



Housing Development Bank

Financial statements prepared in accordance with Vietnamese
Accounting Standards and Accounting System
for Credit Institutions

31 December 2011

Housing Development Bank

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Housing Development Bank

GENERAL INFORMATION

THE BANK

Housing Development Bank (herein referred to as "the Bank") is a commercial joint stock bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was established and operates under Decision No. 47/QD-UB issued by the People's Committee of Ho Chi Minh City on 11 February 1989.

The Bank was established to carry out banking business including mobilising and receiving short, medium and long-term deposits from organisations and individuals; making short, medium and long-term loans to organisations and individuals based on the nature and capability of the Bank's capital resources; conducting foreign currency transactions; providing international trade finance services, discounting of commercial notes, bonds and valuable papers; and other banking services as allowed by the State Bank of Vietnam.

BOARD OF DIRECTORS

The members of the Board of Directors during the year ended 31 December 2011 and at the date of this report are as follows:

Name	Position	Date of Appointment
Ms. Le Thi Bang Tam	Chairwoman	12 June 2010
Ms. Nguyen Thi Phuong Thao	Vice chairwoman	20 July 2010
Mr. Nguyen Huu Thanh	Vice chairman	20 July 2010
Mr. Luu Duc Khanh	Vice chairman	20 July 2010
Ms. Do Thi Hong Dung	Member	23 July 2008
Mr. Diep Dung	Member	15 March 2010
Mr. Nguyen Huu Dang	Member	31 December 2010
Mr. Luu Van Son	Member	31 December 2010

BOARD OF SUPERVISORS

The members of the Board of Supervisors during the year ended 31 December 2011 and at the date of this report are as follows:

Name	Position	Date of Appointment
Mr. Dao Duy Tuong	Chief Supervisor	31 December 2010
Ms. Nguyen Thi Phung	Member	23 July 2008
Mr. To Xuan Thanh	Member	31 December 2010

Housing Development Bank

GENERAL INFORMATION (continued)

BOARD OF MANAGEMENT, CHIEF FINANCIAL OFFICER AND CHIEF ACCOUNTANT

The members of the Board of Management, Chief Financial Officer and Chief Accountant during the year ended 31 December 2011 and at the date of this report are as follows:

Name	Position	Date of Appointment/resignation
Mr. Nguyen Huu Dang	General Director	Appointed on 22 October 2010
Ms. Nguyen Doan Duy Ai	Deputy General Director	Appointed on 15 August 2007
Mr. Le Hong Son	Deputy General Director	Appointed on 4 May 2009
Mr. Nguyen Minh Duc	Deputy General Director	Appointed on 31 July 2009
Mr. Le Thanh Tung	Deputy General Director	Appointed on 16 September 2009
Mr. Nguyen Manh Quan	Deputy General Director	Appointed on 11 November 2010
Mr. Pham Thien Long	Deputy General Director	Appointed on 5 April 2011
Mr. Dam The Thai	Deputy General Director	Resigned on 28 November 2011
Mr. Pham Van Dau	Chief Financial Officer	Appointed on 16 September 2009
Ms. Ho Dang Hoang Quyen	Chief Accountant	Appointed on 7 July 2011

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year ended 31 December 2011 and at the date of this report is Mr Nguyen Huu Dang, General Director.

AUDITOR

The auditor of the Bank is Ernst & Young Vietnam Limited.

Reference: 60752693/14925363

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Housing Development Bank

We have audited the financial statements of Housing Development Bank ("the Bank") as set out on pages 5 to 74, which comprise the balance sheet as at 31 December 2011, the income statement and the cash flow statement for the year then ended and the notes thereto.

The preparation and presentation of these financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion

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

Audit Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2011, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions and comply with relevant regulations stipulated by the State Bank of Vietnam.



