From August 2009, VietinBank Leasing Company has been approved by the SBV to switch to the model of a financial leasing limited company. The Company focused on growth in investment and leasing balance and improvement in capital adequacy. Total outstanding investment and leasing balance as of December 31, 2009 was VND 1.220 billion, up 23,9% compared with 2008. In 2009, profit after tax was VND 44 billion, 10% over the plan, doubled in comparison with 2008. The Company's income primarily was from the financial leasing interest which represented 97,5% of total income

VietinBank Securities Company

In 2009, regardless the difficulties of the macroeconomic situation and the unfavorable fluctuations of the stock market, VietinBank Securities Co.'s performance was very satisfactory: Total revenue in 2009 reached VND 284 billion, profit before tax was VND 120 billion, increasing nearly 10 times in comparison with 2008. Especially, the Company has successfully launched its initial public offering in April 2009 and listed in Hanoi Stock Exchange on July 31, 2010 with the stock code CTS.

Vietinbank AMC

VietinBank AMC was established with the main tasks of managing, exploiting and selling of collateral to recover the debts. By the end of 2009, total assets of the company were VND 73 billion, net interest income reached VND 6.3 billion, pre-tax profit

reached VND 1.56 billion. At present, the Company is focusing on operation, organization and personnel restructuring to improve operational efficiency and ready for the expansion of business activities in the future.

VietinBank Insurance Company

VietinBank Insurance Company was formerly known as Incombank – Asia Insurance Company (IAI) – a joint venture between VietinBank (formerly Incombank) and Asia Insurance Company of Singapore. The Company was established in December 21, 2002 with initial capital contribution rate was 50 / 50. Under the directions of the Board of Directors, from the date of December 17, 2008, VietinBank has officially acquired the entire share capital contributed by foreign partners and renamed the company to VietinBank Insurance Company.

After the time of transformation, facing with many difficulties owing to the fierce competition in the insurance market, VietinBank Securities Company has well implemented business strategy set forth in the beginning of the year especially in the fields of market exploitation, cross-selling within VietinBank system. Revenue from insurance premium (insurance premium + reinsurance premium) was VND 77.8 billion and profit after tax reached VND 31.5 billion, 7.6 fold in comparison with 2008.





Financial
Report

TABLE OF CONTENTS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

- Independent Auditors' Report
- Consolidated Balance Sheet
- Consolidated Income Statement
- Consolidated Statement of Retained Earnings
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements

APPENDIX:

Aggregated information on the financial position and performance of the Industrial and Commercial Bank of Vietnam for the pre - equitisation period, commencing 1 January 2009 to 2 July 2009 and the Vietnam Joint Stock Commercial Bank for Industry and Trade for the post - equitisation period, commencing 3 July 2009 to 31 December 2009.

This Appendix is prepared for reference purpose only and does not form part of the audited consolidated financial statements.

**To: The Board of Directors and Board of Management of
Vietnam Joint stock Commercial Bank for Industry and Trade**

We have audited the accompanying consolidated balance sheet of Vietnam Joint Stock Commercial Bank for Industry and Trade ("the Bank") and its subsidiaries as at 31 December 2009, and the related consolidated income statement, consolidated statement of retained earnings, consolidated statement of cash flows for the period from 3 July 2009 to 31 December 2009 and the notes thereto ("the consolidated financial statements") as set out on pages 2 to 80. The consolidated financial statements are the responsibility of the Bank's Management. Our responsibility is consolidated financial statements based on our audit.

Basis of Opinion

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

Opinion

In our opinion, the accompanying consolidated financial statements, in all material respects, give a true and fair view of the financial position of the Bank and its subsidiaries as at 31 December 2009 and of their results of operations and cash flows for the period from 3 July 2009 to 31 December 2009 in accordance with the Vietnamese Accounting Standards and System for Credit Institutions and comply with other relevant financial and accounting regulations stipulated by the State Bank of Vietnam.



Ernst & Young Vietnam Limited



Vo Tan Hoang Van
Deputy General Director
Registered Auditor
Certificate No: 0624/KTV

17 March 2010
Hanoi, Vietnam



Vo Xuan Minh
Auditor in-charge
Registered Auditor
Certificate No: 0923/KTV

Consolidated balance sheet

as at 31 December 2009

Independent Auditors' Report

Reference: 60755043/14133513



	Note	31 Dec 2009 VNDm		Note	31 Dec 2009 VNDm
ASSETS			LIABILITIES		
Cash and cash equivalents	3	2,204,060	Borrowings from the Ministry of Finance and the SBV	15	13,718,689
Balances with the State Bank of Vietnam ("the SBV")	4	5,368,942	Deposits and borrowings from other banks	16	15,012,157
Placements with and loans to other banks	5	24,045,152	Deposits from other banks	16.1	9,797,640
Placements with other banks	5.1	22,499,128	Borrowings from other banks	16.2	5,214,517
Loans to other banks	5.2	1,546,024	Customer deposits and other amounts due to customers	17	148,530,242
Provision for credit losses of loans to other banks		-	Derivative financial instruments and other financial liabilities	7	220,091
Trading securities	6	299,033	Debts issued and other borrowed funds	18	34,525,002
Trading securities		302,427	Valuable papers issued	19	8,585,257
Less: provision for decline in value of trading securities		(3,394)	Other liabilities	20	10,416,457
Derivative financial instruments and other financial assets	7	75,228	Accrued interest expenses		1,740,761
Loans and advances to customers		161,619,376	Other payables	20.1	8,449,586
Loans and advances to customers	8	163,170,485	Provision for contingent liabilities and off-balance sheet commitments	9	226,110
Less provision for credit losses	9	(1,551,109)	TOTAL LIABILITIES		231,007,895
Investment securities	10	38,977,048	OWNERS' EQUITY		
Securities – available-for-sale	10.1	33,864,198	Capital and reserves		
Securities – held-to-maturity	10.2	5,112,850	Capital		
Provision for impairment of investment securities		-	Chartered capital		11,252,973
Long-term investments	11	1,463,756	Capital to purchase fixed assets		-
Investment in joint ventures	11.1	1,294,150	Other capital		-
Investment in associates	11.2	3,160	Capital surplus		88,344
Other long-term investments	11.3	166,446	Reserves	22	335,750
Provision for impairment of long-term investments		-	Foreign exchange reserve on translation of financial statements	22	58,735
Fixed assets	12	3,297,530	Difference from assets revaluation		-
Tangible assets	12.1	1,775,244	Retained earnings / (accumulated losses)	22	836,276
Cost		3,699,517	TOTAL OWNERS' EQUITY	22	12,572,078
Accumulated depreciation		(1,924,273)	MINORITY INTEREST	22	205,235
Leased fixed assets	12.2	-	TOTAL LIABILITIES, OWNERS' EQUITY AND MINORITY INTEREST		243,785,208
Cost		587			
Accumulated depreciation		(587)			
Intangible assets and land use right	12.3	1,522,286			
Cost		1,756,616			
Accumulated amortization		(234,330)			
Other assets	13	6,435,083			
Interest and fee receivables		2,698,803			
Construction in progress	13.1	500,398			
Receivables	13.2	1,513,906			
Acquisition and major repair of fixed assets		478,757			
Other assets	13.3	1,243,219			
in which: Goodwill	14	17,242			
Provision for impairment of other assets		-			
TOTAL ASSETS		243,785,208			

The attached notes from 1 to 47 form part of these consolidated financial statements

The attached notes from 1 to 47 form part of these consolidated financial statements

OFF-BALANCE SHEET ITEMS

	Note	31 Dec 2009 VNDm
Contingencies		
Credit guarantees		32,443
Letters of credit		15,073,505
Other guarantees		11,756,319
	37	26,862,267

Prepared by:

Approved by:

Approved by:





Mr. Dinh Quoc Tuan
Head of Financial Accounting
Department

Mr. Nguyen Van Chung
Chief Accountant

Mr. Nguyen Van Du
Deputy General Director

Hanoi, Vietnam

17 March 2010

	Note	Period from 03 Jul 2009 to 31 Dec 2009 VNDm
Interest and similar income	25	10,017,148
Interest and similar expenses	26	(5,566,398)
Net interest and similar income		4,450,750
Fees and commission income	27	494,361
Fees and commission expenses	27	(106,798)
Net gain from fees and commission income	27	387,563
Net gain/(loss) from dealing in foreign currencies	28	(48,215)
Net gain/(loss) from securities trading	29	65,596
Net gain/(loss) from securities investment	30	14,246
Income from other operating activities		501,130
Expenses from other operating activities		(29,415)
Net gain/(loss) from other operating activities	31	471,715
Net share of profit in associates and joint ventures	32	86,661
TOTAL OPERATING INCOME		5,428,316
Payroll and other staff costs		(1,793,512)
Depreciation and amortization charges	12	(289,496)
Other operating expenses	33	(1,080,544)
TOTAL OPERATING EXPENSES		(3,163,552)
Net profit before provision for credit losses		2,264,764
Provision of credit losses of loans to customers	9	(776,326)
Reversal of provision for off-balance-sheet commitments	9	189,851
PROFIT BEFORE TAX		1,678,289
Current enterprise income tax	21	(438,464)
Deferred enterprise income tax		44,458
Enterprise income tax expense		(394,006)
PROFIT AFTER TAX		1,284,283
Minority interest		10,739
NET PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK	22	1,273,544
Earnings per share (VND/share)	23	1,132

Prepared by:

Approved by:

Approved by:





Mr. Dinh Quoc Tuan
Head of Financial Accounting Department

Mr. Nguyen Van Chung
Chief Accountant

Mr. Nguyen Van Du
Deputy General Director

Hanoi, Vietnam

17 March 2010

The attached notes from 1 to 47 form part of these consolidated financial statements

The attached notes from 1 to 47 form part of these consolidated financial statements

	Note	Period from 03 Jul 2009 to 31 Dec 2009 VNDm
RETAINED EARNINGS AT THE BEGINNING OF THE PERIOD		-
Net profit for the period		1,273,544
RETAINED EARNINGS BEFORE APPROPRIATIONS		1,273,544
- Appropriation to reserves for current period	22	(437,088)
- Others		(180)
RETAINED EARNINGS AT THE END OF THE PERIOD		836,276

Prepared by:

Approved by:

Approved by:



Mr. Dinh Quoc Tuan
Head of Financial Accounting
Department



Mr. Nguyen Van Chung
Chief Accountant



Mr. Nguyen Van Du
Deputy General Director

Hanoi, Vietnam

17 March 2010

The attached notes from 1 to 47 form part of these consolidated financial statements

CASH FLOW FROM OPERATING ACTIVITIES

	Note	Period from 03 Jul 2009 to 31 Dec 2009 VNDm
Interest and similar income receipts		10,062,947
Interest and similar expense payments		(6,283,676)
Fees and commission income receipts	27	387,563
Net gain/loss from dealing in foreign currencies		129,618
Net gain/loss from securities trading		79,842
Other operating income		2,555
Recovery from bad debts previously written-off	31	465,629
Payment to employees and suppliers		(2,198,081)
Tax paid in the period	21.1	(284,592)
Net cash flow from operating profit before changes in operating assets and working capital		2,361,805
Changes in operating assets		(25,058,312)
(Increase)/decrease in placements with and loans to other banks	(*)	1,745,045
(Increase)/decrease in investment in securities	(*)	(3,233,709)
(Increase)/decrease in derivatives financial instruments and other financial assets	(*)	(75,228)
(Increase)/decrease in loans and advances to customers	(*)	(24,940,061)
Use of provision to write off bad debts	9	(1,070,032)
Other (increase)/decrease in other operating assets	(*)	2,515,673
Changes in operating liabilities	(*)	23,455,946
Increase/(decrease) in borrowings from the MOF and SBV	(*)	12,329,520
Increase/(decrease) in deposits and loans from other Banks	(*)	8,135,734
Increase/(decrease) in customer deposits and other amounts due to customers (including the State Treasury)	(*)	9,116,924
Increase/(decrease) in valuable papers issued (except for valuable papers from financial activities)	(*)	4,723,846
Increase/(decrease) in debts issued and other borrowed funds	(*)	(7,667,150)
Increase/(decrease) in derivatives financial instruments and other financial liabilities	(*)	(96,380)
Increase/(decrease) in other liabilities	(*)	(2,985,210)
Utilization of reserves in the period	22.1	(101,338)
Net cash flows (used in)/from operating activities		759,439
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets and construction in progress		(1,118,537)
Proceeds from disposal of equipments		6,667
Expenses from disposal of equipments		-
Acquisition of investment fixed assets		-
Proceeds from disposal of investment real estates		-
Expenses from disposal of investment real estates		-
Additional equity investments in associates and joint ventures		(223,412)
Receipts from equity investment in associates and joint ventures		-
Dividend income received from other long-term investments		5,071
Net cash flows (used)/from investing activities		(1,330,211)

The attached notes from 1 to 47 form part of these consolidated financial statements

	Note	Period from 03 Jul 2009 to 31 Dec 2009 VNDm
CASH FLOW FROM FINANCIAL ACTIVITY		
Increase in chartered capital		-
Receipt from issuing long term valuable papers qualified as owners' capital and other long term borrowings		-
Expenses from issuing long term valuable papers qualified as owners' capital and other long term borrowings		-
Payment of dividend and profit		-
Acquisition of budget shares		-
Receipt from selling budget shares		-
Net cash flows from financial activities		-
Net cash flow of the period		(570,772)
Cash and cash equivalents at the beginning of the period		-
Cash transferred from the Vietnam Bank for Industry and Trade before equitization		30,897,091
Adjustment for impact of changes in exchange rate		-
Cash and cash equivalents at the end of the period	34	30,326,319

(*): the figures were determined based on the ending balances as at 31 December 2009 and the balances transferred from the state-owned Vietnam Bank for Industry and Trade to the Vietnam Joint Stock Commercial Bank for Industry and Trade on 2 July 2009.

Non-monetary transaction

During the period from 3 July 2009 to 31 December 2009, the increase in the Bank's chartered capital includes the state owned capital valued at VNDm 10,040,885 transferred from the Vietnam Bank for Industry and Trade.

Prepared by:

Approved by:

Approved by:



Mr. Dinh Quoc Tuan
Head of Financial Accounting
Department



Mr. Nguyen Van Chung
Chief Accountant



Mr. Nguyen Van Du
Deputy General Director

Hanoi, Vietnam

17 March 2010

1. CORPORATE INFORMATION

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

Establishment and Operations

The Bank was established on 3 July 2009 under License of Registration and Establishment No. 142/GP-NHNN dated 3 July 2009, issued by the State Bank of Vietnam and License of Business Registration No. 0103038874 dated 3 July 2009 issued by Hanoi Planning and Investment Department.

The Bank was established from the equitisation of the Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 by the President of the Ministerial Council and subsequently re-established into state-owned corporation type in accordance with Decision No. 285/QĐ-NH5 dated 21 September 1996 by the Governor of the State Bank of Vietnam ("the SBV"). On 25 December 2008, the Vietnam Bank for Industry and Trade successfully undertook Initial Public Offering to 121,211,780 shares attributing for 10.77% of its chartered capital, in which those being publicly offered to public was 53,600,000 shares, to employees was 20,487,200 shares, to the Vietnam Bank for Industry and Trade's labor union was 26,800,000 shares and those offered to local strategic investors accounted for 20,324,580 shares.

The Bank's main activities are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organizations and individuals; making short-term, medium-term, and long-term loans and advances to organizations and individuals based on the nature and capability of the Bank's sources of capital; foreign exchange transactions, international trade financial services, discounting of commercial papers, bonds and other valuable papers, and providing other banking services allowed by the SBV.

Chartered capital

As at 31 December 2009, the Bank's chartered capital under License of Registration and Operation No. 142/GP-NHNN dated 3 July 2009 is VNDm 11,252,973, of which, State owned capital is VNDm 10,040,855 and capital raised from Initial Public Offering is VNDm 1,212,118..

Board of Directors

The members of the Board of Directors during the period from 3 July 2009 to 31 December 2009 and at the date of these reports are as follows:

Name	Position	Date of Appointment
Mr. Pham Huy Hung	Chairman	3 July 2009
Mrs. Pham Thi Hoang Tam	Member	3 July 2009
Mr. Pham Xuan Lap	Member and General Director	3 July 2009
Mrs. Do Thi Thuy	Member	3 July 2009
Mr. Tran Xuan Chau	Member	3 July 2009
Mrs. Nguyen Hong Van	Member	3 July 2009
Mrs. Tran Thi Hong Hanh	Member	3 July 2009



1. CORPORATE INFORMATION (continued)

Board of Supervision

The members of the Board of Supervision during the period from 3 July 2009 to 31 December 2009 and at the date of these reports are as follows:

Name	Position	Date of Appointment
Mrs. Tran Thi Le Nga	Head of the Board	3 July 2009
Mrs. Pham Thi Thom	Member	3 July 2009
Mrs. Phan Thi Quy	Member	3 July 2009

Board of Management and the Chief Accountant

The members of the Board of Management and Chief Accountant during the period from 3 July 2009 to 31 December 2009 and at the date of this report are as follows:

Name	Position	Date of Appointment/Regisnation
Mr. Pham Xuan Lap	General Director	Appointed on 3 July 2009
Mr. Nguyen Van Thanh	Deputy General Director	Appointed on 3 July 2009
Mr. Nguyen Viet Manh	Deputy General Director	Appointed on 3 July 2009
Mr. Vo Tan Thanh	Deputy General Director	Appointed on 3 July 2009 and resigned on 9 December 2009
Mrs. Nguyen Phuong Ly	Deputy General Director	Appointed on 3 July 2009
Mr. Pham Anh Tuan	Deputy General Director	Appointed on 3 July 2009
Mrs. Bui Nhu Y	Deputy General Director	Appointed on 3 July 2009
Mr. Nguyen Van Du	Deputy General Director	Appointed on 3 July 2009
Mr. Le Duc Tho	Deputy General Director	Appointed on 1 February 2010
Mr. Vo Minh Tuan	Deputy General Director	Appointed on 1 February 2010
Mr. Nguyen Hoang Dung	Deputy General Director	Appointed on 1 February 2010
Mr. Nguyen Van Chung	Chief Accountant	Appointed on 3 July 2009

Locations and the Branch Network

The Head Office of the Bank is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. At 31 December 2009, the Bank has one (1) Head Office, one (1) Operation Center, three (3) administrative units, two (2) representative offices and one hundred forty nine (149) main branches, six hundred ninety five (695) transaction centers, and ninety eight (98) saving counters located in sixty two (62) cities and provinces all over Vietnam.