Ernst & Young Vietnam
Ernst & Young Vietnam Limited

Nguyen Xuan Dai
Deputy General Director
Certificate No: 0452/KTV

Hoang Thi Hong Minh
Auditor
Certificate No: 0761/KTV

Ho Chi Minh City, Vietnam

27 February 2012

Housing Development Bank

BALANCE SHEET
as at 31 December 2011

B02/TCTD

	Notes	31 December 2011 VND	31 December 2010 VND
ASSETS			
Cash, gold, and precious stones	5	1,276,718,594,608	799,106,091,513
Balances with the State Bank of Vietnam	6	1,410,215,684,528	736,099,414,685
Due from banks		9,129,450,113,581	8,550,235,829,979
Deposits with other banks	7	9,129,450,113,581	8,550,235,829,979
Loans and advances to other banks		-	-
Provision for loans and advances to other banks		-	-
Trading securities		-	-
Trading securities		-	-
Provision for decline in value of trading securities		-	-
Derivatives and other financial assets	20	-	859,200,000
Loans and advances to customers		13,707,101,357,470	11,643,356,120,882
Loans and advances to customers	8	13,847,786,090,627	11,728,192,948,022
Provision for credit losses	9	(140,684,733,157)	(84,836,827,140)
Investment securities	10	10,671,563,664,617	7,451,847,740,918
Available-for-sale investment securities	10.1	8,955,690,040,031	5,804,615,176,035
Held-to-maturity investment securities	10.2	1,890,768,349,806	1,738,095,229,258
Provision for decline in value of investment securities	10.1	(174,894,725,220)	(90,862,664,375)
Long-term investments		199,177,949,881	169,862,189,881
Investments in subsidiaries		-	-
Investments in joint ventures		-	-
Investments in associates		-	-
Other long-term investments	11	199,177,949,881	169,862,189,881
Provision for decline in value of long-term investments		-	-
Fixed assets	12	327,505,960,129	256,043,367,871
<i>Tangible fixed assets</i>	12.1	265,275,008,622	193,853,525,392
Cost		339,306,317,611	242,607,774,429
Accumulated depreciation		(74,031,308,989)	(48,754,249,037)
<i>Financial lease</i>		-	-
Cost		-	-
Accumulated depreciation		-	-
<i>Intangible fixed assets</i>	12.2	62,230,951,507	62,189,842,479
Cost		78,690,210,328	71,177,342,245
Accumulated amortization		(16,459,258,821)	(8,987,499,766)
Investment properties		-	-
Cost		-	-
Accumulated depreciation		-	-
Other assets		8,303,688,015,032	4,781,816,948,465
Receivables	13	6,937,597,323,779	4,112,539,173,260
Accrued interest and fees receivable	14	987,190,764,727	421,001,042,054
Deferred tax assets	24.2	-	158,408,998
Other assets	15	385,959,926,526	248,118,324,153
<i>In which: Goodwill</i>		-	-
Provision for doubtful debts	16	(7,060,000,000)	-
TOTAL ASSETS		45,025,421,339,846	34,389,226,904,194

Housing Development Bank

BALANCE SHEET (continued)
as at 31 December 2011

B02/TCTD

	Notes	31 December 2011 VND	31 December 2010 VND
LIABILITIES			
Borrowings from the Government and the State Bank of Vietnam	17	1,070,276,780,371	2,182,623,367,622
Due to banks		11,684,453,209,552	7,254,530,266,622
Deposits from other banks	18	11,684,453,209,552	7,254,530,266,622
Borrowings from other banks		-	-
Deposits and other amounts due to customers	19	19,089,859,618,148	13,986,212,955,048
Derivatives and other financial liabilities	20	2,789,558,902	-
Grants, entrusted funds and loans exposed to risks		-	-
Valuable papers issued	21	7,838,230,091,647	7,071,044,173,423
Other liabilities		1,792,180,479,747	1,537,179,493,007
Accrued interest and fees payable	22	709,792,217,518	373,858,732,559
Deferred tax liabilities	24.2	2,575,020,592	-
Other payables	23	1,073,627,497,822	1,154,701,360,448
Provision for contingent liabilities and commitments	9	6,185,743,815	8,619,400,000
TOTAL LIABILITIES		<u>41,477,789,738,367</u>	<u>32,031,590,255,722</u>
OWNERS' EQUITY			
Capital and reserves			
Capital		3,004,043,016,800	2,004,043,016,800
Charter capital	25.1	3,000,000,000,000	2,000,000,000,000
Fund for capital expenditure		-	-
Share premium	25.1	4,043,016,800	4,043,016,800
Treasury shares		-	-
Preference shares		-	-
Other capitals		-	-
Reserves	25.1	90,730,718,845	69,670,635,657
Foreign currency difference reserve		-	-
Asset revaluation reserve		-	-
Retained earnings		452,857,865,834	283,922,996,015
TOTAL OWNERS' EQUITY		<u>3,547,631,601,479</u>	<u>2,357,636,648,472</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>45,025,421,339,846</u>	<u>34,389,226,904,194</u>

Housing Development Bank

BALANCE SHEET (continued)
as at 31 December 2011

B02/TCTD

OFF BALANCE SHEET ITEMS

	Notes	31 December 2011 VND	31 December 2010 VND
Contingencies			
Financial guarantees		-	-
Letters of credit		141,178,961,687	179,246,557,018
Other guarantees		398,326,908,251	663,367,895,383
Commitments			
Commitments to customers		-	-
Other commitments		-	-
		539,505,869,938	842,614,452,401

Prepared by: 

Reviewed by: 

Approved by: 