Subsidiaries

As at 31 December 2009, the Bank has four (4) subsidiaries as follows:

No.	Name	Established in accordance with Decision No.	Business sector	% of ownership held by the Bank
1	Vietinbank Leasing Company Ltd.	1983/QĐ-NHNN dated 20 August 2009 by State Bank of Vietnam	Banking & Finance	100%
2	Vietinbank Securities Joint stock Company	107/UBCK- GP dated 1 January 2009 by State Security committee	Capital Market	76%
3	Vietinbank Real Estate and Financial Management Company Ltd.	580/CV-NHNN5 dated 2 July 2000 by State Bank of Vietnam	Asset Management	100%
4	Vietinbank Insurance Company Ltd.	21/GPĐC6/KDBH dated 21 April 2009 by Ministry of Finance	Non-life Insurance	100%

CORPORATE INFORMATION (continued)

Employees

Total number of employees of the Bank and the subsidiaries as at 31 December 2009 is 17,758 people (as at 3 July 2009: 16,794 people).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 *Statement of compliance with Vietnamese Accounting Standards and System for Credit Institutions*

The Board of Management confirms that the accompanying consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards and System for Credit Institutions..

2.2 *Basis for presentation of the consolidated financial statements*

The consolidated financial statements of the Bank, which are expressed in millions of Vietnamese Dong (“VNDm”), are prepared in accordance with Vietnamese Accounting Standards and System for Credit Institutions under Decision No. 479/2004/QD-NHNN issued on 29 April 2004 by the Governor of the State Bank of Vietnam which was enacted from 1 January 2005; Decision No. 16/2007/QD-NHNN issued on 18 April 2007 by the Governor of the State Bank of Vietnam regarding the financial reporting system for credit institutions; and the Vietnamese Accounting Standards and related guidance issued by the Ministry of Finance, including:

- ▶ 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

The accompanying consolidated financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying consolidated balance sheet, the related consolidated income statement, the related consolidated statement of retained earnings, the consolidated statement of cash flows, the accompanying notes to the consolidated financial statements and their utilization are not designed for those who are not informed about the Vietnam’s accounting principles, procedures and practices and furthermore 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 other than Vietnam.

2.3 *Fiscal year*

The first fiscal period of the Bank starts on 3 July 2009 and ends on 31 December 2009. The succeeding fiscal period starts on 1 January and ends on 31 December.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 *Comparative figures*

As the period from 3 July 2009 to 31 December 2009 is the first fiscal period of the Bank, there are no comparative figures to be presented on the consolidated balance sheet, consolidated income statement, and consolidated statement of cash flows.

2.5 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at 31 December 2009 and for the period from 3 July 2009 to 31 December 2009. For the purpose of consolidating the Bank’s financial statements, the financial statements of the subsidiaries are prepared for the same reporting period and under consistent accounting policies with the parent’s.

All intra-group balances, transactions, including accrued interests, income, expenses, profits and losses resulting from intra-group transactions are eliminated in full.

Financial statements of subsidiaries as presented in Note 1 are fully consolidated starting from the date the Bank had the control over the subsidiaries. The control exists as the bank has power to either directly or indirectly governs the subsidiaries’ operations or financial policies so as to obtain benefits from subsidiaries’ activities. The operating results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal, as appropriate.

Minority interest represents the portion of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned, directly or indirectly through subsidiaries, by the parent. Minority interest should be presented in the consolidated balance sheet within equity, but separate from the parent’s shareholders’ equity and liabilities. Minority interests in the profit or loss of the group should also be separately presented.

The foreign exchange difference of VNDm 58,735 was 50 percent of the surplus arising from the translation of Indovina Joint Venture Bank’s financial statements in US dollar to Vietnam dong for consolidation purpose as at 31 December 2009. The Bank recognised this surplus under equity method of accounting (see Note 11).

2.6 *Loans and advances to customers*

Loans and advances to customers are disclosed at the principal amounts outstanding at the date of financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Provision for credit losses

In accordance with the Law on Credit Institutions effective from 1 October 1998, Law on Amendment and Addition to a number of articles of the Law on Credit Institutions effective from 1 October 2004, Decision 1627/2001/QĐ-NHNN dated 31 December 2001 by the Governor of the State Bank of Vietnam on the issuance of lending regulations for Credit institutions, Decision 127/2005/QĐ-NHNN dated 3 February 2005 amending and supplementing to a number of lending regulations under Decision 1627/2001/QĐ-NHNN, Decision 493/2005/QĐ-NHNN dated 22 April 2005 and Decision 18/2007/QĐ-NHNN dated 25 April 2007 issued by the State Bank of Vietnam, the Bank is required to classify loans and create provisions for credit losses. Accordingly, loans are graded using the following risk classifications: Current, Special Mention, Substandard, Doubtful and Loss based on the payment arrears status and other qualitative factors.

Net loan and advance exposure for each individual customer is calculated by subtracting from the loan balance the related determined value of collateral which is subject to certain accepted discount rates in accordance with Decision 493/2005/QĐ-NHNN and Decision 18/2006/QĐ-NHNN.

Specific provision is established based on the net loan and advance exposure for each individual customer using the prescribed provision rates applicable to that loan classification as follows:

Group	Category	Provision rate
1	Current	0%
2	Special mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

Loans classified as either Substandard, or Doubtful or Loss are considered as non-performing loans.

In accordance with Decision 493/2005/QĐ-NHNN of the State Bank of Vietnam, a general provision is made for credit losses which are yet to be identified during the loan classification process and in specific provision as well as in case of the Bank's potential financial difficulty due to deterioration in loan quality. Accordingly, the Bank is required to fully create and maintain a general provision at 0.75% of total of loans classified in groups 1 to 4 within 5 years commencing May 2005.

These provisions are recorded in the consolidated income statement as an expense that will be used to write off any credit losses incurred. At the discretion of the Bank's Risk Settlement Committee, loans can be written off if they are classified under Group 5 or if the borrowers have been liquidated or are bankrupt entities, or if individual borrowers are deceased or are missing.

In accordance with Clause 19, Decision 493/2005/QĐ-NHNN, State owned credit institutions are allowed to plan for creation of specific provision, general provision and inform the State Bank of Vietnam and Ministry of Finance. Nevertheless, the Banks are subjected to fully create provision within 5 years since effective date of Decision 493/2005/QĐ-NHNN.

Details of loan classification, provision calculation and provision the Bank creates for the period from 3 July 2009 to 31 December 2009 is presented in Note 9.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Trading securities

Trading securities include debt securities, equity securities and other kinds of securities that the Bank fully purchased and intended to sell in short term in order to gain profits from price fluctuation.

Trading securities are initially recognized at cost as at the value date and subsequently subject to review for impairment as at balance sheet date.

Provision for impairment is made when book value of the security is higher than market value. Any impairment or decline in market value incurred is recognized as "Net gain/loss from securities trading" in the consolidated income statement.

2.9 Investment securities

2.9.1 Held-to-maturity securities

Held-to-maturity securities are debt securities which carry fixed or determinable payments and have fixed maturities and which the Bank has the intention and ability to hold to maturity in order to gain interests. These should neither be sold before maturity nor transferred to trading or available-for-sale securities.

Held-to-maturity securities are initially recognized at par value as at the value date. Any discount or surplus which is the differences between par value and the costs comprising par value plus accumulative interest (if interest payment is made at maturity) or subtract prepaid interest (if interest income is paid in-front) are amortized to the consolidated income statement using straight-line method over the remaining time to maturity of the securities. Interest income is accrued using straight-line method over the remaining time to maturity of the securities.

Held-to-maturity investments are subject to review for impairment. If there is objective evidence that a prolong decline in value has been incurred, the provision is created and recognized in the consolidated income statement as "Net Gain/loss from securities investment".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Investment securities(continued)

2.9.2 Available-for-sale securities

Available-for-sale investments include equity instruments and other debt instruments that the Bank has intention to hold for investment and that are ready for trading. These securities are not frequently traded but could be sold at any time the transactions yield benefit. The Bank is not founding shareholder; or strategic investor; or has impact on the investing enterprises' foundation, determination of financial and operating policies under agreements to appoint members to Board of Directors/ Board of Management.

Equity available-for-sale securities are always recognized at cost and debt available-for-sale securities are recognized at par value as at transaction date.

Any discount or surplus which is the differences between par value and the costs comprising par value plus accumulative interest (if interest payment is made at maturity) or subtract prepaid interest (if interest income is paid in-front) are amortized to the consolidated income statement using straight-line method over the remaining time to maturity of the securities. Interest income is accrued using straight-line method over the remaining time to maturity of the securities.

Available-for-sale investments are subject to review for impairment. When the investment's market value is less than their book value, impairment should be incurred; the amount of loss is presented in the consolidated income statement as "Net Gain/loss from securities investment".

2.10 Repurchase and Reverse Repurchase Agreements

Securities sold under agreements to repurchase at a specific date in the future (repos) are not derecognized from the consolidated balance sheet. The corresponding cash received is recognized in the consolidated balance sheet as a liability. The difference between the sale price and repurchase price is amortized to the consolidated income statement over the life of the agreement using the interest rate stipulated in the contract.

Conversely, securities purchased under agreements to resell at a specific date in the future (reverse repos) are not recognized in the consolidated balance sheet. The corresponding cash payment is recognized in the consolidated balance sheet as an asset. The difference between the purchase price and resale price is amortised over the life of the agreement using the straight-line interest rate method.

2.11 Investment in joint venture

The Bank's investment in joint venture is accounted for under equity method of accounting. The Bank's share in joint venture's profit or loss in the year is recognized in the consolidated income statement. Value of the investment in joint venture is carried in the consolidated balance sheet at the amount that reflects its share of net asset of the joint venture.

The investment in Indovina Joint Venture Bank was made in the United States dollar ("USD"), which is also the reporting currency of Indovina Joint Venture Bank. Accounting policy applicable for the translation of Indovina's financial statements into Vietnamese Dong for the purpose of accounting of the investment under equity method in the consolidated financial statements is presented in Note 2.21.

Details of the Bank's investment in joint venture is presented in Note 11.1

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Investment in associate

The Bank's investment in associate is accounted for under equity method of accounting. Associate is enterprise in that the Bank has significant impacts and is neither the Bank's joint venture nor subsidiary.

The investment is initially recognized at cost and its book value might increase or decrease by the amount reflect the Bank's share in net asset of the associate. The loss incurred over investment cost is recorded only when the Bank bears corresponding obligation. The Bank's share in net profit of the associate is recognized on the consolidated income statement. Any direct changes in owners' equity of associate is recognized in the Bank's consolidated balance sheet at the amount reflecting the Bank's share in the changes.

The reporting dates of the associate and the Bank are identical and the associate's accounting policies conform to those used by the Bank for like transactions and events in similar circumstances.

As at 31 December 2009, the Bank has one associate which is the Vietnam Gold Trading Corporation. Details of the investment in this company are presented in Note 11.

2.13 Other long term investments

Other long term investment represents the Bank's capital investments in other enterprises at that the Bank either owns less than 20% of voting right and is foundation shareholder; or strategic partner; or impacts on the enterprise' foundation, determines financial and operating policies under agreements with the Board of directors/ Board of management.

The investment is initially recognized at cost and subsequently carried at cost less impairment if any.

Provision for impairment is booked against the investments when their market values are below their book values, and when objective evidence of long-term impairment exists.

For capital contribution at other business entities, provision for impairment is made when the investee performs at loss (except that loss was previously stipulated in the original business plan) in accordance with Circular 228/2009/TT-BTC issued by the Ministry of Finance dated 7 December 2009. Accordingly, provision to be made if any is the difference between actual capital contribution of the Bank and the owner's equity of the business entity multiply by the Bank's actual holding percentage in the business entity

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation.

The cost of an asset comprises its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to the consolidated income statement.

Cost and accumulated depreciation of sold or retired assets are derecognized in the consolidated balance sheet and any gains or losses resulting from their disposal are recorded in the consolidated income statement.

The lease payment in advance for the land use right at Hanoi Nam Thang Long City Complex was recorded as intangible fixed assets as concluded by State auditor in the Bank's audited consolidated financial statements the year ended 31 December 2008.

2.15 Business combination and goodwill

Business combination is accounted for under current acquisition accounting method. The cost of business combination comprises exchanged assets' fair value as at exchange date, incurred or committed liabilities, equity instruments issued by buyer to exchange for control power over the acquired party and expenses directly related to business combination. Exchanged assets, identified payables and potential liabilities incurred in business combination are recorded at fair value as at the date of combination.

Goodwill incurred from business combination is initially recorded at original cost which is the difference between the cost of business combination and the buyer's share in the net fair value of assets, identified payables and recorded potential liabilities. After the initial recognition, goodwill is determined at original cost less accumulated amortization. Negative goodwill is recorded in the consolidated income statement and positive goodwill is allocated during estimated useful period of ten (10) years at the maximum from the date of recognition.

2.16 Tangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation.

The cost of an asset comprises its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to the consolidated income statement.

When assets are sold or retired, their cost and accumulated depreciation are removed from the consolidated balance sheet and any gains or losses resulting from their disposal are posted to the consolidated income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leasing

2.17.1 Bank as lessee

Financial leases are property leases that the lessor transfers to the lessee most of risks and rewards incidental to ownership of the leased item. The ownership of the leased item might be acquired by the lessee at the end of lease term. Assets held under finance leases are capitalized in the consolidated balance sheet at the inception of the lease at the fair value of the leased asset or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability. Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term.

Rentals under the leases are recorded as other operating expenses on a straight-line basis over the lease term.

2.17.2 Bank as lessor

Lessor recognized financial lease assets as the receivables in the consolidated balance sheet at the net value of investment definable in leasing contract. Receivables from financial leases are carried as financial income from investment of capital and service for leasing assets. Installment income is allocated over the lease term using fixed interest rate over the net investment of leasing assets.

Operating lease assets are capitalized in lessor's consolidated balance sheet. Rental incomes are recorded in the consolidated income statement on a straight-line basis over the lease term without instinction to methods of rental payment. Expenses under operating leases, including depreciation of property, are reported as expense of the relevant fiscal period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Investment property

Investment property is measured at cost, including transaction costs less accumulated depreciation.

Expenditures for additions, improvements and renewals of the investment property afterward are capitalized when the benefits out of such expenditures are not confined to the initial useful life of the investment property under estimates.

An investment property should be derecognized from the consolidated balance sheet on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. The gain or loss on disposal should be calculated as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognized as income or expense in the consolidated income statement.

Transfer to or from investment property should only be made when there is a change in use, evidenced by one or more of the following: i) commencement of owner-occupation (transfer from investment property to owner-occupied property), ii) commencement of development with a view to sale (transfer from investment property to inventories), iii) end of owner-occupation (transfer from owner-occupied property to investment property), iv) commencement of an operating lease to another party (transfer from inventories to investment property), v) end of construction or development (transfer from property in the course of construction/development to investment property).

2.19 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets is calculated on a straight-line basis over the estimated useful life of the assets, which are as follows:

Buildings and materials	6 - 40 years
Machines and equipments	3 - 7 years
Motor vehicles	6 - 7 years
Other tangible fixed assets	5 years
Accounting software	5 years
Land use rights (*)	based on lease terms
Intangible fixed assets relating to the prepayment for lease of land at Ciputra (**)	20 years
Other intangible fixed assets	3 years

(*): The cost of the land use rights is not amortized if it is granted by the Government of Vietnam and has indefinite term. The cost of land use rights with a definite term is amortized over the lease term.

(**): The prepayment for lease of land at Hanoi Nam Thang Long City Complex is amortised within 20 years in accordance with the conclusion of the State Auditors in the Audit Minute of 2008's financial statements of the Vietnam Bank for Industry and Trade.

2.20 Revenue and expenditure recognition

Interest income and interest expense are recognized in the consolidated income statement on an accrual basis. The recognition of interest income is suspended when loans become impaired, which occurs when a loan is classified from either group 2 to group 5 according to criteria set in Decision 493/2007/QĐ-NHNN dated 22 April 2005 and Decision 18/2007/QĐ-NHNN dated 25 April 2007 issued by the State Bank of Vietnam. Accrued interest income of impaired loans is reverted and kept track in off-balance sheet and is only recognized in consolidated income statement upon actually received.

Fees and commissions are recognized when earned.

Dividend income on investment activities is recognized in the consolidated income statement once right to receive dividend is established.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Foreign currency transactions

In accordance with the Bank's accounting system, all transactions are recorded in original currency. Monetary assets and liabilities denominated in foreign currencies at year-end are translated into VND using exchange rates ruling at the balance sheet date (see list of exchange rates of applicable foreign currencies against VND as at 31 December 2009 in Note 44). Income and expenses arising in foreign currencies during the year are converted into VND at rates ruling at the transaction dates. Unrealized foreign exchange differences arising from the translation of monetary assets and liabilities nominated in foreign currencies at the balance sheet date are recognized in the consolidated income statement.

The reporting currency of Indovina Joint Venture Bank is the United States dollar ("USD"). For the purpose of accounting this investment under equity method, assets and liabilities of the company are translated into VND at the ruling exchange rates as of the balance sheet date, equity accounts are translated into VND at the ruling exchange rates on the transaction date, and the income statement is translated at the average exchange rates for the year. Foreign exchange differences arising on the translation are recognized as a separate component of owners' equity.

2.22 Enterprise income taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from (or paid to) the taxation authorities as stipulated in Enterprise Income Tax Law and promulgated implementation circulars.

Current enterprise income tax is charged or credited into consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities and the Bank intends to settle its current tax assets and liabilities on a net basis.

The Bank's tax reports are subject to examination by the tax authorities. Due to the ambiguity associated with the applicability of tax laws and regulations in Vietnam, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Enterprise income taxes (continued)

Deferred tax (continued)

Deferred tax is provided using the consolidated balance sheet liability method on temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting purpose at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- ▶ Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ▶ Where taxable temporary differences are associated with investments in subsidiaries, associates and joint ventures and the Bank has the ability to control the time of reverting these temporary differences and it is likely that these temporary differences will not be reverted in the foreseeable future.

Deferred enterprise income tax assets are levied on deductible temporary differences, deductible amounts carried over to subsequent periods of taxable losses, and unutilized tax advantages when it is likely that the enterprise makes earnings in foreseeable future to use deductible temporary differences, taxable losses and tax advantages, except:

- ▶ Where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ▶ Where taxable temporary differences are associated with investments in subsidiaries, associates and joint ventures and it is likely that these temporary differences will be reverted in foreseeable future and the Bank will make taxable earnings to use these temporary differences.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to net off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity and the same taxation authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, gold, gemstone, current account at the State Bank of Vietnam, Government Bonds and other short-term valuable papers that are readily convertible into known amounts of cash; current deposits, placements with and loans to other banks that are within 90 days of maturity when acquired at transaction day.

2.24 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not reported in the consolidated financial statements since they are not assets of the Bank.

2.25 Provision for off-balance-sheet commitments

In pursuance with Decision 493/2005/QĐ-NHNN and Decision 18/2007/QĐ-NHNN issued by the SBV, credit institutions are subject to classify off-balance sheet exposures, including irrevocable commitments, commitments with specific effective date, payment guarantees and other letter of guarantees as stipulated in Clause 6 and create corresponding provision. Accordingly, off-balance sheet commitments are classified into groups Current, Special Mention, Substandard, Doubtful and Loss based on overdue status and other quantitative factors.

Provision for off-balance-sheet commitments is calculated similarly to that for loans and advances to customers as prescribed in Note 2.7. Provision expense is charged into "Provision for off-balance sheet commitments" in consolidated income statement and provision balance is carried in consolidated balance sheet as "Other liabilities".

2.26 Derivatives

2.26.1 Forward, swap, and future contracts

For foreign currency forward, swap and future contracts, the difference between equivalent VND amounts of foreign currency commitments to buy/sell using forward exchange rate and spot exchange rate as at effective date of the contract is recognized immediately as at the effective date of the contract in line "Derivative instruments and other financial assets" as an asset when it is positive, and in line "Derivatives instruments and other financial liabilities" as liabilities when it is negative. The difference is subsequently amortized in the consolidated income statements as "Net gain/loss from trading of foreign currencies" using straight-line method over the term of the contracts. As at the consolidated balance sheet date, commitments of foreign currency forward, swap and future contracts are re-measured using the official inter-bank exchange rate announced by the State Bank of Vietnam. Gain or loss from revaluation is recorded in "Net gain/loss from trading of foreign currencies".

2.26.2 Currency option contracts

Commitment amount for the currency option contracts is not recognized in the consolidated balance sheet. The fee paid or received is recorded as receivable or payable from/to derivative transactions, and is amortized to income or expense in the year using straight-line method over the maturity of the contracts. As at the consolidated balance sheet date, unrealized gain or loss arising from selling/buying option contracts are determined based on market value, cost of the contract, sales volume and maturity of the contract, and recorded in the consolidated income statements in "Net gain/loss from trading of foreign currencies".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.28 Use of estimates

The preparation of the consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income and expenses and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such provision.

2.29 Employee benefits

2.29.1 Post employment benefits

Post employment benefits are paid to retired employees of the Bank by Vietnam Social Insurance which belongs to the Ministry of Labour and Social Affairs. The Bank is required to contribute to these post employment benefits by paying social insurance premium to Vietnam Social Insurance at the rate of 15.00% of an employee's basic salary on a monthly basis for their working period. Moreover, Bank has no any responsibilities.

Employees who are retrenched as a result of organizational restructuring are entitled to an allowance for loss of work equivalent to the aggregate amount of one month's basic salary for each year of employment (twelve months) and a half of monthly basic salary for each month retired before retirement age (with the maximum of 30 months). These amounts are charged to the Bank's reserve for retrenchment

2.29.2 Voluntary resignation and retrenchment benefits

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

Retrenchment benefits: the Bank has the obligation, under Section 17 of the Vietnam Labor Code, to pay allowance to employees who are retrenched as a result of organizational restructuring or technological changes. In such case, the Bank shall pay to employees an allowance for loss of work equivalent to the aggregate amount of one month's salary for each year of employment, but no less than two months' salary. Increase or decrease of reserve balance is accounted as administration expense of fiscal period.

While the obligations under Sections 17 and 42 are compulsory, the implementation of these Sections is subject to detailed guidance issued by the Ministry of Finance in implementing circulars. In accordance with Circular 64/1999/TT-BTC dated 7 June 1999 and Circular 82/2003/TT-BTC dated 14 August 2003 by the Ministry of Finance which superseded Circular 64/1999/TT-BTC, banks are required to calculate retrenchment allowance between 1% and 3% per annum on the basic salary of the employees; and the outstanding balance of employee termination reserve which was previously created at 10% from the profit after tax and after appropriation of supplementary capital reserve in accordance with the guidance of Circular 64/1999/TT-BTC should be transferred to retrenchment allowance as provided under Circular 82.

Unemployment insurance fund: According to Social Insurance Law and Decree No. 127/2008/ND-CP dated 12 December 2008 by the Government, the Unemployment insurance fund is implemented from 1 January 2009, to which, employees contribute 1% of their salary, employers contribute 1% of salary of their employees participating in the unemployment insurance, and the Government contributes 1% of salary of all those participating in the unemployment insurance from the State budget.

3. CASH AND CASH EQUIVALENTS

	31 Dec 2009
	<u>VNDm</u>
Cash in VND	1,593,458
Cash in foreign currencies (FC)	609,119
Valuable papers in FC	1,483
	<u>2,204,060</u>

4. BALANCES WITH THE STATE BANK OF VIETNAM ("THE SBV")

	31 Dec 2009
	<u>VNDm</u>
Settlement accounts with the State Bank of Vietnam	5,368,942
Escrow account	-
Others	-
	<u>5,368,942</u>

Balances with the State Bank of Vietnam are kept for settlement purposes and maintenance of compulsory deposits. In 2009, compulsory deposits in VND and settlement deposits in foreign currency earn annual interest at rates of 1.20% and 0.10% respectively (prior period: 3.6% p.a and 0.1% p.a).

In accordance with the regulations of the SBV, the Bank is required to maintain certain cash reserves with the SBV in the form of compulsory deposits. At the reporting date, reserve ratios are 3.00% and 7.00% (2008: 2.00% and 3.00%) applicable to customer deposits in VND and foreign currencies having maturity less than 12 months; and 1.00% and 3.00% (2008: 2.00% and 3.00%) for customer deposits in VND and foreign currencies having maturity over 12 months. Accordingly, the total required average compulsory deposits (in both VND and foreign currencies) in December 2009 amounts to VNDm 4,651,841.

During the year, the Bank has maintained its compulsory deposits in compliance with the compulsory deposit requirement notifications from the SBV.

5. PLACEMENTS WITH AND LOANS TO OTHER BANKS

	31 Dec 2009
	<u>VNDm</u>
Placements with other banks	22,499,128
Loans to other banks	1,546,024
	<u>24,045,152</u>

5. PLACEMENTS WITH AND LOANS TO OTHER BANKS (continuel)

5.1 Placements with other banks

	31/12/2009
	<u>VNDm</u>
Current accounts	
- In VND	59,807
- In FC	5,557,840
Term deposits	
- In VND	7,683,130
- In FC	9,198,351
	<u>22,499,128</u>

5.2 Loans to other banks

	31/12/2009
	<u>VNDm</u>
In VND	1,456,319
In FC	89,705
Provision for credit losses of loans to other banks	-
	<u>1,546,024</u>

Classification of loans to other banks as at 30 November 2009 is as follows:

	31/12/2009
	<u>VNDm</u>
Current	1,546,024
Special Mention	-
Substandard	-
Doubtful	-
Loss	-
	<u>1,546,024</u>

As at 30 November 2009, the Bank has not made general provision for loans to other banks. Nevertheless, Decision 493/2005/QĐ-NHNN allows for the full creation of general provision within 5 years starting from May of 2005. The Bank will make full general provision for the loans to other banks before May 2010.

6. TRADING SECURITIES

Investments in trading securities as at 31 December include:

	31/12/2009 VNDm
Debt securities	
Securities issued by the Government of Vietnam	232,868
Securities issued by other local credit institutions	-
Equity securities	
Securities issued by other credit institutions	1,436
Securities issued by local business entities	68,123
Provision for trading securities	<u>(3,394)</u>
	299,033

Listing status of trading securities is as follows:

	31/12/2009 VNDm
Debt securities	
Listed	232,868
Unlisted	-
Equity securities	
Listed	63,001
Unlisted	<u>6,558</u>
	302,427

7. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS

	<i>Total net book value (at the exchange rate of balance sheet date)</i>	
	<i>Assets</i>	<i>Liabilities</i>
	<u>VNDm</u>	<u>VNDm</u>
As at 31 December 2009		
Currency derivative financial instruments	75,228	(220,091)
Forward contracts	75,228	-
Swap contracts	-	(220,091)
Buying currency option contracts	-	-
Put option	-	-
Call option	-	-
Selling currency option contracts	-	-

Put option	-	-
Call option	-	-
Currency futures	-	-
Other derivative financial instruments	-	-

8. LOANS AND ADVANCES TO CUSTOMERS

	31 Dec 2009 VNDm
Loans to local business entities and individuals	160,660,015
Discounting valuable papers	562,928
Receivables from financial leases	820,736
Loans funded by Official Development Assistance ("ODA")	1,082,533
Trusted loans	40,394
Frozen loans and loans pending for resolution	<u>3,879</u>
	163,170,485

	<i>Period from 3 July 2009 to 31 December 2009 interest rate% p.a</i>
Receivables from financial leases	10,5 to 12
Commercial loans in VND	from 7,5 to 21
Commercial loans in FC	from 5 to 10

Commercial loans comprise short-term, medium-term and long-term loans including syndicated loans led by or participated in by the Bank denominated in VND, USD and EUR.

8.1. Analysis of loan portfolio by quality

	31 Dec 2009 VNDm
Current	160,509,665
Special mention	1,660,011
Substandard	230,305
Doubtful	332,955
Loss	<u>437,549</u>
	163,170,485

8.2. Analysis of loan portfolio by original term

	31 Dec 2009 VNDm
Short-term loans	93,372,221
Medium-term loans	22,396,688
Long-term loans	<u>47,401,576</u>
	163,170,485

8. LOANS AND ADVANCES TO CUSTOMERS (continued)

8.3. Details of loan portfolio by type of business entity

	<u>31 Dec 2009</u>	
	VNDm	%
Corporate loans		
Central state-owned enterprises	24,545,794	15.04%
Provincial state-owned enterprises	4,118,455	2.52%
State limited companies	5,227,051	3.20%
Private limited companies	31,594,710	19.36%
State joint-stock companies	20,674,343	12.67%
Other joint-stock companies	27,149,067	16.64%
Partnership companies	36,663	0.02%
Private companies	9,760,987	5.98%
Foreign invested enterprises	3,254,723	1.99%
Co-operatives	1,090,403	0.67%
Loans to individuals	34,489,483	21.14%
Other loans	1,228,806	0.75%
	<u>163,170,485</u>	<u>100.00%</u>

8.4. Analysis of loan portfolio by type of industrial sectors

The loan portfolio at year-end comprises loans to entities in the following industrial sectors:

	<u>31 Dec 2009</u>	
	VNDm	%
Agricultural and Forestry	5,309,319	3.25%
Aquaculture	1,629,820	1.00%
Mining and quarrying	3,769,577	2.31%
Manufacturing and processing	41,025,501	25.14%
Electricity, Petroleum & Water	15,997,958	9.80%
Construction	17,885,395	10.96%
Wholesale and retail trade; repair of motor vehicles, motor cycles and personal goods	34,429,682	21.10%
Hospitality services	4,320,772	2.65%
Transport, warehouse and communications	15,280,939	9.37%
Financial intermediation	641,464	0.39%
Science and technology	199,175	0.12%
State management, security and national defense: Party, union, social guarantee	1,142,348	0.70%
Education and training	637,523	0.39%
Science and technology	402,623	0.25%
Health care and social work	1,034,529	0.63%
Recreational, culture, sporting activities	194,538	0.12%
Community, social and personal service activities	9,881,804	6.06%
Households	3,670,794	2.25%
International organizations and bodies	13,649	0.01%
Others	5,703,075	3.50%
	<u>163,170,485</u>	<u>100.00%</u>

9. CHANGES IN PROVISION FOR CREDIT LOSSES

Details of provision presented in consolidated financial statements as at 31 December 2009 are as follows:

	<u>Amount</u>
	VNDm
Provision for loans and advances to customers	1,551,109
Provision for contingent liabilities and off-balance sheet commitments	226,110
	<u>1,777,219</u>

Changes in the provision for loans and advances to customers during the period from 3 July 2009 to 31 December 2009 are summarized below

	<u>Specific</u>	<u>General</u>	<u>Total</u>
	provision	provision	provision
	VNDm	VNDm	VNDm
Beginning balance	-	-	-
Transferred from the Vietnam Bank for Industry and Trade before equitization	847,567	997,248	1,844,815
Provision charged to expenses during the period	1,103,786	433,525	1,537,311
Reversal of provision during the period	(563,907)	(197,078)	(760,985)
Use of provision for bad debts written-off from July to November	-	-	-
Balance as at 30 November	1,387,446	1,233,695	2,621,141
Use of provision for bad debts written-off in December	(1,070,032)	-	(1,070,032)
Closing balance	<u>317,414</u>	<u>1,233,695</u>	<u>1,551,109</u>

Changes in the provision for contingent liabilities and off-balance sheet commitments exposures during the period from 3 July 2009 to 31 December 2009 are as follows:

	<u>Specific</u>	<u>General</u>	<u>Total</u>
	provision	provision	provision
	VNDm	VNDm	VNDm
Beginning balance	-	-	-
Transferred from the Vietnam Bank for Industry and Trade before equitization	247,752	168,209	415,961
Provision charged to expenses during the period	-	33,265	33,265
Reversal of provision during the period	(223,116)	-	(223,116)
Use of provision for bad debts written-off from July to November	-	-	-
Balance as at 30 November	24,636	201,474	226,110
Use of provision for bad debts written-off in December	-	-	-
Closing balance	<u>24,636</u>	<u>201,474</u>	<u>226,110</u>

The Bank conducts loan classification according to Clause 6, Decision 493/2005/QĐ-NHNN, Decision 18/2007/QĐ-NHNN and the Bank's loan classification and provision policy. According to Decision 493/2005/QĐ-NHNN, provision for credit losses for the year ended 31 December 2009 is made based on classification of outstanding loan balances and off-balance sheet exposures as at 30 November 2009.

9. CHANGES IN PROVISION FOR CREDIT LOSSES (continued)

Breakdown of loan classification and credit loss provision required by Decision 493/2005/QĐ-NHNN, Decision 18/2007/QĐ-NHNN and the Bank's loan classification and provision Policy as at 30 November 2009 is as follows

<i>Classification</i>	<i>Loan balance (*) VNDm</i>	<i>Specific provision VNDm</i>	<i>General provision VNDm</i>	<i>Total VNDm</i>
Current	162,014,607	-	1,215,111	1,215,111
Special mention	1,857,213	79,707	13,929	93,636
Substandard	259,406	30,439	1,945	32,384
Doubtful	361,355	105,871	2,710	108,581
Loss	1,571,477	1,171,429	-	1,171,429
	166,064,058	1,387,446	1,233,695	2,621,141

(*): balance as at 30 November 2009

Provision for contingent liabilities and off-balance sheet exposures as at 30 November 2009 is as follows:

<i>Classification</i>	<i>Off balance sheet exposures (*) VNDm</i>	<i>Specific provision VNDm</i>	<i>General provision VNDm</i>	<i>Total VNDm</i>
Current	26,480,050	-	198,600	198,600
Special Mention	363,792	15,440	2,728	18,168
Substandard	6,959	75	52	127
Doubtful	12,526	6,184	94	6,278
Loss	20,168	2,937	-	2,937
	26,883,495	24,636	201,474	226,110

(*): balance as at 30 November 2009

As at 30 November 2009, the Bank has fully created provision for outstanding balances of loans and advances to customers as at 30 November 2009 including both specific provision and general provision in accordance with Decision 493/2005/QĐ-NHNN and Decision 18/2007/QĐ-NHNN issued by the SBV.

<i>Provision for credit losses</i>	<i>Specific provision for credit losses VNDm</i>	<i>General provision for credit losses (*) VNDm</i>	<i>Specific provision for off-balance sheet exposures VNDm</i>	<i>General provision for off-balance sheet VNDm</i>	<i>Total VNDm</i>
According to Decision 493	1,387,446	1,233,695	24,636	201,474	2,847,251
Recorded by the Bank	1,387,446	1,233,695	24,636	201,474	2,847,251
Difference	-	-	-	-	-

(*): this does not include general provision for loans to other banks. See Note 5.2.