Ms. Ho Dang Hoang Quyen
Chief Accountant

Mr. Pham Van Dau
Chief Financial Officer

Mr. Nguyen Huu Dang
General Director

Ho Chi Minh City, Vietnam

27 February 2012

Housing Development Bank

INCOME STATEMENT
for the year ended 31 December 2011

B03/TCTD

	Notes	2011 VND	2010 VND
Interest and similar income	28	5,340,655,733,569	2,353,157,943,803
Interest and similar expenses	29	(4,031,823,646,416)	(1,830,750,360,622)
Net interest income		1,308,832,087,153	522,407,583,181
Fees and commission income		102,574,465,029	172,265,070,831
Fees and commission expenses		(38,379,619,871)	(18,753,360,404)
Net fees and commission income	30	64,194,845,158	153,511,710,427
Net loss from currencies and gold trading	31	(93,489,424,431)	(38,596,669,979)
Net gain/(loss) from securities trading		-	-
Net (loss)/gain from securities investment	32	(44,775,764,727)	16,795,395,821
Net gain from other long-term investments	33	-	22,165,000,000
Other operating income		11,578,149,137	11,285,492,591
Other operating expenses		(9,642,290,955)	(842,767,222)
Net other operating income	34	1,935,858,182	10,442,725,369
Income from long-term investments	35	9,988,190,148	23,872,915,577
TOTAL OPERATING INCOME		1,246,685,791,483	710,598,660,396
Personnel expenses		(267,297,109,756)	(162,462,720,873)
Depreciation and amortisation charges		(36,222,926,944)	(27,267,989,230)
Other operating expenses		(291,082,545,691)	(148,175,963,613)
TOTAL OPERATING EXPENSES	36	(594,602,582,391)	(337,906,673,716)
NET OPERATING PROFIT BEFORE CREDIT LOSS		652,083,209,092	372,691,986,680
Credit loss	9	(86,106,790,982)	(21,959,850,000)
PROFIT BEFORE TAX		565,976,418,110	350,732,136,680
Current corporate income tax	24.1	(136,746,576,681)	(81,481,974,795)
Deferred income tax (expense)/income	24.2	(2,733,429,590)	158,408,998
Corporate income tax expense		(139,480,006,271)	(81,323,565,797)
NET PROFIT FOR THE YEAR		426,496,411,839	269,408,570,883
Basic earnings per share	26	1,427	1,698

Prepared by: 

Ms Ho Dang Hoang Quyen
Chief Accountant

Reviewed by: 

Mr Pham Van Dau
Chief Financial Officer

Approved by: 

Mr Nguyen Huu Dang
General Director



Ho Chi Minh City, Vietnam
27 February 2012

Housing Development Bank

CASH FLOW STATEMENT
for the year ended 31 December 2011

B04/TCTD

	Notes	2011 VND	2010 VND
CASH FLOW FROM OPERATING ACTIVITIES			
Interest and similar income received		4,758,528,965,604	2,098,136,578,075
Interest and similar expense paid		(3,694,153,828,929)	(1,853,500,768,430)
Fees and commission income received		59,453,388,591	148,539,753,836
Net (payments)/receipts from securities, gold and foreign currencies trading		(54,750,819,603)	4,944,334,708
Other operating income		3,252,971,175	10,808,197,008
Recovery of bad debts previously written-off		-	-
Payments to employees and administration affairs		(554,440,753,344)	(306,512,627,234)
Corporate income tax paid for the year	24	(136,756,234,607)	(73,757,198,658)
Net cash flows from operating activities before changes in net operating assets and liabilities		381,133,688,887	28,658,269,305
Changes in operating assets			
(Increase)/decrease in due from banks		(4,712,099,400,000)	262,027,400,000
Increase in trading securities		(3,282,747,984,544)	(4,842,273,563,991)
Decrease/(increase) in derivatives and other financial assets		859,200,000	(859,200,000)
Increase in loans and advances to customers		(2,119,593,142,605)	(3,497,309,215,616)
Use of provisions to write-off (loan losses, investment securities, long-term investments)	9	(32,692,541,150)	(894,000,000)
Increase in other assets		(2,968,030,528,703)	(2,568,276,971,006)
Changes in operating liabilities			
(Decrease)/increase in borrowings from the Government and the SBV		(1,112,346,587,251)	2,077,097,625,254
Increase in due to banks		4,429,922,942,930	2,039,475,438,082
Increase in deposits and other amounts due to customers		5,103,646,663,100	4,526,968,620,984
Increase in valuable papers issued (excluding issued debts in financial activities)		767,185,918,224	4,731,733,224,268
Increase/(decrease) in grants, entrusted funds and loans exposed to risks		-	-
Increase/(decrease) in derivatives and other financial liabilities		2,481,968,069	(12,531,578,600)
(Decrease)/increase in other liabilities		(67,060,175,572)	1,075,726,445,908
Reserves utilised during the year	25.1	(10,904,997,017)	(2,936,105,205)
Net cash flows (used in)/from operating activities		(3,620,244,975,632)	3,816,606,389,383

Housing Development Bank

CASH FLOW STATEMENT (continued)
for the year ended 31 December 2011

B04/TCTD

	Notes	2011 VND	2010 VND
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(106,174,856,811)	(76,403,469,846)
Proceeds from disposals of fixed assets		319,675,858	477,295,583
Payments for disposals of fixed assets		-	-
Purchases of investment property		-	-
Proceeds from disposals of investment property		-	-
Payments for disposals of investment property		-	-
Additional investments in other entities		(55,265,760,000)	(122,674,606,216)
Receipts from investments in other entities		-	40,215,000,000
Dividend receipts and profit shared from long-term investments		17,548,034,853	11,427,249,577
Net cash flows used in investing activities		(143,572,906,100)	(146,958,530,902)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in share capital	25.1	1,000,000,000,000	450,000,000,000
Proceeds from issuance of long term convertible valuable papers and other long term borrowings		-	-
Repayment of long term convertible valuable papers and other long term borrowings		-	-
Dividends paid		(217,338,461,728)	(309,908,952,126)
Purchases of treasury shares		-	-
Proceeds from sale of treasury shares		-	-
Net cash flows from/(used in) financing activities		782,661,538,272	140,091,047,874
Net (decrease)/increase in cash and cash equivalents		(2,981,156,343,460)	3,809,738,906,355
Cash and cash equivalents at the beginning of the year		8,671,315,736,177	4,861,576,829,822
Foreign exchange difference		-	-
Cash and cash equivalents at the end of the year		5,690,159,392,717	8,671,315,736,177

Prepared by: 

Ms Ho Dang Hoang Quyen
Chief Accountant

Reviewed by: 

Mr Pham Van Dau
Chief Financial Officer

Approved by: 

Mr Nguyen Huu Dang
General Director



Ho Chi Minh City, Vietnam

27 February 2012

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2011

B05/TCTD

1. CORPORATE INFORMATION

Housing Development Bank (herein referred to as "the Bank") is a commercial joint stock bank incorporated and registered in the Socialist Republic of Vietnam.

Establishment and Operations

The Bank is a commercial joint stock bank which was established on 11 February 1989 according to Decision 47/QD-UB and operates under the following Decisions:

No.	Decision	Description
1	Decision No. 47/QD-UB issued by the People's Committee of Ho Chi Minh City on 11 February 1989	Establishment of the Bank.
2	Decision No. 102/QD-NH5 issued by the SBV on 6 June 1992	The Bank was authorised to carry out banking business such as mobilising and receiving short, medium and long term deposits from various organisations and individuals; lending on a short, medium and long term basis to various organisations and individuals up to the nature and ability of the Bank's capital resources; conducting foreign currency transactions; providing international trade finance services, discounting of commercial notes, bonds and valuable papers; and providing other banking services as approved by the State Bank of Vietnam ("SBV").
3	Decision No. 217/QD-NH7 issued by the SBV on 14 October 1992	The Bank was authorised to carry out foreign currency ("FC") dealings and banking services in FC, including FC demand deposits, term deposits and current accounts from local and foreign organisations and individuals; accepting FC savings under the requirements stipulated by the SBV; borrowing and accepting FC funds from foreign organisations and individuals; offering short, medium and long-term loans to various organisations and individuals doing business in Vietnam; conducting currency dealings at exchange rates specified by the SBV; rendering overseas foreign exchange services; and making FC payments within Vietnam.
4	Official Letter No. 74/NHNN-CNH issued by the SBV on 21 January 2003	The Bank was authorised to conduct certain foreign exchange transactions, including offering FC loan guarantees; issuing or acting as agent for FC valuable papers; discounting, rediscounting and mortgaging FC commercial notes and others; and doing world-standard gold business locally and overseas.
5	Official Letter No. 437/NHNN.HCM02 issued by the SBV on 21 January 2003	The Bank was authorised to conduct two additional foreign exchange operations, including international settlements and currency dealings in the international markets.
6	Decision No. 1002/QD-NHNN issued by the SBV on 11 May 2007	The Bank was authorised to trade gold in overseas accounts.
7	Decision No. 90/QD-NHNN issued by the SBV on 19 January 2010	The Bank was authorised for securities underwriting and securities custodian (in which including underwriting for bonds issuing and bonds depository).
8	Decision No. 2705/QD-NHNN issued by the SBV on 12 November 2010	The Bank was authorised to issue and pay for domestic debit cards, carry out insurance agent services.

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

B05/TCTD

1. CORPORATE INFORMATION (continued)

The Bank was established to carry out banking business including mobilising and receiving short, medium and long-term deposits from organisations and individuals; making short, medium and long-term loans to organisations and individuals based on the nature and capability of the Bank's capital resources; conducting foreign currency transactions; providing international trade finance services, discounting of commercial notes, bonds and valuable papers; and providing other banking services as allowed by the State Bank of Vietnam.

Charter capital

The initial charter capital of the Bank was VND 3,000 million and has been subsequently supplemented from time to time. The charter capital as at 31 December 2011 was VND 3,000,000 million (31 December 2010: VND 2,000,000 million).

Since the establishment date, the charter capital of the Bank has increased as follows:

<i>Charter capital increased to (VND million)</i>	<i>Approval by the SBV or People's Committee of Ho Chi Minh City</i>	<i>Date issued</i>
3,000	Decision No. 47/QD-UBND	11 February 1989
5,000	Decision No. 102/QD-NH5	6 June 1992
10,008	Decision No. 199/QD-NH5	23 October 1993
21,616	Decision No. 71/QD-NH5	18 April 1994
42,074	Decision No. 50/1998/QD-NHNN5	22 January 1998
49,726	Decision No. 291/1998/QD-NHNN5	27 August 1998
59,726	Decision No. 61/1999/QD-NHNN5	20 February 1999
70,026	Letter No. 677/NHTP.2002	12 June 2002
150,023	Letter No. 2088/NHNN-HCM.02	10 December 2004
200,259	Letter No. 1748/NHNN-HCM.02	12 August 2005
300,000	Letter No. 2446/NHNN-HCM.02	27 December 2005
500,000	Letter No. 1779/NHNN-HCM.02	19 December 2006
1,000,000	Letter No. 931/NHNN-HCM.02	25 June 2007
1,550,000	Letter No. 1682/NHNN-HCM.02	25 September 2008
2,000,000	Letter No. 6554/NHNN-TTGSNH	27 August 2010
3,000,000	Letter No. 6554/NHNN-TTGSNH	27 August 2010