10. INVESTMENT SECURITIES

Available-for-sale securities

Debt securities

Government bonds

Debt securities issued by other local credit institutions

Debt securities issued by local business entities

Equity securities

Equity securities issued by other local business entities

Provision for available-for-sale securities

Held-to-maturity securities

Securities issued by Government

Securities issued by other local financial institutions

Securities issued by local business entities

Provision for impairment of held-to-maturity

31 Dec 2009
VNDm

33,864,198

33,756,957

24,423,861

2,000,464

7,332,632

107,241

107,241

-

5,112,850

3,282,850

80,000

1,750,000

-

38,977,048

10. INVESTMENT SECURITIES

10.1 Available-for-sale securities

Details of debt securities available-for-sale held by the Bank and its subsidiaries as at 31 December are as follows:

	31 Dec 2009	
	Par value	Carrying value VNDm
Securities issued by the Government	VNDm	Carrying value
Treasury bills	VNDm	2,900,000
Government bills in VND	20,009,037	20,051,548
Government bills in USD	230,685	230,685
Municipal bonds issued by People's Committee of HCM City	1,017,083	1,017,083
Municipal bonds issued by People's Committee of Hanoi	224,545	224,545
Debt securities issued by other local credit institutions	2,011,000	2,000,464
Bonds issued by Vietnam Bank for Agricultural and Rural Development	170,000	164,117
Bonds issued by Bank for Investment and Development of Vietnam	391,000	386,347
Bonds issued by Asian Commercial JS Bank	50,000	50,000
Bonds issued by Sai Gon Commercial JS Bank	100,000	100,000
Bonds issued by Technological and Commercial JS Bank	100,000	100,000
Bonds issued by Hanoi Building Commercial JS Bank	300,000	300,000
Bonds issued by Maritime JS Bank	500,000	500,000
Bonds issued by International Commercial JS Bank	200,000	200,000
Bond issued by Petro Vietnam JS Finance Corporation	200,000	200,000
Debt securities issued by local business entities	7,332,135	7,332,632
Bond issued by Vietnam Electricity Corporation	809,910	810,950
Bonds issued by Vietnam Shipbuilding Industry Group	500,000	500,000
Bonds issued by Vietnam Machinery Erection Corporation	50,000	50,000
Bonds issued by Vietnam National Coal – Mineral Industries Group	700,000	700,000
Bonds issued by FPT Corporation	500,000	500,000
Bonds issued by Nova Real Estate JS Company	1,622,225	1,622,225
Bonds issued by Vinpearl Land Tourism JS Company	1,200,000	1,200,000
Bonds issued by Vietnam Steel JS Company	600,000	600,000
Bonds issued Cong Thanh Cement JS Company	300,000	300,000
Bonds issued by Expressway Corporation	300,000	300,000
Bonds issued by Minh Phu Sea food Corporation	50,000	50,000
Bonds issued by Kinh Bac Urban Development JS Company	650,000	650,000
Bonds issued by Saigon Commercial Company	20,000	19,457
Bonds issued by Mountainous Design Supporting Commercial Company	30,000	30,000
	33,724,485	33,756,957

10. INVESTMENT SECURITIES (continued)

10.1 Available-for-sale securities (continued)

- *Treasury bills* carry a term of less than 1 year and bear interest at rates ranging from 7.49% to 10.40% per annum (02/07/2009: 7.40% to 15.50% per annum), in which interest is prepaid on value date
- *Government bonds in VND* have term ranging from 2 to 15 years, bear interest at rates ranging from 6.50% to 17.50% (02/07/2009: from 6.50% to 17.50% p.a.), interest is payable on the annual anniversary date;
- *Government bonds in USD* have a term of 1 year and bear interest rate of 3.00% per annum (02/07/2009: 3.00% per annum), interest is payable on the annual anniversary date;
- *Municipal bonds issued by People's Committee of Ho Chi Minh City* have term ranging from 3 to 15 years. These bonds are issued in different times, earn interest at rates ranging from 7.80% to 10.4% per annum depending on each issuance (02/07/2009: 8.35% to 9.55% p.a.)
- *Municipal bonds issued by Hanoi People's Committee* have a term of 5 years and bear interest at rates ranging from 8.70% to 9.10% per annum (02/07/2009: from 8.70% to 9.10% p.a.), interest is payable on the annual anniversary date;
- *Bills issued by Vietnam Bank for Agriculture and Rural Development* have term ranging from 10 to 15 years, bear interest at rates ranging from 9.80% to 10.20% per annum (02/07/2009: from 9.80% to 10.20% p.a.), interest is payable on the annual anniversary date;
- *Bonds issued by Bank for Investment and Development of Vietnam* have term ranging from 5 to 10 years, bear interest at rates ranging from 8.15% to 9.08% per annum. (02/07/2009: from 8.15% to 9.80% p.a.), interest is payable on the annual anniversary date;
- *Bonds issued by Asia Commercial Bank* have a term of 5 years, bear interest at rate of 8.60% per annum (02/07/2009: 8.60% p.a.) and interest is payable on the annual anniversary date;
- *Bonds issued by Sai Gon Commercial JS Bank* have a term of 3 years and bear interest at rate of 10.45% per annum, interest is payable on the annual anniversary date;
- *Bonds issued by Technological and Commercial JS Bank* have a term of 3 years and bear interest at rate of 10.50% per annum, interest is payable on the annual anniversary date;
- *Bonds issued by Hanoi Building Commercial Joint stock Bank* have a term of 2 years, bear interest at rate of 10.50%, interest is payable on the annual anniversary date;
- *Bonds issued by Maritime Joint stock Bank* carry a term of 2 years and earn floating interest rate, except for the first issuance at 10.40%, interest is payable on the annual anniversary date;
- *Bonds issued by International Commercial Joint stock Bank* have a term of 2 years and earn floating interest rate (10.50% applicable for the first year), interest is payable on the annual anniversary date;
- *Bonds issued by Petro Vietnam Joint Stock Finance Company* have a term of 5 years and bear interest at the rate of 8.60% per annum, interest is payable on the annual anniversary date;
- *Bonds issued by Vietnam Electricity Corporation* have a term of 5 years and earn floating interest rate (as at 31 December 2009: ranging from 8.80% to 9.23% per annum), interest is payable on the annual anniversary date;
- *Bonds issued by Vietnam Ship Building Industry Group* have term ranging from 5 to 10 years and earn interest at rates ranging from 9.40% to 10.50% per annum, except two have floating interest rate. Interest is payable on the annual anniversary date;

- Bonds issued by Vietnam Machinery Erection Corporation (LILAMA) have a term of 5 years and bear interest at rate of 9.60% per annum, interest is payable on the annual anniversary date;
- Bonds issued by Vietnam National Coal – Mineral Industries Group have term ranging from 5 to 10 years, earn interest at rate of 9.50% per annum and floating interest rate (10.40% for the first year), interest is payable on the annual anniversary date;
- Bonds issued by FPT corporation have a term of 3 years, earn interest at rate of 7.00% per annum and a receipt of income from selling bonds (equivalent interest at rate: 12.00% p.a.), interest is payable on the annual anniversary date;
- Bonds issued by Nova Real estate Joint stock Company have a term of 5 years and earn floating interest rate (12.00% for the first year), interest is payable on the annual anniversary date;
- Vinpearl Land Tourism Joint stock Company have terms ranging from 3 to 5 years, earn floating interest rate (12.00% for the first year), interest is paid on a semi annual basic.
- Bonds issued by Vina Steel Joint stock Company have a term of 3 years, earn floating interest rate (11.25% for the first year), interest is payable on the annual anniversary date;
- Bonds issued by Cong Thanh Cement JS Company have a term of 5 years, earn floating interest rate (14.20% for the first year), interest is payable on the annual anniversary date;
- Bonds issued by Expressway Corporation have terms of 3 and 5 years, bear interest at rates 10.00% and 9.00% p.a. respectively, interest is payable on the annual anniversary date;
- Bonds issued by Minh Phu Seafood Corporation have a term of 5 years, bear interest at rate of 9.98% and interest is payable on the annual anniversary date;
- Bonds issued by Kinh Bac Urban Development Joint stock Bank have a term of 5 years and earn interest at a rate of 11.50% on the annual anniversary date;
- Satra Bonds issued by Saigon Commercial JS Company have a term of 5 years and earn interest at rate of 9.60% on the annual anniversary date;
- Bonds issued by Mountainous Design Supporting Commercial Company have a term of 3 years and interest at a rate of 12.50% on the annual anniversary date;

Details of the Bank's equity securities - available for sale as at 31 December 2009 are as follows:

	31 Dec 2009	
	Cost VNDm	% ownership of the Bank
Investment in business entity		
Thai Nguyen Iron and Steel JS Company	101,000	5.43%
Vietnam National Reinsurance Corporation	6,241	0.45%
	107,241	

10. INVESTMENT SECURITIES (continued)

10.2 Held-to-maturity securities

	31 Dec 2009	
	Par value VNDm	Carrying value VNDm
Government securities	3,284,392	3,282,850
Special Government Bonds	2,200,000	2,200,000
Government Bonds in VND	277,141	277,141
Education Bonds	590,741	589,199
Treasury bills	10,200	10,200
Municipal Bonds for irrigation works ("Irrigation Bonds")	15,010	15,010
Cau Moi Dong Nai water reservoir bonds	15,000	15,000
Municipal bonds issued by People's Committee of HCMC	150,000	150,000
Municipal bonds issued by People's Committee of Hanoi	26,300	26,300
Debt securities issued by other credit institutions	80,000	80,000
Bonds issued by Vietnam Bank for Agricultural and Rural Development	80,000	80,000
Debt securities issued by other business entities	1,750,000	1,750,000
Bonds issued by Vietnam Electricity Corporation	650,000	650,000
Bonds issued by Vinpearl Land Tourism JS Company	800,000	800,000
Bonds issued by Nova Real Estate JS Company	300,000	300,000
	5,114,392	5,112,850

- *Special Government Bonds:* These bonds have a term of 20 years commencing from 2002 - 2004 and earn a fixed interest rate of 3.30% per annum, interests are received every anniversary date of the bonds. The Bank is not permitted to sell, transfer or discount these bonds within 5 years from the date of issuance. From 3 July 2009, interest income on Special Government Bonds is treated as income from investment activities and recorded as the Bank's income in accordance with official documents No. 18036/BTC-TCNH.

Details of Special Government Bonds as at 31 December 2009 are as follows:

	Start date	Maturity date	Interest rate (%/p.a.)	Face value VNDm
First issuance	20/09/2022	20/09/2022	3.30	1,000,000
Second issuance	04/06/2003	04/06/2023	3.30	400,000
Third issuance	18/11/2003	18/11/2023	3.30	400,000
Fourth issuance	21/12/2004	21/12/2014	3.30	400,000

- *Government Bonds in VND* have terms of 2 years and 5 years, bearing interest rate ranging from 8.00% to 9.00% per annum. Interest is paid annually and at maturity.
- *Education Government Bonds* were issued in 2 times: the first issuance was in 2003, yields interest at rate of 8.00% per annum and matures in 2008. The second issuance was in 2005, earns interest at rate of 8.20% per annum and matures in 2010. Interest income on Education Government Bonds will be paid once at maturity;
- *Treasury Bonds* issued in 2009 are two-year term bonds that bear interest at rates of 9.00%

10. INVESTMENT SECURITIES (continued)

10.2 Held-to-maturity securities (continued)

- *Irrigation Bonds* were issued in two times. The first issuance was in 2005 of which the bonds shall mature in 2010, bears interest at rate of 8.50% per annum. The second issuance took place in 2009 and shall come to maturity in 2010 and 2011, yielding interest at rate of 8.60% on an annual basic and at maturity.
- *Municipal bonds* issued by People's Committee of Ho Chi Minh City are five-year term bonds which are issued in different times. These bonds earn interest at rates ranging from 8.35% to 9.55% per annum depending on each issuance. The Bank has ability and intention to hold these bonds to maturity;
- *Dong Nai water reservoir* bonds have a term of 5 years and earn interest at a rate of 8% on annual anniversary date; Municipal bonds issued by People's Committee of Hanoi have a term of 5 years and earn interest at rate of 8.80%. Interest is paid once at maturity;
- *Bonds issued by Vietnam Bank for Agricultural and Rural Development* have five-year term and earn interest at rate of 9.80 per annum, interest is payable on annual anniversary. The Bank has ability and intention to hold these bonds to maturity;
- *Bonds issued by the Vietnam Electricity Corporation (EVN)* have a term of 5 years with floating interest rate. The applied rates as at 31 December 2009 were 12.3% and 18.45%;
- *Bonds issued by Vinpearl Land* have term of 3 and 5 years with floating interest rate. The applied rates as at 31 December 2009 is 12.00% per annum for 3 year term bonds and 12.50% for 5 year term bonds. Interest is paid semiannually;
- *Bonds issued by Nova Real estate Commercial JS Company* have term of 5 years with floating interest rate. The applied rates as at 31 December 2009 is 12.00% per annum. Interest is paid annually;

11. LONG-TERM INVESTMENTS

	<i>Investment in joint venture</i>	<i>Investment in associate</i>	<i>Other long-term investments</i>	<i>Total</i>
	<i>VNDm</i>	<i>VNDm</i>	<i>VNDm</i>	<i>VNDm</i>
Balance as at 3 July 2009	-	-	-	-
Transferred from the Vietnam Bank for Industry and Trade	943,095	3,000	161,452	1,107,547
Increase in contributed capital	223,412	-	4,994	228,406
Share of gain/(loss) from associates and joint ventures under equity method (Note 32)	68,908	160	-	69,068
Difference from translation of financial statements	58,735	-	-	58,735
Less: Dividends received in the period	-	-	-	-
Decrease in contributed capital	-	-	-	-
Balance as at 31 December 2009	1,294,150	3,160	166,446	1,463,756

11. LONG-TERM INVESTMENTS (continued)

11.1 Investment in joint venture

Details of the Bank's investments in joint venture as at 31 December are as follows:

	31 Dec 2009			
	<i>Cost in original currency</i>	<i>Cost in VND</i>	<i>Carrying value under equity method</i>	<i>% owned by the Bank</i>
	<i>(USD)</i>	<i>VNDm</i>	<i>VNDm</i>	
INDOVINA Joint Venture Bank	62,500,000	1,002,058	1,294,150	50%
	62,500,000	1,002,058	1,294,150	

Indovina Joint Venture Bank ("Indovina Bank") was incorporated in Vietnam with its Head Office located in Ho Chi Minh City and is engaged in the provision of banking services. It is a joint venture between the Bank and Cathay United Bank, which is a bank incorporated in Taiwan. The joint venture was granted by the Banking License No 08/NH-GP dated 29 October 1992 issued by the State Bank of Vietnam for a period of 20 years with chartered capital of USD 25,000,000.

Since establishment, chartered capital of Indovina Bank has been increased several times under the approval of the State Bank of Vietnam, accordingly, the capital contributed by both parties concurrently increased while the ownership proportion remained unchanged. Details are as follow:

<i>Time</i>	<i>Year</i>	<i>Share capital (USD)</i>	<i>The Bank's contribution (USD)</i>	<i>Value (USD)</i>	<i>State Bank of Vietnam's document of approval</i>
1	2006	35.000.000	17.500.000	10.000.000	Official document 9024/NHNN-CNH dated 23 October 2006
2	2007	50.000.000	25.000.000	15.000.000	Official document 9278/NHNN-CNH dated 24 August 2007
3	2008	70.000.000	35.000.000	20.000.000	Official document 5807/NHNN-CNH dated 26 June 2008
4	2008	100.000.000	50.000.000	30.000.000	Official document 10560/NHNN - CNH dated 2 December 2008
5	2009	125.000.000	62.500.000	12.500.000	Official document 8114/NHNN-TTGSNH dated 15 October 2009

11. LONG-TERM INVESTMENTS (continued)

11.2 Investment in associate

Details of investment in associate as at 31 December 2009 are as follows:

	31 Dec 2009		
	Cost VNDm	Carrying value under equity method VNDm	% owned by the Bank
Vietnam Gold Investment and Trading Company	3,000	3,160	17.6%
	3,000	3,160	

Vietnam Gold Investment and Trading Company was officially granted Certificate of Operation No. 0103034158 dated 8 January 2009 and started up the operation on 15 January 2009 with chartered capital of VND 100,000 million. As at 2 July 2009, its contributed capital from shareholders amounted at VND 15,000 million. The company's main activities are to provide services of gold trading, exporting and to advise the investors. As at 31 December 2009, Vietinbank held 10% shares of the company and its subsidiary Vietinbank Security Company held another 10%.

11.3 Other long term investments

Details of other long-term investments as at 31 December 2009 are as follows:

	31 Dec 2009		
	Cost VNDm	Carrying value VNDm	% owned by the Bank
<i>Investment in credit institutions</i>			
Saigon Bank for Industry and Trade	85,155	85,155	5.68%
Gia Dinh Commercial Joint Stock Bank	16,888	16,888	1.69%
Central People's Credit Fund	5,000	5,000	0.45%
<i>Investment in business entities</i>			
Vietnam National Financial Switching Company	15,000	15,000	15.87%
Ha Tien II Cement JS Company	8,283	21,736	0.94%
Phuoc Hoa Rubber JS Company	4,000	22,287	0.49%
PCB Investment JS Company	380	380	9.09%
	134,706	166,446	

12. FIXED ASSETS

12.1 Tangible fixed assets

Movements of tangible fixed asset categories for the period from 3 July 2009 to 31 December 2009 are as follows:

	Buildings & construction VNDm	Machines & equipments VNDm	Motor vehicles VNDm	Others VNDm	Total VNDm
Cost:					
As at 3 July 2009	-	-	-	-	-
Transferred from business before equitization	670,052	1,912,831	393,699	178,662	3,155,244
Acquisition in the period	118,597	353,340	62,449	11,475	545,861
Constructions completed	54,059	-	-	-	54,059
Other additions	2,666	1,254	-	13,022	16,942
Disposal	(9,444)	(48,260)	(9,439)	-	(67,143)
Reclassification	-	-	-	(2,928)	(2,928)
Other decreases	(127)	(2,391)	-	-	(2,518)
As at 31 December 2009	835,803	2,216,774	446,709	200,231	3,699,517
Accumulated depreciation					
As at 3 July 2009	-	-	-	-	-
Transferred from business before equitization	344,964	1,063,623	213,280	120,316	1,742,183
Depreciation charged in the period	28,432	181,123	31,234	14,436	255,225
Disposal	(6,204)	(48,260)	(9,407)	-	(63,871)
Reclassification	-	-	-	(2,876)	(2,876)
Other decreases	(3,856)	(2,532)	-	-	(6,388)
As at 31 December 2009	363,336	1,193,954	235,107	131,876	1,924,273
Net book value					
As at 3 July 2009	-	-	-	-	-
As at 31 December 2009	472,467	1,022,820	211,602	68,355	1,775,244

12.2 Leased fixed asset

Movements of leased tangible fixed asset categories for the period from 3 July 2009 to 31 December 2009 are as follows:

	Motor vehicles VNDm	Total VND
Cost		
As at 3 July 2009	-	-
Transferred from business before equitization	2,928	2,928
Increase	-	-
Decrease	(2,341)	(2,341)
As at 31 December 2009	587	587
Accumulated depreciation		
As at 3 July 2009	-	-
Transferred from business before equitization	2,876	2,876
Charged in the period	52	52
Other increases	(2,341)	(2,341)
Decrease	587	587
As at 31 December 2009	-	-
Net book value		
As at 3 July 2009	-	-
As at 31 December 2009	-	-

12. FIXED ASSETS (continued)

12.3 Intangible fixed assets

Movements of intangible fixed asset categories for the period from 3 July 2009 to 31 December 2009 are as follows:

	<i>Ciputra land lease payment (*)</i>	<i>Term land use right</i>	<i>Accounting software</i>	<i>Others</i>	<i>Total</i>
	<i>VNDm</i>	<i>VNDm</i>	<i>VNDm</i>	<i>VNDm</i>	<i>VNDm</i>
Cost					
As at 3 July 2009	-	-	-	-	-
Transferred from business before equitization	849,888	317,307	149,428	570	1,317,193
Acquisition in the period		364,055	66,032	9,336	439,423
As at 31 December 2009	849,888	681,362	215,460	9,906	1,756,616
Accumulated depreciation					
As at 3 July 2009	63,741	34,728	101,507	135	200,111
Transferred from business before equitization	21,247	1,941	10,066	965	34,219
Charged in the period	84,988	36,669	111,573	1,100	234,330
As at 31 December 2009					
Net book value					
As at 3 July 2009	764,900	644,693	103,887	8,806	1,522,286
As at 31 December 2009					

(*): In 2008, the Vietnam Bank for Industry and Trade signed a land lease contract with Hanoi Nam Thang Long City Complex Development Company, accordingly, the lease time is from the land hand-over date to 29 December 2046, and the lease fee for the whole lease period is USD 56,361,400 (equivalent to VND 849,888 million), which was paid in full by the Bank in 2008. The Bank recorded the payment as intangible fixed asset and amortized over the period of 20 years based on conclusion of State Auditors in the Audit Minutes of 2008's financial statements of the Vietnam Bank for Industry and Trade.