Board of Directors

The members of the Board of Directors during the financial year ended 31 December 2011 and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of Appointment</i>
Ms. Le Thi Bang Tam	Chairwoman	12 June 2010
Ms. Nguyen Thi Phuong Thao	Vice chairwoman	20 July 2010
Mr. Nguyen Huu Thanh	Vice chairman	20 July 2010
Mr. Luu Duc Khanh	Vice chairman	20 July 2010
Ms. Do Thi Hong Dung	Member	23 July 2008
Mr. Diep Dung	Member	15 March 2010
Mr. Nguyen Huu Dang	Member	31 December 2010
Mr. Luu Van Son	Member	31 December 2010

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

B05/TCTD

1. CORPORATE INFORMATION (continued)

Board of Supervisors

The members of the Board of Supervisors during the financial year ended 31 December 2011 and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of Appointment</i>
Mr. Dao Duy Tuong	Chief Supervisor	31 December 2010
Ms. Nguyen Thi Phung	Member	23 July 2008
Mr. To Xuan Thanh	Member	31 December 2010

Board of Management, Chief Financial Officer and Chief Accountant

The members of the Board Directors, Chief Financial Officer and Chief Accountant during the financial year ended 31 December 2011 and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of Appointment/resignation</i>
Mr. Nguyen Huu Dang	General Director	Appointed on 22 October 2010
Ms. Nguyen Doan Duy Ai	Deputy General Director	Appointed on 15 August 2007
Mr. Le Hong Son	Deputy General Director	Appointed on 4 May 2009
Mr. Nguyen Minh Duc	Deputy General Director	Appointed on 31 July 2009
Mr. Le Thanh Tung	Deputy General Director	Appointed on 16 September 2009
Mr. Nguyen Manh Quan	Deputy General Director	Appointed on 11 November 2010
Mr. Pham Thien Long	Deputy General Director	Appointed on 5 April 2011
Mr. Dam The Thai	Deputy General Director	Resigned on 28 November 2011
Mr. Pham Van Dau	Chief Financial Officer	Appointed on 16 September 2009
Ms. Ho Dang Hoang Quyen	Chief Accountant	Appointed on 7 July 2011

Locations and branch networks

The Bank's Head Office is located at HD Tower, 25 bis Nguyen Thi Minh Khai Street, District 1, Ho Chi Minh City. As at 31 December 2011, the Bank had one (1) Head Office, twenty-four (24) branches, seventy-five (75) transaction offices and twenty (20) savings points located in cities and provinces throughout Vietnam.

Employees

Total number of employees of the Bank as at 31 December 2011 is 2,162 persons (31 December 2010: 1,752 persons).

2. FISCAL YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank's fiscal year starts on 1 January and ends on 31 December.

2.2 Accounting currency

The Bank maintains its accounting records in VND.

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

B05/TCTD

3. ACCOUNTING STANDARDS AND SYSTEM

3.1 *Compliance with Vietnamese Accounting Standards and Accounting System for Credit Institutions*

Management confirms that the accompanying financial statements are prepared in accordance with Vietnamese Accounting Standards and Accounting System for Credit Institutions.

3.2 *Accounting standards and system*

The financial statements of the Bank, which are expressed in Vietnam Dong ("VND"), are prepared in accordance with Decision No. 479/2004/QD-NHNN dated 29 April 2004 issued by the Governor of the State Bank of Vietnam with effect from 1 January 2005 and amendments of and additions to Decision No. 479/2004/QD-NHNN, Decision No. 16/2007/QD-NHNN dated 18 April 2007 by the Governor of the State Bank of Vietnam, and the Vietnamese Accounting Standards ("VAS") issued by the Ministry of Finance including:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (Series 5).

The accompanying financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying balance sheet, income statement, cash flow statement and the accompanying notes and their utilisation are not designed for those who are not informed about 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.

3.3 *Use of estimates*

The preparation of the financial statements requires the Bank's 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.

Going concern

Management of the Bank has assessed the Bank's ability to continue as a going concern and recognised that the Bank has sufficient resources to maintain its business operations in a definite future. In addition, management is not aware of any significant uncertainties that may affect the Bank's ability to continue as a going concern. Therefore, the financial statements are prepared on a going concern basis.

Housing Development Bank

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3. ACCOUNTING STANDARDS AND SYSTEM (continued)

3.4 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Bank in preparation of the financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2010 except for the change in the accounting policy in relation to Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments.

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") which is effective for financial years beginning on or after 01 January 2011.

The adoption of Circular 210 results in new disclosures being added to the financial statements as shown in notes to the financial statements. Because Circular 210 only provides guidance for the presentation and disclosures of financial instruments, the concepts of financial assets, financial liabilities and other related concepts presented in *Note 46* are only applied for the disclosure of this note. The assets, liabilities and equity of the Bank have been recognised and accounted for in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions and comply with relevant regulations stipulated by the State Bank of Vietnam.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *Loans and advances to customers*

Loans and advances to customers are presented at the principal amounts outstanding at the end of financial year.

4.2 *Provision for credit losses*

Loans and advances to customers are classified and provided for in accordance with the Law on Credit Institutions effective from 1 January 2011; Decision No. 1627/2001/QD-NHNN dated 31 December 2001 by the Governor of the State Bank of Vietnam on lending statutory; Decision No. 127/2005/QD-NHNN dated 3 February 2005 amending and supplementing Decision No. 1627/2001/QD-NHNN; Decision No. 493/2005/QD-NHNN dated 22 April 2005 and Decision No. 18/2007/QD-NHNN dated 25 April 2007 by the State Bank of Vietnam on loan classification and provision. Accordingly, loans are classified as *Current*, *Special Mention*, *Substandard*, *Doubtful* and *Loss* on the basis of payment arrears status and other qualitative factors.

Net loans and advances exposure for each borrower is calculated by subtracting from the loan balance the discounted value of collateral. Decision No. 493/2005/QD-NHNN and Decision No. 18/2007/QD-NHNN stipulated specific discount rates for certain accepted collaterals.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 *Provision for credit losses* (continued)

Specific provision is created on the net loans and advances exposure of each borrower using a fixed provision rates as follows:

<i>Group</i>	<i>Name</i>	<i>Specific provision rate</i>
1	Current	0%
2	Special Mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

According to Decision No. 493/2005/QD-NHNN, loans are classified at the end of each quarter for first three quarters and on 30 November for the fourth quarter in the financial year.

In accordance with Decision No. 493/2005/QD-NHNN, a general provision is made for credit losses which are yet to be identified during the loan classification and provision process and for the credit institutions' potential financial difficulties due to deterioration in loan quality. As such, the Bank is required to fully create and maintain a general provision at 0.75% of total loans and advances to customers, guarantees, payment acceptances and non-cancelable loan commitments with specific effective date which are classified in groups 1 to 4.

The provisions are recorded in the income statement as an expense and will be used to write off any credit losses incurred. According to Decision No. 493/2005/QD-NHNN, the Bank should establish the Bad Debt Resolution Committee which approves the writing-off of loans classified in Group 5, or which corporate borrowers are bankrupted or liquidated, or which individual borrowers are deceased or missing.

4.3 *Investment securities*

4.3.1 *Held-to-maturity securities*

Held-to-maturity investments are debt securities which are bought by the Bank with the purpose of earning interest and which the Bank has the intention and ability to hold to maturity. Held-to-maturity investments have fixed or determinable payments and maturity date. In case these securities are sold before maturity, they will be transferred to trading securities or available-for-sale securities.

They are initially recognised at par value at the purchase date. The accrued interest income (for debt securities with interest payment in arrears) and deferred interest income (for debt securities with interest payment in advance) are accounted for in a separate account. Discount/premium which is the difference between the cost and the amount being the par value plus (+) accrued interest income (for debt securities with interest payment in arrears) or minus (-) deferred interest income (for debt securities with interest payment in advance) is also accounted for in a separate account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium is amortised to the income statement on a straight-line basis over the remaining term of securities. The interest received in arrears is recorded on the following principle: the accrued interest amount incurred prior to the purchase is credited to the value of such securities and the accrued interest amount after the purchase is recognised into the income statement under the cumulative method. The amount of interest received in advance is amortised to the income statement on a straight-line basis over the remaining term of securities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 *Investment securities* (continued)

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

Held-to-maturity investments are subject to review for the possible of decline in their value. Provision for a decline in value of securities is made when carrying value is higher than market value according to Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009. In case that fair value or market prices of securities are not available or cannot be determined reliably, there is no provision. Provision for a decline in value is recognised in "*Net gain/ (loss) from dealing of investment securities*" of the income statement.

4.3.2 *Available-for-sale securities*

Available-for-sale securities include debt and equity securities acquired by the Bank for the purpose of investment and available-for-sale, not regularly traded but can be sold when there is a benefit. The Bank is neither the founder shareholder and strategic partner nor has the ability to place certain influence in establishing and making the financial and operating policies of the investees through a written agreement on assignment of officers to the Board of Directors/Management.

Available-for-sale equity securities are initially recognised at cost at the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognised at par value at the purchase date. The accrued interest income (for debt securities with interest payment in arrears) and deferred interest income (for debt securities with interest payment in advance) are accounted for in a separate account. Discount/premium which is the difference between the cost and the amount being the par value plus (+) accrued interest income (for debt securities with interest payment in arrears) or minus (-) deferred interest income (for debt securities with interest payment in advance) is also accounted for in a separate account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium is amortised to the income statement on a straight-line basis over the remaining term of securities. The interest received in arrears is recorded on the following principle: the accrued interest amount incurred prior to the purchase is credited to the value of such securities and the accrued interest amount after the purchase is recognised into the income statement under the cumulative method. The amount of interest received in advance is amortised to the income statement on a straight-line basis over the remaining term of securities.