13. OTHER ASSETS

	<i>31 Dec 2009 VNDm</i>
Interest and fee receivables	2,698,803
Construction in progress (Note 13.1)	500,398
Receivables (Note 13.2)	1,513,906
Purchases and major repair of fixed assets	478,757
Other assets (Note 13.3)	1,243,219
	6,435,083

13.1. Constructions in progress

Constructions in progress

	<i>31 Dec 2009 VNDm</i>
Ly Thuong Kiet construction project	84,225
Construction of Van Canh project, Ha Tay	81,852
Construction of Head office – Branch 10	79,460
Construction of office– Thanh Xuan Branch	64,039
Construction of Hoa Lac Project	41,154
Construction of Head office – Ba Dinh Branch	31,928
Construction of Head office – Branch Ha Giang	26,513
Construction of Head office – Bien Hoa Industrial zone Branch	15,745
Construction of Head office – Que Vo Industrial zone, Bac Ninh Branch	7,224
Construction of office and warehouse - Uong Bi Branch	9,118
Construction of office – Pho Tho Town Branch	7,883
Construction of Head office – Branch Ben Tre	7,299
Construction of Head office – Branch Yen Vien	6,433
Construction project No. 10 Le Lai Street	5,677
Construction of office and warehouse – Phu Bai Branch	5,186
Other constructions	26,662
	500,398

13.2. Receivables

Receivables from internal activities

Advances for other operating activities

	<i>31 Dec 2009 VNDm</i>
Receivables from external activities	52,081
Receivables from State budget	657,147
Advance for land rental of Thuan An Building	161,177
Advance for land rental of Thuan An holding Building	83,622
Advance for deposit of land rental at 25 Ly Thuong Kiet	128,660
Advance for constructing Bank Star building using bonus and welfare funds	66,155
Advance for office rental of Chuong Duong Branch	55,000
Advance for office rental at Nguyen Trai branch	41,000
Advance for brokers of Securities Company	43,245
Receivables from equitization process (*)	41,672
Receivable from card operation	28,180
Advance for social welfare activities	12,289
Other receivables	143,678
	1,513,906

(*) This receivables present expenditures incurred in the equitization process of Vietnam Bank for Industry and Trade, and have not been finalized by relevant authorities as at the date of this report.



13. OTHER ASSETS (continued)

13.3. Other assets

	31 Dec 2009 VNDm
Investment in financial lease assets	404,269
Materials and equipments	34,299
Prepaid office rental expense (*)	740,821
Business good will (Note 14)	17,242
Prepaid interest expense	2,130
Deferred enterprise income tax expense	44,458
	1,243,219

(*): Details of prepaid office rental expense as at 31 December 2009 are as follows:

	31 Dec 2009 VNDm
Office rental at 34 Cua Nam	560,844
Office rental 8 Ho Tung Mau	61,198
Office rental 25 Ly Thuong Kiet	37,196
Other	81,583
	740,821

14. GOODWILL

Goodwill presents Business goodwill defined in the business valuation process for equitization of the subsidiary Vietinbank Securities Company (now known as Vietinbank Securities Joint stock Company).

	Period from 03 Jul 2009 to 31 Dec 2009 VNDm
Total goodwill	18,149
Amortized period	10 years
Accumulated amortized goodwill as at the beginning of the period	-
Goodwill not yet amortised as at the beginning of the period	-
Goodwill increased during the period	18,149
- Goodwill transferred from the Vietnam Bank for Industry and Trade before equitization	18,149
- Adjustment from changes in definable value of assets and liabilities	-
Goodwill decreased during the period	907
- Decrease from partly or entire sale and disposal credit institution	-
- Goodwill amortized during the period	907
- Other decreases	-
Total goodwill not yet amortised as at the end of the period	17,242

15. BORROWINGS FROM THE STATE BANK OF VIETNAM AND THE MINISTRY OF FINANCE

31 Dec 2009 VNDm

Borrowings from the SBV

Borrowings for Banking and Settlement System Modernization Project	55,359
Borrowings for re-lending to settle debts of SOEs	16,879
Borrowings for discounting and rediscounting valuable papers	13,003,510
Current accounts held by the State Treasury	642,941
	13,718,689

Borrowings from the SBV include:

- Borrowings denominated in foreign currencies to implement the Banking and Settlement System Modernization Project are loans from SBV to settle for the Bank's Information Technology System. These borrowings shall mature in 20 years and bear annual interest at rates ranging from 2.33% to 3.44% (equivalent LIBOR 6 months + 1.50% per annum + 0.2% per annum (charged for service fee));
- Borrowings for re-lending to settle debts of SOEs were funded from SBV with an aim to settle long outstanding debts among state owned enterprises, in line with the program of clearing loans owed to a SOE. These are non-interest bearing borrowings and could be extended based on actual loan repayment status. The SBV will decide resolution for frozen loans after frozen time of 3 to 5 years on a case by case basis;
- In order to reduce pressure on liquidity position at year end, the Bank entered contracts with the SBV regarding discounting and rediscounting valuable papers with a term of 14 days and interest rate of 8% per annum.

16. DEPOSITS AND BORROWINGS FROM OTHER BANKS

	31 Dec 2009 VNDm
Deposits from other banks	9,797,640
Borrowings from other banks	5,214,517
	15,012,157

16.1 Deposits from other banks

	31 Dec 2009 VNDm
a. Current accounts	
- In VND	402,406
- In FC	23,835
b. Term deposits	
- In VND	4,107,073
- In FC	5,264,326
	9,797,640

16.2 Borrowings from other banks

	31 Dec 2009 VNDm
In VND	30,000
In FC	5,184,517
	5,214,517

	period from 3 Jul 2009 to 31 Dec 2009 interest rate % p.a
In VND	9.00
In FC	1.49 to 2.00



17. CUSTOMER DEPOSITS AND OTHER AMOUNTS DUE TO CUSTOMERS

17.1. Balances by types of deposits

	<u>31 Dec 2009 VNDm</u>
<i>Demand deposits</i>	
Demand deposits in VND	31,911,986
Demand saving deposits in VND	185,004
Demand deposits in foreign currencies	3,470,021
Demand saving deposits in foreign currencies	16,989
<i>Term deposits</i>	
Term deposits in VND	28,710,857
Term saving deposits in VND	56,101,145
Term deposits in foreign currencies	7,112,136
Term saving deposits in foreign currencies	13,990,926
<i>Deposits for specific purpose</i>	
Deposits for specific purpose in VND	605,068
Deposits for specific purpose in foreign currencies	535,053
<i>Margin deposits</i>	
Margin deposits in VND	4,055,112
Margin deposits in foreign currencies	897,265
<i>Money transfer payables</i>	
Money transfer in VND	71,968
Money transfer in foreign currencies	83,147
<i>Other amounts due to customers</i>	<u>783,565</u>
	<u>148,530,242</u>

*period from 03 Jul
2009 to 31 Dec
2009
interest rate*

	<u>% p.a.</u>
Demand deposits in VND	0 đến 3
Demand saving deposits in VND	0 đến 4,5
Demand deposits in foreign currencies	0 đến 2,4
Demand saving deposits in foreign currencies	0 đến 1,5
Term deposits in VND	2,5 đến 17
Term saving deposits in VND	2,4 đến 17
Term deposits in foreign currencies	0,7 đến 3,5
Term saving deposits in foreign currencies	0,6 đến 6,5
Certificates of deposit in VND	10,3 đến 10,49
Certificates of deposit in foreign currencies	3,2 đến 3,5

Interest rates for current accounts are applied for term deposits withdrawn before maturity.

17. CUSTOMER DEPOSITS AND OTHER AMOUNTS DUE TO CUSTOMERS (continued)

17.2. Analysis of customer deposit portfolio by types of customers

	<u>31 Dec 2009 VNDm</u>
Deposits from business entities	66,431,628
State-owned enterprises	46,335,580
Private enterprises and others	16,249,245
Foreign invested enterprises	3,846,803
Deposits from individuals	75,213,420
Deposits from others	<u>6,885,194</u>
	<u>148,530,242</u>

18. DEBTS ISSUED AND OTHER BORROWED FUNDS

	<u>31 Dec 2009 VNDm</u>
Funds received from the State Treasury	17,949,279
Funds received from other organizations in VND	12,900,390
Funds received from other organizations in USD	2,663,642
Funds received from international organizations in VND	697,003
Funds received from international organizations in USD	<u>314,688</u>
	<u>34,525,002</u>

18.1. Funds received from the State Treasury

Funds received from the State Treasury represents payable to the State Treasury arising from the settlement services executed on behalf of the State Treasury via their accounts with the Bank. Those are executed under the following frameworks:

- Bilateral settlement contract between the State Treasury and the Bank dated 8 April 1998, amended on 24 May 1999;
- Agreement of cooperating settlement associated with tax collection between State Treasury- Vietinbank and Taxation General Department dated 11 December 2007;
- Joint agreement on cooperating collection of state fund between State Treasury - Vietinbank and Taxation General Department dated 9 February 2009.

18. DEBTS ISSUED AND OTHER BORROWED FUNDS (continued)
18.2. Funds received from other organizations in VND

Details of funds received from other local organizations in VND as follows:

<i>Organizations</i>	<i>Term</i>	<i>31 Dec 2009</i>	<i>Interest rate</i> <i>(% p.a.)</i>
Vietnam Social Insurance Company	1 month to 5 years	5,553,000	7.5-10.5
State Capital Investment Corporation	Current and 1 year	3,484,550	2.4-10.5
Debt Management and Financial Foreign Affair Department – Ministry of Finance	Current and 1 year	2,130,620	0-10.45
Southern Airports Corporation	6 months	515,000	7.7-8.7
Financial Electricity Joint stock Company	Current and 1 month	321,112	3.0-12.0
Financial Department of Quang Binh province	Current	158,974	3.00
Bao Viet Corporation	6 months	82,000	9
International Credit Projects Management Department - SBV	Current	65,991	1.2-3.6
Petroleum Financial Investment and Insurance Joint stock Company	1 year	50,000	9
Bao Viet Fund Management Ltd.	3 years	50,000	9
Vietnam National Reinsurance JS Company	6 months to 2 years	45,000	8.3-8.6
Vietnam National Coal – Mineral Industries Group	Current	35,332	3
Business Development Fund	Current and 1 month	32,297	3-9.5
Sai Gon Tourist Company	3 months	30,000	8.9-10.49
De Nhat Securities Joint stock Company	Current and 3 months	30,796	2 - 10.35
Lao Cai Development and Investment Fund	Current and 6 months	21,882	2.4-10.0
Other organizations		293,836	
Total		12,900,390	

18.3. Funds received from other organizations in USD

Details of funds received from other organizations in USD as at 31 December 2009 are as follows:

<i>Organizations</i>	<i>Term</i>	<i>31 Dec 09</i>	<i>Interest rate</i> <i>(% p.a.)</i>
International Credit Projects Management Department – SBV	Current	26,756	0-0.1
Hanoi Fund Management JS Company	1 to 6 months	358,820	1.4-3.5
Debt Management and Financial Foreign Affair Department – Ministry of Finance	1 year	994,702	1.4-3.8
Financial Electricity Joint stock Company	1 to 12 months	839,664	2.6-3.2
Southern Airports Corporation	6 months to 1 year	278,086	1.3-3.5
Sai Gon Tourist Company	3 months	98,676	2.8
Petroleum Financial Investment and Insurance Joint stock Company	1 month	44,853	3.7
Other organizations	Current and less than 2 years	22,085	0.1-3.7
		2,663,642	

18. DEBTS ISSUED AND OTHER BORROWED FUNDS (continued)
18.4 Funds received from international organizations

<i>Organizations</i>	<i>31 Dec 2009 VNDm</i>
In VND	
Funds received from Japan Bank of International Corporation (“JBIC”)	481,350
Funds received from Kreditanstalt Fur Wiederaufbau – (“KfW”)	141,363
Funds received from European Commission -Project Small and Medium Enterprise Development Fund – (“SMEDEF”)	74,290
	697,003
In foreign currency	
Funds received from Deutsche Investitions – und Entwicklungsgesellschaft mbH (“DEG”)	284,188
Funds received from program BLTK&HQNL	30,500
	314,688
Total	1,011,691

19. VALUABLE PAPERS ISSUED

	<i>31 Dec 2009 VNDm</i>
Certificates of deposits	
Term under 12 months	1,876,582
Term from 12 months to 5 years	3,031,568
Bills	
Term under 12 months	3,070,655
Term from 12 months to 5 years	6
Bonds	
Term under 12 months	-
Term from 12 months to 5 years	251
Other valuable papers	
Term under 12 months	556,195
Term from 12 months to 5 years	50,000
	8,585,257

	<i>Term</i>	<i>interest rate</i> <i>% p.a.</i>
Certificate of deposit	6 months - 5 years	2.4 to 10.49
Bill	3 months - 1 year	2.4 to 10.50
Bond	1 year - 2 years	8 to 8.6
Other valuable paper	less than 12 months - 5 years	8 to 10.49



20. OTHER LIABILITIES

	<u>31 Dec 2009 VNDm</u>
Interest payables	1,740,761
Other payables and other liabilities	8,449,586
Provision for contingent liabilities and off-balance sheet commitments	226,110
	<u>10,416,457</u>

20.1 Other payables and other liabilities

Details of other payables and liabilities as at 31 December 2009 are as follows:

	<u>31 Dec 2009 VNDm</u>
Payables for internal activities	
Payable to employees	2,856,583
Unearned revenue from financial instruments	244,677
Payables for Trade Union	63,602
Termination allowance reserve	11,924
Payables for external activities	
Receipts from equitization (*)	773,609
Difference in net assets from the date of business valuation to the date of business official transformation (**)	2,304,841
Enterprise income tax payables	589,191
Inter-settlements between credit institutions	362,358
Payable to the SBV from recovery of written-off bad debts	194,187
Payables relating security activities	192,356
VAT payables of CIPUTRA land use right lease to contractors	84,989
Deposit payables relating to financial leases	54,068
Payables relating to equitization of Vietinbank Securities Company	48,572
Payables to SBV in clearing settlement	44,790
Deposit for selling foreclosed assets	40,432
Payables from constructions	25,214
Payables to Deposit insurance	24,749
Other payables	24,951
VAT payables	22,537
Payables from fund transfer	12,365
Other payables	302,103
Others	171,488
	<u>8,449,586</u>

(*): Receipts from equitization represents the proceeds from external shareholders in the Initial Public Offerings after deducting the shares' par values and external shareholders' capital surplus that is qualified to be kept at the Vietnam Commercial Joint stock Bank for Industry and Trade. As at 31 December 2009 and by the date of these consolidated financial statements, receipts from equitization, expenditures incurred in equitization and capital surplus of external shareholders have not been finalized by regulated authorities yet.

(**): This represents the difference in State owned capital (net assets) incurred from the date of business evaluation as at 31 December 2007 to the date of formal transformation of the Vietnam Bank for Industry and Trade into a joint stock commercial bank on 2 July 2009. As regulated by the Decree 109/2007/ND-CP, this difference should be paid to the Government. As at 31 December 2009 and by the date of these consolidated financial statements of the Vietnam Bank for Industry and Trade as at 2 July 2009 and the difference in State owned capital have not been finalized by relevant authorities.

21. OBLIGATIONS TO THE STATE BUDGET OF THE BANK

	<u>Movement during the period</u>			<u>Balance as at 31 Dec 2009</u>
	<u>Payables VNDm</u>	<u>Transferred from business before equitization VNDm</u>	<u>Paid VNDm</u>	
Value added tax	115,152	9,986	(102,601)	22,537
Enterprise income tax	438,464	435,319	(284,592)	589,191
Other taxes	104,626	12,586	(92,261)	24,951
	<u>658,242</u>	<u>457,891</u>	<u>(479,454)</u>	<u>636,679</u>

The Bank has obligation to pay Enterprise Income Tax ("EIT") at the rate of 25% of taxable profits (2008: 28%).

The Bank's tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

21.1 Current Enterprise Income Tax

Current enterprise income tax payables are determined based on taxable income of the current year. Taxable income is different from the one reported in the consolidated income statement because taxable income excludes taxed income and deducted expenses over years due to the difference between Vietinbank's accounting policies and current tax regulations, and items which are exempted from tax or undiscounted for tax calculation. Current EIT payable of the Bank is calculated using margin tax rates applicable to the end of the fiscal year.

21. OBLIGATIONS TO THE STATE BUDGET OF THE BANK (continued)

21.1 Current enterprise income tax (continued)

	Period from 3 Jul 09 to 31 Dec 09 VNDm
Profit before tax	1,678,289
<i>Less</i>	
Dividend income exempted from EIT	(13,434)
Income from Government Education Bonds exempted from EIT	(24,206)
Profit of subsidiaries	(92,893)
Share of profits from investments in joint ventures and associates	(69,068)
<i>Plus</i>	
Foreign exchange loss from re-evaluation of foreign currency items and derivatives instruments, which is not deductible	177,833
Costume expenses over the deductible limit	6,160
Taxable income of the Bank	1,662,681
EIT expense of the Bank at tax rate of 25%	415,670
EIT expense of subsidiaries	22,794
Total EIT in period/ fiscal year	438,464
EIT payable at the beginning of period	-
Transferred from the Vietnam Bank for Industry and Trade	435,319
EIT paid	(284,592)
EIT payables at the end of period	589,191

21.2. Deferred income tax

	Period from 3 July 2009 to 31 December 2009 VNDm	Recorded in the consolidate balance sheet VNDm	Recorded in consolidate income statement VNDm
Loss from re-evaluation items denominated in foreign currencies and derivative financial instruments, which is subject to deferred tax	(177,833)	Not applicable	Not applicable
Deferred EIT at tax rate of 25%	44,458	44,458	44,458
	44,458	44,458	44,458

22. OWNERS' EQUITY AND RESERVES

22.1. Changes in owners' equity

Changes in the Bank's capital for the period from 3 July 2009 to 31 December 2009 are detailed below:

Chi tiêu	Chartered capital VNDm		TCapital surplus VNDm		Financial statements translation reserve VNDm		Business & development fund VNDm		Financial reserve VNDm		supplementary reserve VNDm		Capital VNDm		Bonus and welfare fund VNDm		LRetained earnings/ accumulated losses VNDm		Other owners' equity VNDm		Total VNDm	
	VNDm		VNDm		VNDm		VNDm		VNDm		VNDm		VNDm		VNDm		VNDm		VNDm		VNDm	
Beginning balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in the period																						
Transferred from the Vietnam Bank for Industry and Trade	10,040,855	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,040,855
Initial Public Offering	1,212,118	88,344	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,300,462
Profit increased in period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,273,544
Increased from financial statements translation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,735
Temporary reserve creation in the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in the period																						
Utilization of reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(101,338)
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(180)
Ending balance	11,252,973	88,344	88,344	88,344	58,735	58,735	58,735	58,735	113,370	113,370	113,370	113,370	113,370	41,601	41,601	180,779	180,779	836,276	836,276	836,276	836,276	12,572,078

(*): Up to the date of these financial statements, capital surplus that are qualified to be kept at the Bank have not been finalized by relevant authorities.