Periodically, available-for-sale investments are subject to review for the possible decline in their value. Provision for a decline in value of securities is made when carrying value is higher than market value according to Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on December 2009. In case that fair value or market prices of securities are not available or cannot be determined reliably, there is no provision. Provision for a decline in value is recognised in "*Net gain/ (loss) from dealing of investment securities*" of the income statement.

4.4 *Other long-term investments*

Other long term investments represent capital contributions and investments in other entities which the Bank holds less than 20% voting rights and is the founder shareholder, the strategic partner, or has ability to make certain influence on preparing and making the financial and operating policies of the investees through a written agreement to assign of its representatives in the Board of Management/Board of Directors.

Other long-term investments are initially recognised at cost at the purchase date and continuously presented at cost minus the provision, if any.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Other long-term investments (continued)

Periodically, other long term investments are subject to review for impairment. Provision for impairment is presented in "Other operating expense" of the income statement.

4.5 Provision for decline in value of securities and long-term investments

Provision for decline in value of securities and long-term investments is determined and made in accordance with provisions of Guidance Letter No. 2601/NHNN-TCKT dated 14 April 2009 issued by the State Bank of Vietnam and Circular No. 228/2009/TT-BTC issued by the Ministry of Finance dated 7 December 2009.

4.5.1 Provision for decline in value of securities

- ▶ Listed securities: The Bank obtains the closing prices at the balance sheet date or at the latest round if there is no trading at the balance sheet date.
- ▶ Unlisted securities (trading on the over-the-counter market - OTC):
 - (i) The Bank uses the average market price of securities based on three (3) quoted prices from the large brokers whose charter capital is above VND 300 billion.
 - (ii) In case that fair value or market prices of securities are not available or cannot be determined reliably, the Bank uses its valuation methods to determine the fair value of securities and calculates provision for decline in value of investments. If the fair value of securities cannot be determined reliably using this approach, investments in unlisted shares are carried at cost.

4.5.2 Provision for decline in value of long-term investments

Provision for decline in value of long-term investments is made if the investees incur net loss (except for the loss is incurred in line with the business plan before the investment is made) in accordance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance. Provision is made if total actual capital contributions of all parties in the investee is higher than the owners' equity of the investee at its balance sheet date (using the financial information of the latest prior year).

$$\text{Level of provision for loss of financial investments} = \left(\begin{array}{c} \text{Total actual} \\ \text{capital} \\ \text{contributions} \\ \text{of all parties} \\ \text{in the investee} \end{array} - \begin{array}{c} \text{Owners'} \\ \text{equity of} \\ \text{the} \\ \text{investee} \end{array} \right) \times \frac{\text{Investment capital of the Bank}}{\text{Total actual capital contributions of all parties in the investee}}$$

4.6 Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

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

Expenditure for additions, improvements and renewals are capitalised while expenditures for maintenance and repairs are charged to the income statement.

When fixed assets are sold or liquidated, their cost and accumulated depreciation are deducted from the balance sheet item and any gains or losses resulting from their disposal are included in to the income statement.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Depreciation and amortisation

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

Buildings and structures	5 - 25 years
Machinery and equipment	7 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 10 years
Other fixed assets	3 - 10 years
Definite-term land use rights (*)	lease term
Accounting software	3 - 8 years

(*): The land use rights of the Bank with indefinite term are not amortised, the land use rights with definite term are amortised over the term of use.

4.8 Recognition of income and expense

Interest income and interest expense are recognised in the income statement on an accrual basis. The recognition of accrued interest income is suspended when a loan is classified in Group 2 to 5 in accordance with Decision No. 493/2005/QĐ-NHNN and Decision No. 18/2007/QĐ-NHNN. Suspended interest income is reversed and monitored in the off-balance sheet and recognised in income statement upon actual receipt.

Fees and commissions are recognised when incurred.

Dividend income on equity investment is recognised in the income statement when the Bank's right to receive the payment is established. For stock dividends and bonus shares, the Bank only updates the number of share without recognising dividend income in the income statement at nominal value.

4.9 Foreign currency transactions

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies at year-end are 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 in Note 48). Income and expenses arising in foreign currencies during the year are converted into VND at rates ruling at the transaction dates. Unrealised foreign exchange differences arising from the translation of monetary assets and liabilities at the balance sheet date are recognised in the income statement.

4.10 Corporate income taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (or recovered from) the taxation authorities, using tax rates and tax laws enacted at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Corporate income taxes (continued)

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

Deferred tax

Deferred tax is provided using the 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 recognised 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.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, 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.

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. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised 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 realised 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 income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with 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 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.

4.11 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprise cash, gold, jewellery, gemstones, current accounts with the SBV, treasury notes and other short-term valuable papers which are qualified for discount with the SBV, and balances and loans due from banks with an original maturity of less than three months from transaction dates and securities investments with maturity of less than three months from purchase date.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Provision for off-balance-sheet commitments

According to Decision No. 493/2005/QĐ-NHNN and Decision No. 18/2007/QĐ-NHNN issued by the SBV, credit institutions should make the loan classification and provision for guarantees, payment acceptances and non-cancelable loan commitments with specific effective date in accordance with Article 6 of Decision No. 493/2005/QĐ-NHNN (generally called "off-balance-sheet commitments"). Off-balance sheet commitments are classified into groups such as Current, Special Mention, Substandard, Doubtful and Loss based on the overdue status and other qualitative factors.