22. OWNERS' EQUITY AND RESERVES (continued)**22.1. Changes in owners' equity (continued)**

Details of investment capital into the Bank are as follows:

	<u>31 Dec 2009</u>	<u>31 Dec 2009</u>
	<i>Number of shares million</i>	<i>Capital from ordinary shares VNDm</i>
Investment capital of the Government	million	10,040,855
Contributed capital (shareholders, members...)	VNDm	1,212,118
Capital surplus	Not applicable	88,344
Treasury shares	-	-
	1,125	11,341,317

Details of the Bank's shareholdings are as follows:

	<u>2009 Number of shares</u>
Number of resigned shares for issue	1,125,297,280
Number of shares offered to public	45,011,891
- Ordinary shares	45,011,891
- Preferred shares	-
Repurchased shares	-
- Ordinary shares	-
- Preferred shares	-
Number of shares in circulation	-
- Ordinary shares	1,125,297,280
- Preferred shares	-
Par value of share	10,000

22. OWNER'S EQUITY AND RESERVES (continued)**22.2. Statutory reserves of the bank**

On 23 November 2005, the Government issued Decree No. 146/2005/ND-CP regarding the financial management regime of credit institutions which was effective from 16 December 2005. Accordingly, joint stock commercial banks are required to make the following allocations of profit after tax to create statutory reserves:

	<i>Annual allocation from the profit after tax</i>	<i>Maximum balance</i>
Supplementary capital reserve	In accordance with decision of Annual General Shareholders' Meeting	Not applicable

The following reserves are calculated based on profit after tax after deducting allocation to the supplementary capital reserve (profit after tax remained):

	<i>Annual allocation from the profit after tax</i>	<i>Maximum balance</i>
Financial reserve	10% of remaining profits	25% chartered capital

Creation of other reserves are determined by the Bank

Utilization of statutory reserves is in accordance with Decision 146/2005/ND-CP.

22.3. Statutory reserves of subsidiaries**22.3.1. Statutory reserves of Vietinbank Securities Company**

According to Circular 11/2000/TT-BTC dated 1 February 2000 by the Ministry of Finance, securities companies are required to make the following allocations of profit after tax to create statutory reserves:

	<i>Annual allocation from the profit after tax</i>	<i>Maximum balance</i>
Supplementary capital reserve	5% of the profit after tax	10% chartered capital
Financial reserve	5% of the profit after tax	10% chartered capital

The allocations of profit after tax to create statutory reserves are made in the subsequent years, after approved by the parent company – Vietinbank.

22.3.2. Statutory reserves of Vietinbank Insurance Company

According to the Article 29 of Decree 43 dated 1 August 2004 by the Ministry of Finance, insurance companies are required to make the following allocations of profit after tax to create statutory reserves:

	<i>Annual allocation from the profit after tax</i>	<i>Maximum balance</i>
Compulsory reserve	5% of the profit after tax	10% chartered capital

22.3.3. Statutory reserves of Vietinbank Asset Management Company Ltd., Vietinbank Leasing Company Ltd

Leasing Company creates statutory reserve from profit tax in accordance with the regulations applicable for the Bank

22.4. Minority interest

Movement of minority interest during the period is as follows:

	<i>Period from 3 Jul 2009 to 31 Dec 2009 VNDm</i>
Beginning balance	-
Transferred from business before equitization	194,496
Increase in the year	10,739
Ending balance	205,235

23. EARNING PER SHARE

Earning per share is calculated by dividing net profit attributable to the equity holders of the parent to the weighted average number of ordinary shares in circulation during the period. Details of the Bank's earnings per share are as follows:

	<i>Period from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Profit for calculating earning per share	1,273,544
Weighted average number of ordinary shares in circulation (million of shares)	1,125
Earnings per share (Vietnamese dong/share)	1,132

During the period from 3 July 2009 to 31 December 2009, the Bank did not issue any preferred or convertible stocks, thus, there is no dilution impact on the earnings per share.

24. DIVIDEND

During the period from 3 July 2009 to 31 December 2009 and up to the date of these financial statement, the Bank has not announced dividend yet.

25. INTEREST AND SIMILAR INCOME

	<i>Period from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Interest income from deposits to other financial institutions	400,552
Interest income from loans to customers	7,723,195
Interest income from trading and investing in securities	1,827,860
Interest income from financial leasing	57,403
Other income from credit activities	8,138
	10,017,148

26. INTEREST AND SIMILAR EXPENSES

	<i>Period from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Interest and similar expenses from deposits	4,795,882
Interest and similar expenses from borrowings	553,257
Interest expenses from valuable papers	203,388
Interest expenses from financial leases	2
Expenses from other credit activities	13,869
	5,566,398

27. NET GAIN FROM FEE AND COMMISSION INCOME

	<i>Period from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Fees and commission income from	
Settlement services	205,565
Treasury activities	111,383
Agent services	26,375
Other fees and commissions	151,038
Fees and commission expense from	
Settlement services	(18,164)
Treasury activities	(37,122)
Other fees and commissions	(51,512)
Net fee and commission income	387,563

28. NET GAIN / LOSS FROM DEALING IN FOREIGN CURRENCIES

	<i>Period from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Income from dealing in foreign currencies	
Income from foreign exchange spot rate differences	256,958
Income from monetary derivative financial instruments	200,587
Expense from dealing in foreign currencies	
Expense from foreign exchange spot rate differences	(15,656)
Expense from monetary derivative financial instruments	(490,104)
Net gain / loss from dealing in foreign currencies	(48,215)

29. NET GAIN / LOSS FROM TRADING SECURITIES TRADING

	<i>Period from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Income from trading of trading securities	131,647
Expense from trading of trading securities	(62,657)
Provision for impairment of trading securities	(3,394)
Net gain / (loss) from securities trading	65,596


30. NET GAIN / LOSS FROM INVESTMENT SECURITIES TRADING

	<i>Period from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Income from trading of investment securities	17,324
Expense from trading of investment securities	(3,078)
Provision for impairment of investment securities	-
Net gain / (loss) from investment securities trading	<u>14,246</u>

31. NET GAIN FROM OTHER OPERATING ACTIVITIES

	<i>gPeriod from 03 Jul 2009 to 31 Dec 2009 VNDm</i>
Recovery of bad debts written off (principal)	465,629
Proceeds from disposal of assets	3,531
Other gains	31,970
Other operating expenses	(29,415)
	<u>471,715</u>

32. NET SHARE OF PROFIT IN ASSOCIATES, JOINT VENTURES AND DIVIDEND INCOME

	<i>Period from 3 Jul 09 to 31 Dec 09 VNDm</i>
Dividends received in the period	
- from equity trading securities (recorded on Account 14)	4,159
- from equity investment securities (recorded on Account 15)	13,434
Share of profit in associates and joint ventures, using equity method of accounting (see Note 11)	69,068
	<u>86,661</u>

33. OTHER OPERATING EXPENSES

	<i>Period from 3 Jul 09 to 31 Dec 09 VNDm</i>
Taxes and fees expenses	38,372
Materials for banking activities	70,240
Business trip expenses	31,631
Training expenses	23,049
Research and development expenses	23,135
Telecommunication expenses	21,779
Publication, marketing, promotion and reception expenses	95,437
General administration expenses	206,016
Non-deductible VAT expenses	190,108
Goodwill expenses	99,440
Asset repair and maintenance expenses	86,477

Tool and equipment expenses	73,138
Asset insurance expenses	79
Office rental	72,295
Insurance for customer deposits	49,348
	<u>1,080,544</u>

34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	<i>31 Dec 2009 VNDm</i>
Cash and cash equivalents	2,204,060
Balances with the State Bank of Vietnam	5,368,942
Placements with other banks	5,617,647
Term deposits with and loans to other banks under three months	17,135,670
Investment securities with maturity under three months	-
	<u>30,326,319</u>

35. EMPLOYEES' REMUNERATION

	<i>Period from 3 Jul 09 to 31 Dec 09 VNDm</i>
I. Total number of employees (person)	17,538
II. Employees' income (VNDm)	
1. Total salary	1,648,779
2. Allowance for lunch	46,642
3. Total income (1+2)	1,695,421
5. Monthly salary	15,67
6. Monthly income	16,11

36. COLLATERALS AND MORTGAGES

	<i>Book value (VNDm)</i>
Real estate properties	203,786,063
Movable assets	130,953,426
Valuable papers	67,035,828
Other assets	11,618,435
	<u>413,393,752</u>

37. CONTINGENT LIABILITIES AND COMMITMENTS

In normal course of business, the Bank is a party to financial instruments which are recorded as off-balance sheet items. These financial instruments mainly comprise financial guarantees and commercial letters of credit. These instruments involve elements of credit risk in excess of the amounts recognized in the balance sheet.

Credit risk for off-balance sheet financial instruments is defined as the possibility of sustaining a loss because any other party to a financial instrument fails to perform in accordance with the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party including guarantee for borrowings, settlement, performing contracts and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending facilities to other customers.

Commercial at sight letters of credit represent a financing transaction by the Bank to its customer where the customer is usually the buyer/importer of goods and the beneficiary is typically the seller/exporter. Credit risk is limited as the merchandise shipped serves as collateral for the transaction.

Deferred payment letters of credits represent the amounts at risk should the contract be fully drawn upon and the client defaults in repayment to the beneficiary. Deferred payment letters of credit that were defaulted by clients are recognized by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank to pay the beneficiaries and to fulfill the guarantor obligation.

The Bank requires margin deposits to support credit-related financial instruments when it is deemed necessary. The margin deposit required varies from nil to 100% of the value of a commitment granted, depending on the creditworthiness of clients as assessed by the Bank.

The outstanding commitments and contingent liabilities as at 31 Dec 2009 are as follows:

	<u>31 Dec 2009 VNDm</u>
Financial letter of guarantees	11,788,762
At sight letters of credit	14,627,519
Deferred payment letters of credit	445,986
Others	-
	<u>26,862,267</u>

38. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other parties to which the Bank is related, A party is related to the Bank if:

(a) directly, or indirectly through one or more intermediaries, the party:

- Controls, is controlled by, or is under common control with, the Bank (this includes parents, subsidiaries and fellow subsidiaries);
- Has an interest in the Bank that gives it significant influence over the Bank; or;
- Has joint control over the Bank;

(b) the party is a joint venture in which the Bank is a venturer;

(c) the party is a member of the key management personnel of the Bank or its parent;

(d) the party is a close member of the family of any individual referred to in (a) or (c);

(e) the party is a Bank that is controlled, jointly controlled or significantly influenced by, or of which, significant voting power in such Bank resides with, directly or indirectly, any individual referred to in (c) or (d).

38. RELATED PARTY TRANSACTIONS (continued)

Significant transactions with related parties during the period from 3 July 2009 to 31 Dec 2009 are as follows:

<u>Related party</u>	<u>Relationship</u>	<u>Transactions</u>	<u>VNDm</u>
The SBV	Direct controller	Increase in settlement deposit, clearing and compulsory reserves	32,064
The SBV	Direct controller	Increase in borrowings	12,991,626
The MOF	Direct owner	Increase in term deposits	2,693,412
The MOF	Direct owner	Payments of interest income from Special Government bonds	59,400
Indovina JV Bank	Investee	Increase in deposit	100,040

Amount due to and due from related parties as at 31 Dec 2009 are as follows:

<u>Related party</u>	<u>Relationship</u>	<u>Transactions</u>	<u>Receivable VNDm</u>	<u>Payable VNDm</u>
The SBV	Direct controller	Settlement deposits and compulsory reserves	5,368,942	
The SBV	Direct controller	Borrowings from SBV		13,075,748
The MOF	Direct owner	Term deposits		3,125,322
Indovina JV Bank	Investee	Deposits	100,531	1,667

39. GEOGRAPHICAL DENSITY OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

	<u>Total loan balance VNDm</u>	<u>Total deposit VNDm</u>	<u>Credit commitments VNDm</u>	<u>Derivatives (Total transaction values per contracts) VNDm</u>	<u>Trading and investment in securities VNDm</u>
Domestic	164,716,509	19,698,791	9,912,835	(142,235)	39,279,475
Oversea	-	8,169,279	16,949,432	(2,628)	-

40. RISK MANAGEMENT POLICY RELATED TO FINANCIAL INSTRUMENTS

The Bank's strategy is to become a multi-functional financial corporation. The use of financial instruments including receiving customer deposits and investing in high quality financial assets has therefore become critical operating activity that enables the Bank to achieve the required interest margin. From the risk management aspects, it requires the Bank to maintain a balanced structure of off-balance-sheet commitments (i.e. letter of guarantees and letter of credits) and loans (Both in VND and foreign currencies) to institutions and individuals of different creditworthiness levels. In addition, the Bank has also invested a proportion of working capital in investment securities or loans to other credit institutions. The foreign currency risk and interest rate risk have been managed simultaneously by applying position limits in order to reduce risks concentration and participating in activities having opposite impact to minimize risks. By holding high quality financial instruments, the Bank is able to manage significant risks in its operating activities and to maintain an adequate liquidity position. The Bank also carries out hedging transactions to prevent risks related to financial instruments such as foreign currency swaps commitments to manage interest rate risk.

For credit risk management purpose, the Bank has effectively utilized their Credit Management Manual detailing regulations and requirements for lending and guidance to standardize the credit activities at the Bank. Liquidity risk is limited by keeping a large amount of cash and cash equivalents in the form of Nostro account, term deposits at SBV and other credit institutions and valuable papers. Risk – adjusted prudential ratios are also used in liquidity risk management. The Bank revalues the interest rate gap and compares it to the benchmark of domestic and foreign markets on a regular basis in order to able to timely adapt with unforeseen movements. Moreover, internal risk management procedures have become more effective thanks to the application of the Centralised Fund Management and Settlement System, accordingly, all fund transfers and settlement transactions are centralised at Head office. These systems allowed the Bank to effectively supervise any changes in capital and reduce unnecessary procedures and possible errors.

In general, the Bank has established risk management strategy which was approved by the Board of Directors. The risk management functions are covered by related departments in charge of credit risk, market risk, operation risk, legal risk, interest rate risk, liquidity risk and currency risk. The Bank has also established the Asset and Liability Management Committee (ALCO), however, it has not come into operation. In 2009, the Bank has not implemented module ALM/FPT, making it difficult to analyze liquidity risk and interest rate risk report since there is no report on the maturity and repricing structure of assets/liabilities. The procedure of liquidity risk and interest rate risk management as well as the determination of term and interest rate for investment making is mostly based on experience and forecast of the Alco Planning and Supporting Department and the Investment Department.

41. CREDIT RISK

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the financial position as well as debts repayment ability of counterparties. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.

42. MARKET RISK

42.1. Interest rate risk

The real interest rate re-pricing term of the assets and liabilities is the remaining period from the date of financial statements to the latest interest rate re-pricing date.

The following assumptions and conditions have been adopted in the analysis of real interest rate repricing term of the Bank's assets and liabilities:

- ▶ The following assumptions and conditions have been adopted in the analysis of real interest rate repricing term of the Bank's assets and liabilities;
- ▶ Deposits at SBV are considered settlement deposits, thus the real interest repricing term is assumed to be one month;
- ▶ The real interest repricing term of securities investment and trading securities which are debt securities is based on actual maturity date at the balance sheet date of each securities; ;
- ▶ The real interest repricing term of deposits due from other banks and loans to other banks; loans to customers; borrowings from Government and SBV; 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 rate is based on the latest interest rate term subsequent to the balance sheet date.
- ▶ The real interest repricing term of valuable papers is based on the actual maturity date for each valuable paper;
- ▶ The real interest repricing term of other borrowed from funds that the Bank bears risks is based on the actual remaining period subsequent to the balance sheet;
- ▶ The real interest repricing term for other liabilities is categorised from one to three months. In reality, these items can have different interest rate repricing terms.

Vietinbank's risk management policies are as follows:

Investment activities: main factors and information being considered are::

- ▶ The balance of the Bank's working capital in short term and long term;

- ▶ The balance of capital flows in the market and market interest rate trend forecast (using Reuter, interview, etc);
- ▶ Information from large banks and other parties
- ▶ Policies from the SBV; and
- ▶ Other sources of information.

The Bank forecasts fluctuation of market interest rate and makes appropriate investment decisions. If a decreasing trend in interest rate is forecasted, the Bank will invest more in long term instruments to gain profitability. On the contrary, if market interest rate is projected to increase, the Bank will focus on short term investments to minimize interest rate risk.

42. MARKET RISK (continued)

42.1. Interest rate risk (continued)

Fund mobilization and utilization: interest rate for fund mobilization is determined under market price principles, in which interest rate is subject to demand, fund mobilization scale and market interest rate movements. Fund is mobilized mainly in short term with the following structure:

- ▶ Within 12 months: 79%;
- ▶ From 12 months to 24 months: 12.5%;
- ▶ Over 24 months: 5%;
- ▶ Fund mobilized from other financial institutions (mainly within 12 months): 3.5% ;

Lending activities: Vietinbank determines lending interest rate based on the cost of funds, management expense plus targeted profit margin. Branches apply the floor lending interest rate regulated by the Head office. Since most of the funds mobilized by the Bank is short term (having maturity within 12 months), Vietinbank requires all medium and long term loans to have floating interest.

- ▶ Medium and long-term loans' interest rates equal to the 12 month interest rate plus/minus certain margin. The Bank adjusts the interest rates every 6 or 12 months basing on 12 month interest rate..
- ▶ Lending interest applied to short-term as well as medium and long-term loans as at the time of lending must not be below the floor limit.

In 2009, there was not much fluctuation in interest rate. However, the demand for VND is increasing under the pressure of the Government's subsidized package of 4% interest rate. Especially, at the end of the year, the liquidity of VND was in difficulty. In order to attract more funds, most commercial banks raised their mobilization rates to 10.49% - SBV's ceiling rate, higher than those of State-owned banks. Cost of fund mobilized nearly reached the ceiling lending interest rate, which is 150% of the basic lending interest rate of 12%. This has affected the income of commercial banks in 2009.

With experience and quick adaptability of the Bank's management, the Bank has managed its mobilization as well as lending interest rate in a prudent and flexible manner to ensure the business efficiency and increase the market shares. It could be depicted from the Interest rate report of the year 2009 that most of the assets and liability exposed to interest rate risk have term from 1 to 3 months, especially the mobilized fund.

MARKET RISK (continued)

42.1. Interest rate risk (continued)

	Unit: VNDm						Total
	Overdue	Non- interest bearing within 1 month	Repriced	From 1 – 3 months	From 3 – 6 months	From 6 – 12 months	
ASSETS							
Cash and cash equivalents	-	2,204,060	-	-	-	-	2,204,060
Balances with the SBV	-	-	5,368,942	-	-	-	5,368,942
Placements with and loans to other credit institutions (*)	-	-	21,400,141	1,683,189	721,367	240,455	24,045,152
Trading securities (*)	-	-	302,427	-	-	-	302,427
Derivatives and other financial assets	-	-	-	-	75,228	-	75,228
Loans to customers (*)	3,263,410	-	34,265,802	89,743,767	29,370,687	4,895,115	146,853
Investments in securities	-	-	-	1,976,136	8,146,203	2,104,761	22,801,573
Long term investments (*)	-	-	-	-	-	-	1,463,756
Fixed assets and investment real estates	-	-	-	-	-	-	3,297,530
Other assets	-	-	400	3,282,675	1,479,514	1,672,494	6,435,083
TOTAL ASSETS	3,263,410	2,204,060	61,337,712	96,685,767	39,792,999	8,912,825	22,948,426
LIABILITIES							
Borrowings from the SBV and other Banks	-	-	1,651,337	19,500,917	6,755,471	685,934	137,187
Customers deposits and other amounts due to customers	-	-	72,779,818	38,617,863	31,191,351	5,941,210	-
Derivatives and other financial borrowings	-	-	-	-	-	220,091	-
Debts issued and other borrowed funds	-	-	1,025,393	12,277,091	17,262,500	3,960,018	-
Valuable papers issued	-	-	-	1,717,051	5,580,417	1,287,789	-
Other liabilities (*)	-	-	-	4,389,496	2,603,608	3,197,243	-
TOTAL LIABILITIES	-	-	75,456,548	76,502,418	63,393,347	15,292,285	137,187
Balance sheet interest rate risk	3,263,410	2,204,060	(14,118,836)	20,183,349	(23,600,348)	(6,379,460)	22,811,239
Off balance sheet interest rate risk	-	26,862,267	-	-	-	-	-
Net interest rate risk	3,263,410	29,066,327	(14,118,836)	20,183,349	(23,600,348)	(6,379,460)	22,811,239

(*): These items do not include provision

42. MARKET RISK (continued)

42.2. Currency risks

Currency risk is the risk that values of financial instruments fluctuates due to changes in foreign exchange rate.

As the Bank was incorporated and operates in Vietnam, its reporting currency is Vietnam dong (VND), which is also the major currency in which the Bank transacts. The Bank's loans and advances were mainly denominated in VND with the remainder mainly in US dollar (USD). Nonetheless, some of the Bank's other assets are in currencies other than VND and USD. The Bank has applied limitation system to manage currency positions on a daily basis. Risk prevention strategy is to keep the currency positions in the established limitation.

To better manage currency risks, quarterly, Alco Planning and Supporting Department analyses and projects cash-in and cash-out flow and proposes fund planning plan for each type of currency (mainly VND, USD and EUR equivalent) to the Bank's Board of Management) based on actual cash flows and growth target registered by business units. The plan determines limits, fund growth rate and fund utilization for the whole bank as well as each branch. It is managed based on daily outstanding balance in accordance with guidance to ensure the safety and effectiveness of the whole system.

The Bank establishes the policy that centralizes the management of whole bank's foreign currency position at Head office, and that prescribes daily foreign currency position to each branch and overall position of the whole bank so that the daily foreign currency position of the whole bank is reasonable, safe as well as compliant with the requirements of the State Bank of Vietnam.

Beside the fund planning and foreign currency position management, the Bank also centralizes the foreign currency trading activities with other credit institutions at Head office, builds up limits for international transactions as well as enters into derivatives such as swaps and forward contracts to minimize foreign currency risks.

The exchange rate fluctuation in 2009 has widely affected Vietnam commercial banks, including Vietinbank. Enterprises tended to deposit USD at banks and decrease loans in USD, which led to the redundancy in USD source but still the lack of USD for trading purpose. In addition, the USD speculation resulted in a serious shortage of USD and unbalanced currency market. Thanks to SBV's intervention, currency market recovered its stability at the end of the year.

In line with the market, the Bank's currency position was unbalanced, especially in USD. The Bank was temporarily redundant in USD whilst lack in VND. In order to raise sufficient VND funds to meet the economy's growing credit demand as well as lending demand for purchasing foods for export and import necessities of gasoline, medicines and fertilizers, etc, the Bank asked for approval of SBV to use swap contract, accordingly, the Bank completed swapping USD 450 million for VND.

The balance of USD, EUR and VND denominated capital is illustrated in the following currency risk report. VND denominated capital source was utilized to compensate for the deficit in USD denominated capital.

	Unit: VNDm			
	EUR equivalent VNDm	USD equivalent VNDm	VNDm	Total VNDm
Assets				
Cash and cash equivalents	133,985	466,031	1,601,496	2,204,060
Balances with the SBV	-	1,330,068	3,922,560	5,368,942
Placements with and loans to financial institutions (*)	375,417	4,014,035	19,655,700	24,045,152
Trading securities (*)	-	-	302,427	302,427
Derivatives and other financial assets (*)	-	-	75,228	75,228
Loans to customers (*)	2,132,047	20,010,036	139,192,385	163,170,485
Investment securities (*)	-	240,744	38,736,304	38,977,048
Long term investments	-	-	1,463,756	1,463,756
Fixed assets and investment real estates	-	-	3,297,530	3,297,530
Other assets (*)	6,065	4,684,254	1,744,764	6,435,083
Total assets	2,647,514	30,745,168	209,992,150	245,339,711
Liabilities and owners' equity				
Borrowings from SBV and other banks	-	1,415,741	27,315,105	28,730,846
Customers deposits and other amounts due to customers	1,803,995	24,682,195	122,044,052	148,530,242
Derivatives and other financial borrowings	-	-	220,091	220,091
Debts issued and other borrowed funds	233,725	1,318,083	32,973,194	34,525,002
Issuing valuable papers	-	1,613,722	6,971,535	8,585,257
Other liabilities (*)	105,820	4,148,297	5,936,230	10,190,347
Capital and reserves	-	-	12,777,313	12,777,313
Total liabilities and owners' equity	2,143,540	33,178,038	208,237,520	243,559,098
Balance sheet currency position	503,974	(2,432,870)	1,754,630	1,780,613
Off-balance sheet currency position	4,123,140	12,778,710	9,714,841	26,862,267
Total currency position	4,627,114	10,345,840	11,469,471	28,642,880

Details of currency risks as at 31 Dec 2009 are as follows:

42. MARKET RISK (continued)

42.2. Currency risks (continued)

(*): không bao gồm dự phòng rủi ro

42. MARKET RISK (continued)

42.3. Liquidity risks

Liquidity risk is defined as the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management needs to diversify its funding sources in addition to its core deposit base, and adopt a flexible policy in managing liquid assets and monitoring future cash flows and liquidity on a daily basis. The Bank also needs to access cash flows and the availability of collaterals in case the Bank needs to mobilize more capital.

The maturity of monetary assets and liabilities represents the remaining terms of these assets and liabilities from the consolidated 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:

- ▶ Balance with the State Bank of Vietnam is considered as current, this includes the compulsory reserves, which is 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 contractual term when the contract is extended. In addition, loans and advances to customers are shown as net 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 the maturity of their contractual agreements. For example, Vostro accounts and current accounts paid upon customers' demand are considered to be current. The maturity of term borrowings and deposits is based on their contractual maturity date. In practice, such items may be rolled over and maintained for longer periods, or term deposits may be withdrawn before the maturity date prescribed in the contracts.
- ▶ The maturity of fixed assets is determined based on remaining useful life.

42. MARKET RISK (continued)

42.3. Liquidity risks (continued)

Alco planning and supporting department analyses and projects flows of cash-in, cash-out in accordance with fund planning and balancing plan, which is approved quarterly and annually; and provides decisions on available fund management based on monthly, quarterly and annual movement of the Bank's capital and its expected utilization.

Based on the projection of available capital movement, Investment Department creates the Bank's liquidity buffer through purchasing highly liquid valuable papers, which could be converted into cash through secondary market. Investment Department might decide to either sell back valuable papers to SBV in open market, or to borrow to replenish working capital's deficiency to ensure liquidity position of the whole bank.

Based on the regulations of the SBV, the Alco Planning and Supporting Department, in cooperation with the Investment Department, proposes available fund management plan in order to make sure the actual average balance of deposits in VND and foreign currencies at the SBV not less than the required level of compulsory reserve to be maintained. Besides, Investment Department also establishes credit limit with other banks for mutual assistance when needed.

In 2009, Vietinbank has proactively prepared liquidity buffer amounting to thousands of VND billions (including Government Bonds, Treasury bills, Companies' bills, Commercial Banks' bills, etc.). To cope with economic recession, the Bank has widely carried out subsidized loan interest program, contributing to 2009 Vietnam economic growth. Although the market's liquidity in VND was short sometimes, the Bank has actively participated in valued papers bids in open market and flexibly managed its capital to maintain liquidity for the whole bank and assist other small commercial banks.

As illustrated by the liquidity risk report, the Bank's capital is majorly less than 1 month whilst mobilization with maturity above 1 month is deficient. Vietinbank mainly uses short term capital for medium and long term lending, which leads to the imbalance in maturity structure of assets and liabilities. Nevertheless, the Bank still adheres to SBV's policy on ratio of short term capital used for medium and long term lending. This situation is common in majority of local commercial banks.

42. MARKET RISK (continued)

42.3. Liquidity risks (continued)

	Unit: VNDm				
	Total VNDm				
	Overdue	Current			
	Đến 3 tháng	Đến 1 tháng	Từ 1 - 3 tháng	Từ 3 - 12 tháng	Từ 1 - 5 năm
Assets					
Cash and cash equivalents		2,204,060	-	-	-
Balances with the SBV	VNDm	5,368,942	-	-	-
Placements with and loans to other banks (*)	VNDm	12,022,376	9,618,220	2,164,100	240,456
Trading securities (*)	VNDm	-	302,427	-	-
Derivatives and other financial assets	VNDm	-	75,228	-	-
Loans and advances to customers (*)	VNDm	4,160,847	42,424,326	106,060,815	8,158,524
Investment securities (*)	VNDm	-	5,313,453	15,940,359	14,169,208
Long-term investments (*)	VNDm	-	-	-	-
Fixed assets and investment real estates	-	-	-	-	-
Other assets (*)	-	400	3,218,348	1,929,801	1,286,534
Total assets	975,760	1,390,213	23,756,625	60,952,002	23,854,722
Liabilities					
Borrowings from the SBV and other banks	-	-	3,002,431	20,199,786	274,374
Customer deposits and other amounts due to customers	-	-	37,132,561	29,706,048	7,426,512
Derivatives and other financial borrowings	-	-	220,091	-	-
Debts issued and other borrowed funds	-	-	172,625	15,708,876	8,631,250
Issuing valuable papers	-	-	2,146,314	5,151,154	1,287,789
Other liabilities (*)	-	-	5,503,840	2,603,608	2,082,899
Total liabilities	-	-	40,307,617	73,369,472	19,702,824
NET MATURITY RISK STATUS	975,760	1,390,213	(16,550,992)	52,725,603	4,151,898

(*) : This item does not include provision

43. CAPITAL AND OPERATING LEASE COMMITMENTS

	31 Dec 2009
	VNDm
Capital commitments: premises construction, and equipment acquisition	1,591,038
Capital commitments: equity investments	8,500
Non-cancelable operating lease commitments	1,552,024
<i>Of which:</i>	
- due within one year	520,784
- due from two to five years	910,616
- due after five years	120,624

44. EVENTS AFTER BALANCE SHEET DATE

After the year-end, the Bank will finalize equitization expenses, labour redundancy expenses, as well as receipts from equitization and announce the actual of State owned capital at the Bank as at the date of receiving the first License of Operation. As at 31 Dec 2009 and at the date of these consolidated financial statements, these finalization procedures have not yet been completed.

Other than the above, there are no significant events occurring since the balance sheet date which require adjustments, notes and disclosures in consolidated financial statements

45. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAMESE DONG AS AT 31 DEC 2009

	31 Dec 2009
	VND
USD	17,941
EUR	26,459
GBP	29,653
CHF	17,817
JPY	199,33
SGD	13,147
CAD	17,505
AUD	16,524
NZD	13,339
THB	533,56
SEK	2,576
NOK	3,188
DKK	3,556
HKD	2,379
CNY	2,815

46. RESTATEMENT OF FINANCIAL INFORMATION AS AT 2 JULY 2009 OF THE VIETNAM BANK FOR TRADE AND INDUSTRY

On 2 July 2009, for the purpose of transformation from a State-owned bank into a commercial joint stock bank, the Vietnam Bank for Industry and Trade prepared consolidated financial statements for the period from 1 Jan 2009 to 2 Jul 2009 in order to determine State-owned capital at the Vietnam Bank for Industry and Trade at the time of official transformation on 3 July 2009. These consolidated financial statements were prepared based on the actual business performance of the Vietnam Bank for Industry and Trade for the mentioned period as well as policies and regulations of relevant authorities affecting the Vietnam Bank for Industry and Trade's operations up to the transformation time.

However, on 23 December 2009, the Bank received additional guidance from relevant authorities such as the official letter from inter-ministries and the SBV on calculation of salary fund for the Vietnam Bank for Industry and Trade and the Bank in 2009 and the base for loan classification and provisioning for the period from 1 January 2009 to 2 July 2009. In addition, some expenses incurred in that period was finalized in the last months of the year and these numbers had direct impacts on the consolidated financial statements of the Vietnam Bank for Industry and Trade for the period from 1 Jan 2009 to 2 Jul 2009.

Thus, the Bank has restated the consolidated financial statements of the Vietnam Bank for Industry and Trade as at 2 Jul 2009 in accordance with the guidance mentioned above.

Besides, in 2009, the State Auditors performed audit of the Bank's 2008 consolidated financial statements. Accordingly, the State Auditors' adjustments have also been included in the Bank's adjustments.

The effects of the above adjustments to the Vietnam Bank for Industry and Trade's financial information as at 2 July 2009 are as follows:

46. RESTATEMENT OF FINANCIAL INFORMATION AS AT 2 JULY 2009 OF THE VIETNAM BANK FOR TRADE AND INDUSTRY (continued)
Consolidated balance sheet as at 2 Jul 2009

	02 Jul 2009 reported	Adjustments	02 Jul 2009 restated	Notes
	VNDm	VNDm	VNDm	
ASSETS				
Cash and cash equivalents	2,152,219		2,152,219	
Balances with the State Bank of Vietnam ("SBV")	5,336,878		5,336,878	
Placements with and loans to other banks	26,444,874		26,444,874	
Current accounts with other banks	5,316,290		5,316,290	
Term deposits with and loans to other banks	21,128,584		21,128,584	
Provision for loans to other banks	-		-	
Trading securities	502,707		502,707	
Trading securities	503,862		503,862	
Less: provision for impairment of trading securities	(1,155)		(1,155)	
Derivative financial instruments and other financial assets	-		-	
Loans and advances to customers	136,385,609		136,385,609	
Loans and advances to customers	138,230,424		138,230,424	
Less provision for credit losses	(1,844,815)		(1,844,815)	
Investment securities	35,538,416	1,249	35,539,665	46.1
Securities – available-for-sale	31,679,242	1,249	31,680,491	46.1
Securities – held-to-maturity	3,859,174		3,859,174	
Provision for impairment of investment securities	-		-	
Long-term investments	1,107,547		1,107,547	
Investment in subsidiaries	-		-	
Investment in joint ventures	943,095		943,095	
Investment in associates	3,000		3,000	
Other long-term investments	161,452		161,452	
Provision for impairment of long-term investments	-		-	
Fixed assets	2,168,940	361,203	2,530,143	46.2
<i>Tangible assets</i>	<i>1,413,061</i>		<i>1,413,061</i>	
Cost	3,155,244		3,155,244	
Accumulated depreciation	(1,742,183)		(1,742,183)	
<i>Financial lease fixed assets</i>	-		-	
Cost	-		-	
Accumulated depreciation	-		-	
<i>Intangible assets and land use right</i>	<i>755,879</i>	<i>361,203</i>	<i>1,117,082</i>	<i>46.2</i>
Cost	1,317,193		1,317,193	
Accumulated amortization	(561,314)	361,203	(200,111)	46.2
Other assets	8,924,805	5,704	8,930,509	46.3
TOTAL ASSETS	218,561,995	368,156	218,930,151	

46. RESTATEMENT OF FINANCIAL INFORMATION AS AT 2 JULY 2009 OF THE VIETNAM BANK FOR TRADE AND INDUSTRY (continued)

Consolidated balance sheet as at 2 Jul 2009 (continued)

	<i>02 Jul 2009 reported VNDm</i>	<i>Adjustments VNDm</i>	<i>02 Jul 2009 restated VNDm</i>	<i>Notes</i>
LIABILITIES			-	
Borrowings from the Ministry of Finance and the State Bank of Vietnam				
Deposits and borrowings from other banks	6,876,423	-	6,876,423	
Current accounts from other banks	688,375	-	688,375	
Term deposits and borrowings from other banks	6,188,048	-	6,188,048	
Customer deposits and other amounts due to customers	139,413,318	-	139,413,318	
Derivative financial instruments and other financial liabilities	316,471	-	316,471	
Debts issued and other borrowed funds	42,192,152	-	42,192,152	
Valuable papers issued	3,861,411	-	3,861,411	
Other liabilities	10,936,815	476,221	11,413,036	46.4
Accrued interest expenses	2,458,039	-	2,458,039	
Other payables	8,062,815	476,221	8,539,036	46.4
Provision for contingent liabilities and off-balance sheet commitments	415,961	-	415,961	
TOTAL LIABILITIES	204,985,759	476,221	205,461,980	46.4
OWNER'S EQUITY				
Capital and reserves	13,381,740	(108,065)	13,273,675	
Capital				
Chartered capital	7,730,368	-	7,730,368	
Capital to purchase fixed assets	286,419	-	286,419	
Other capital	209,395	(61)	209,334	46.5
Capital surplus	-	-	-	
Reserves	4,936,298	(198,180)	4,738,118	46.6
Difference from assets revaluation	-	-	-	
Foreign exchange translation reserve	85,882	-	85,882	
Retained earnings	133,378	90,176	223,554	46.7
MINORITY INTEREST	194,496	-	194,496	
TOTAL LIABILITIES, OWNER'S EQUITY AND MINORITY INTEREST	218,561,995	368,156	218,930,151	

46. RESTATEMENT OF FINANCIAL INFORMATION AS AT 2 JULY 2009 OF THE VIETNAM BANK FOR TRADE AND INDUSTRY (continued)

- 46.1 Allocation of discounted value of Investment securities
- 46.2 Decrease in accumulated amortization of Ciputra lease prepayment resulted from the application of 20 years amortization period.

46.3 Details of adjustments:

<i>No.</i>	<i>Adjustments</i>	<i>Amount VNDm</i>
46.3.1	Increase equitization receivables related to the expenditures for equitization which were recorded in expense account in 2008	1,016
46.3.2	Increase subsidized interest according to MOF's decision for the fiscal year ended 31 Dec 2008	2,676
46.3.3	Decrease expense for promotional activities for the period from 1 Jan 2009 to 2 Jul 2009	2,012
		<u>5,704</u>

46.4 Details of adjustments:

<i>No.</i>	<i>Adjustments</i>	<i>Amount VNDm</i>
46.4.1	Increase payables related to foreign contractor withholding tax according to State Auditors' adjustments for the fiscal year ended 31 Dec 2008	8,425
46.4.2	Increase payables related to enterprise income tax according to adjusted profit and loss for the fiscal year ended 31 Dec 2008	70,775
46.4.3	Increase payables to employees and Trade Union fee based on salary unit under adjusted profit and loss for the fiscal year ended 31 Dec 2008	122,272
46.4.4	Increase termination allowance reserve for the period from 1 Jan 2009 to 2 Jul 2009	5,880
46.4.5	Increase payables to employees and Trade Union fee based on salary unit under adjusted profit and loss for the period from 1 Jan 2009 to 2 Jul 2009	362,888
46.4.6	Decrease enterprise income tax expense for the period from 1 Jan 2009 to 2 Jul 2009	(96,007)
46.4.7	Increase enterprise income tax payables of the Bank's subsidiaries	1,977
46.4.8	Others	11
		<u>476,221</u>

- 46.5 Decrease other capital related to land selling to Saigon Commercial Bank.

- 46.6 Decrease in appropriation to reserves from retained earnings according to adjusted profit and losses for the fiscal year ended 31 Dec 2008 and for the period from 1 Jan 2009 to 2 Jul 2009.

46. RESTATEMENT OF FINANCIAL INFORMATION AS AT 2 JULY 2009 OF THE VIETNAM BANK FOR TRADE AND INDUSTRY (continued)

46.7 Details of adjustments:

<i>No.</i>	<i>Adjustments</i>	<i>Amount</i> <i>VNDm</i>
46.7.1	Effect of adjustment mentioned in Note 46.1	1,249
46.7.2	Effect of adjustment mentioned in Note 46.2	361,203
46.7.3	Effect of adjustment mentioned in Note 46.3	5,704
46.7.4	Effect of adjustment mentioned in Note 46.4.1	(8,425)
46.7.5	Effect of adjustment mentioned in Note 46.4.2	(70,775)
46.7.6	Effect of adjustment mentioned in Note 46.4.3	(122,272)
46.7.7	Effect of adjustment mentioned in Note 46.4.4	(5,880)
46.7.8	Effect of adjustment mentioned in Note 46.4.5	(362,888)
46.7.9	Effect of adjustment mentioned in Note 46.4.6	96,007
46.7.10	Effect of adjustment mentioned in Note 46.4.7	(1,977)
46.7.11	Effect of adjustment mentioned in Note 46.6	198,180
46.7.12	Others	50
		<u>90,176</u>

47. ENTRIES RELATING TO THE TRANSFORMATION FROM A STATE-OWNED BANK TO A JOINT STOCK BANK AT THE BEGINNING OF 3 JULY 2009

As at the official date of transformation, the Bank has booked certain entries to determine assets, liabilities and owner's equity to be transferred to the newly established joint stock bank, as well as to define payables to the Government regarding equitization on the financial statements of the Bank in accordance with current regulations.

Consolidated balance sheet

	<i>02 Jul 2009</i> <i>Restated</i> <i>(in Note 46)</i> <i>VNDm</i>	<i>Equitization</i> <i>entry</i> <i>VNDm</i>	<i>As at the</i> <i>beginning of 03</i> <i>Jul 2009</i> <i>transferred to</i> <i>joint stock bank</i> <i>VNDm</i>	<i>Notes</i>
ASSETS				
Cash and cash equivalents	2,152,219	-	2,152,219	
Balances with the State Bank of Vietnam ("SBV")	5,336,878	-	5,336,878	
Placements with and loans to other banks	26,444,874	-	26,444,874	
Current accounts with other banks	5,316,290	-	5,316,290	
Term deposits with and loans to other banks	21,128,584	-	21,128,584	
Provision for loans to other banks	-	-	-	
Trading securities	502,707	-	502,707	
Trading securities	503,862	-	503,862	
Less: provision for impairment of trading securities	(1,155)	-	(1,155)	
Derivative financial instruments and other financial assets	-	-	-	
Loans and advances to customers	136,385,609	-	136,385,609	
Loans and advances to customers	138,230,424	-	138,230,424	
Less provision for credit losses	(1,844,815)	-	(1,844,815)	
Investment securities	35,539,665	-	35,539,665	
Securities – available-for-sale	31,680,491	-	31,680,491	
Securities – held-to-maturity	3,859,174	-	3,859,174	
Provision for impairment of investment securities	-	-	-	
Long-term investments	1,107,547	-	1,107,547	
Investment in subsidiaries	-	-	-	
Investment in joint ventures	943,095	-	943,095	
Investment in associates	3,000	-	3,000	
Other long-term investments	161,452	-	161,452	
Provision for impairment of long-term investments	-	-	-	
Fixed assets	2,530,143	-	2,530,143	
<i>Tangible assets</i>	<i>1,413,061</i>	-	<i>1,413,061</i>	
Cost	3,155,244	-	3,155,244	
Accumulated depreciation	(1,742,183)	-	(1,742,183)	
<i>Financial lease fixed assets</i>	-	-	-	
Cost	-	-	-	



	02 Jul 2009 Restated (in Note 46) VNDm	Equitization entry VNDm	As at the beginning of 03 Jul 2009 transferred to joint stock bank VNDm	Notes
Accumulated depreciation	-	-	-	
Intangible assets and land use right	1,117,082	-	1,117,082	
Cost	1,317,193	-	1,317,193	
Accumulated amortization	(200,111)	-	(200,111)	
Other assets	8,924,805	-	8,930,509	
TOTAL ASSETS	218,930,151	-	218,930,151	

47. ENTRIES RELATING TO THE TRANSFORMATION FROM A STATE-OWNED BANK TO A JOINT STOCK BANK AT THE BEGINNING OF 3 JULY 2009 (continued)

Consolidated balance sheet (continued)

	02 Jul 2009 Restated (in Note 46) VNDm	Equitization entry VNDm	As at the beginning of 03 Jul 2009 transferred to joint stock bank VNDm	Notes
LIABILITIES			-	
Borrowings from the Ministry of Finance and the State Bank of Vietnam			1,389,169	
Deposits and borrowings from other banks	6,876,423		6,876,423	
Current accounts from other banks	688,375		688,375	
Term deposits and borrowings from other banks	6,188,048		6,188,048	
Customer deposits and other amounts due to customers	139,413,318		139,413,318	
Debts issued and other borrowed funds	316,471		316,471	
Valuable papers issued	42,192,152		42,192,152	
Derivative financial instruments and other financial liabilities	3,861,411		3,861,411	
Other liabilities	11,413,036	1,932,358	13,345,394	47.1
Accrued interest expenses	2,458,039	-	2,458,039	
Other payables	8,539,036	1,932,358	10,471,394	47.1
Provision for contingent liabilities and off-balance sheet commitments	415,961	-	415,961	
TOTAL LIABILITIES	205,461,980	1,932,358	207,394,338	

	02 Jul 2009 Restated (in Note 46) VNDm	Equitization entry VNDm	As at the beginning of 03 Jul 2009 transferred to joint stock bank VNDm	Notes
OWNER'S EQUITY				
Capital and reserves	13,273,675	(1,932,358)	11,341,317	47.1
Capital				
Chartered capital	7,730,368	3,522,605	11,252,973	47.1
Capital to purchase fixed assets	286,419	(286,419)	-	47.1
Other capital	209,334	(209,334)	-	47.1
Capital surplus	-	88,344	88,344	47.1
Reserves	4,738,118	(4,738,118)	-	47.1
Difference from assets revaluation	-	-	-	
Foreign exchange translation reserve	85,882	(85,882)	-	47.1
Retained earnings / Accumulated loss	223,554	(223,554)	-	47.1
MINORITY INTEREST	194,496	-	194,496	
TOTAL LIABILITIES, OWNER'S EQUITY AND MINORITY INTEREST	218,930,151	-	218,930,151	

47. ENTRIES RELATING TO THE TRANSFORMATION FROM A STATE-OWNED BANK TO A JOINT STOCK BANK AT THE BEGINNING OF 3 JULY 2009 (continued)

47.1. Details of adjustments:

No.	Equitization entry	Amount VNDm
47.1.1	Determine the capital surplus of minority interest qualified to be kept at the newly established joint stock bank as at the beginning of 3 Jul 2009	(88,344)
47.1.2	Transfer balance of Bonus and welfare fund to payables to employees as at the beginning of 3 Jul 2009	970,112
47.1.3	Transfer the adjusted balance of reserves to payables related to equitization as at the beginning of 3 Jul 2009	1,050,590
		<u>1,932,358</u>

Prepared by:

Mr. Dinh Quoc Tuan
Head of Financial Accounting
Department

Approved by:

Mr. Nguyen Van Chung
Chief Accountant

Approved by:

Mr. Nguyen Van Du
Deputy General Director

Hanoi, Vietnam 17 March 2010



For the purpose of the Bank's internal management, the below Appendix illustrates comparative information about on the financial position and performance of the Industrial and Commercial Bank of Vietnam for the pre - equitisation period from 1 January 2009 to 2 July 2009 and the Vietnam Joint Stock Commercial Bank for Industry and Trade for the post - equitisation period from 3 July 2009 to 31 December 2009.

Concurrently, the aggregate numbers of consolidated profit and loss for the whole year 2009 is also illustrated for reference purpose.

The restated figures as at 2 Jul 2009 and for the period from 1 Jan 2009 to 2 Jul 2009 of Vietnam Bank for Industry and Trade are the those adjusted based on additional guidance from relevant authorities and State Auditors's adjustments.

Consolidated balance sheet

	Vietnam Bank for Industry and Trade		Vietnam Joint Stock Commercial Bank for Industry and Trade
	02 Jul 2009	02 Jul 2009	31 Dec 2009
	Reported	Restated	Reported
	VNDm	VNDm	VNDm
ASSETS			
Cash and cash equivalents	2,152,219	2,152,219	2,204,060
Balances with the State Bank of Vietnam ("SBV")	5,336,878	5,336,878	5,368,942
Placements with and loans to other banks	26,444,874	26,444,874	24,045,152
Placements with other banks	5,316,290	5,316,290	22,499,128
Loans to other banks	21,128,584	21,128,584	1,546,024
Provision for loans to other banks	-	-	-
Trading securities	502,707	502,707	299,033
Trading securities	503,862	503,862	302,427
Less: provision for impairment of trading securities	(1,155)	(1,155)	(3,394)
Derivative financial instruments and other financial assets	-	-	75,228
Loans and advances to customers	136,385,609	136,385,609	161,619,376
Loans and advances to customers	138,230,424	138,230,424	163,170,485
Less provision for credit losses	(1,844,815)	(1,844,815)	(1,551,109)
Investment securities	35,538,416	35,539,665	38,977,048
Securities – available-for-sale	31,679,242	31,680,491	33,864,198
Securities – held-to-maturity	3,859,174	3,859,174	5,112,850
Provision for impairment of investment securities	-	-	-
Long-term investments	1,107,547	1,107,547	1,463,756
Investment in subsidiaries	-	-	-
Investment in joint ventures	943,095	943,095	1,294,150
Investment in associates	3,000	3,000	3,160
Other long-term investments	161,452	161,452	166,446
Provision for impairment of long-term investments	-	-	-
Fixed assets	2,168,940	2,530,143	3,297,530
Tangible assets	1,413,061	1,413,061	1,775,244

	Vietnam Bank for Industry and Trade		Vietnam Joint Stock Commercial Bank for Industry and Trade
	02 Jul 2009	02 Jul 2009	31 Dec 2009
	Reported	Restated	Reported
	VNDm	VNDm	VNDm
Cost	3,155,244	3,155,244	3,699,517
Accumulated depreciation	(1,742,183)	(1,742,183)	(1,924,273)
Leased assets	-	-	-
Cost	-	-	587
Accumulated depreciation	-	-	(587)
Intangible assets and land use right	755,879	1,117,082	1,522,286
Cost	1,317,193	1,317,193	1,756,616
Accumulated amortization	(561,314)	(200,111)	(234,330)
Other assets	8,924,805	8,930,509	6,435,083
TOTAL ASSETS	218,930,151	218,930,151	243,785,208

Consolidated Balance sheet (continued)

	Vietnam Bank for Industry and Trade		Vietnam Joint Stock Commercial Bank for Industry and Trade
	02 Jul 2009	02 Jul 2009	31 Dec 2009
	Reported	Restated	Reported
	VNDm	VNDm	VNDm
LIABILITIES			
Borrowings from the Ministry of Finance and the State Bank of Vietnam		1,389,169	13,718,689
Deposits and borrowings from other banks	6,876,423	6,876,423	15,012,157
Deposits from other banks	688,375	688,375	9,797,640
Borrowings from other banks	6,188,048	6,188,048	5,214,517
Customer deposits and other amounts due to customers	139,413,318	139,413,318	148,530,242
Derivative financial instruments and other financial liabilities	316,471	316,471	220,091
Debts issued and other borrowed funds	42,192,152	42,192,152	34,525,002
Valuable papers issued	3,861,411	3,861,411	8,585,257
Other liabilities	10,936,815	11,413,036	10,416,457
Accrued interest expenses	2,458,039	2,458,039	1,740,761
Other payables	8,062,815	8,539,036	8,449,586
Provision for contingent liabilities and off-balance sheet commitments	415,961	415,961	226,110
TOTAL LIABILITIES	204,985,759	205,461,980	231,007,895
OWNERS' EQUITY			
Capital and reserves			
Capital	13,381,740	13,273,675	12,572,078
Chartered capital	7,730,368	7,730,368	11,252,973
Capital to purchase fixed assets	286,419	286,419	-
Other capital	209,395	209,334	-



	Vietnam Bank for Industry and Trade		Vietnam Joint Stock Commercial Bank for Industry and Trade
	02 Jul 2009	02 Jul 2009	31 Dec 2009
	Reported	Restated	Reported
	VNDm	VNDm	VNDm
Capital surplus	-	-	88,344
Reserves	4,936,298	4,738,118	335,751
Difference from assets revaluation	-	-	-
Foreign exchange translation reserve	85,882	85,882	58,735
Retained earnings / (accumulated losses)	133,378	223,554	836,275
MINORITY INTEREST	194,496	194,496	205,235
TOTAL LIABILITIES, OWNERS' EQUITY AND MINORITY INTEREST	218,561,995	218,930,151	243,785,208

Consolidated Income statement

	Vietnam Bank for Industry and Trade		Vietnam Joint Stock Commercial Bank for Industry and Trade	Aggregate amount for the period from 01 Jan 2009 to 31 Dec 2009 For reference
	For the period from 01 Jan 2009 to 02 Jul 2009	For the period from 01 Jan 2009 to 02 Jul 2009	For the period from 03 Jul 2009 to 31 Dec 2009	
	Reported	Restated	Audited	
	VNDm	VNDm	VNDm	VNDm
Interest and similar income	8,408,403	8,412,328	10,017,148	18,429,476
Interest and similar expenses	(4,724,514)	(4,724,514)	(5,566,398)	(10,290,912)
Net interest and similar income	3,683,889	3,687,814	4,450,750	8,138,564
Fees and commission income	353,503	353,503	494,361	847,864
Fees and commission expenses	(91,823)	(91,823)	(106,798)	(198,621)
Net gain from fees and commission income	261,680	261,680	387,563	649,243
Net gain from dealing in foreign currencies	107,493	107,493	(48,215)	59,278
Net gain/(loss) from securities trading	54,168	54,168	65,596	119,764
Net gain/(loss) from securities investment	-	-	14,246	14,246
Income from other operating activities	(482,585)	(482,585)	501,130	18,545
Expenses from other operating activities	-	-	(29,415)	(29,415)
Net gain from other operating activities	(482,585)	(482,585)	471,715	(10,870)
Net share of profit in associates and joint ventures and dividend income	14,760	14,760	86,661	101,421
TOTAL OPERATING INCOME	3,639,405	3,643,330	5,428,316	9,071,646
Payroll and other staff costs	(1,441,544)	(1,810,312)	(1,793,512)	(3,603,824)
Depreciation and amortization charges	(223,250)	(244,497)	(289,496)	(533,993)
Other operating expenses	25,696	27,759	(1,080,544)	(1,052,785)
TOTAL OPERATING EXPENSES	(1,639,098)	(2,027,050)	(3,163,552)	(5,190,602)
Net profit before provision for credit losses	2,000,307	1,616,280	2,264,764	3,881,044
Provision of credit losses	78,575	78,575	(586,475)	(507,900)
PROFIT BEFORE TAX	2,078,882	1,694,855	1,678,289	3,373,144
Current enterprise income tax	(489,547)	(396,007)	(438,464)	(834,471)
Deferred enterprise income tax	-	-	44,458	44,458
Enterprise income tax expense	(489,547)	(396,007)	(394,006)	(790,013)
PROFIT AFTER TAX	1,589,335	1,298,848	1,284,283	2,583,131
Minority interest	(126)	(126)	10,739	10,613
NET PROFIT AFTER MINORITY INTEREST	1,589,461	1,298,974	1,273,544	2,572,518