Specific provision for off-balance-sheet commitments is calculated similarly to the provision for loans and advances to customers as described in Note 9. Provision expense is recorded as "Credit loss expense" in the income statement and provision balance is recorded as "Other liabilities" in the balance sheet.

4.13 Other receivables

Receivables other than receivables from credit activities of the Bank are initially recorded at cost and continuously presented at cost in subsequent periods.

Provision for doubtful debts is set up based on the aging schedule of overdue debts or expected losses which may occur in case where a debt has not been due for payment but an economic organisation is bankrupted or liquidated; or individual debtor is missing, run away, being prosecuted, under a trial or a serving sentence or dead. Provision expense is recognised in "Operating expenses" of the income statement.

The Bank makes provision for doubtful debts under the guidance of Circular No. 228/2009/TT-BTC issued by the Ministry of Finance on 7 December 2009 as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From over six (06) months up to one (01) year	30%
From one (01) year up to under two (02) years	50%
From two (02) years up to under three (03) years	70%
From three (03) years and above	100%

4.14 Derivative contracts

Forward currency contracts

With respect to foreign currency forward contracts, difference between VND value of sale or purchase of foreign currency under forward rate and spot rate at the effective date of contract is recognised as asset item - "Interest receivables from forward transactions" if it is positive or liability item - "Interest payables from forward transactions" if it is negative. This difference will be amortised on straight-line basis during the contract term. At the balance sheet date, foreign currency forward commitments are revalued using the official exchange rate ruling by the SBV. Gain or loss from revaluation is recognised into "Net gain/loss from foreign currencies and gold trading" of the income statements.

4.15 Offsetting

Financial assets and financial liabilities are offset and reported at the net amount in the balance sheet if, and only if, the Bank has an enforceable legal right to offset financial assets against financial liabilities and the Bank has intention to settle on a net basis, or the realisation of the assets and settlement of liabilities is made simultaneously.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Employee benefits

4.16.1 Post employment benefits

Post employment benefits are paid to retired employees of the Bank by the Social Insurance Agency which belongs to the Ministry of Labor and Social Affairs. The Bank is required to contribute to these post employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 16.00% of an employee's basic salary on a monthly basis. The Bank has no further obligation to fund the post employment benefits of its employees, other than the liability to pay Social Insurance Agency on a monthly basis.

4.16.2 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). The average monthly salary used in this calculation will be the average monthly salary of the six-month period up to the resignation date. The total number of employment years used in this allowance calculation is the actual years of employment at the Bank less the years of contribution to unemployment insurance (from 1 January 2009).

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 organisational 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. Allowance increase or reverse is recorded in the operating expenses.

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 No. 64/1999/TT-BTC dated 7 June 1999 and Circular No. 82/2003/TT-BTC dated 14 August 2003 by the Ministry of Finance which superseded Circular No. 64/1999/TT-BTC, entities are required to calculate retrenchment allowance from 1% to 3% per annum on the calculation of social insurance payment salary of the employees which is used for. In addition, the outstanding balance of employee termination reserve which was previously created at 5% from the profit after tax and after appropriation of supplementary capital reserve in accordance with the guidance of Circular No. 64/1999/TT-BTC should be transferred to retrenchment allowance as stipulated by Circular 82/2003/TT-BTC.

During the year, the Bank has recorded a provision for voluntary resignation and retrenchment benefits equal to 3% per annum on the basic salary of the employees in compliance with Circular No. 82/2003/TT-BTC.

4.16.3 Unemployment benefits

According to Circular No. 04/2009/TT-BLDTBXH guiding Decree No. 127/2008/ND-CP on unemployment insurance, from 1 January 2009, the Bank is obliged to pay unemployment insurance at 1.00% of its salary fund used for payment of unemployment insurance for insurance participants and deduct 1.00% of salary of each employee to simultaneously pay to the Unemployment Insurance Fund.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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5. CASH, GOLD, AND PRECIOUS STONES

	31 December 2011 VND	31 December 2010 VND
Cash on hand in VND	382,612,756,500	154,361,471,055
Cash on hand in foreign currencies	139,939,068,108	78,020,887,458
Monetary gold	754,166,770,000	566,723,733,000
	<u>1,276,718,594,608</u>	<u>799,106,091,513</u>

6. BALANCES WITH THE STATE BANK OF VIETNAM

	31 December 2011 VND	31 December 2010 VND
Current account at the SBV	<u>1,410,215,684,528</u>	<u>736,099,414,685</u>

Balances with the State Bank of Vietnam ("SBV") include settlement and compulsory deposits. At 31 December 2011, compulsory deposits in VND and settlement deposits in foreign currencies earn annual interest at rates of 1.20% p.a. and 0.05% p.a, respectively.

In accordance with the regulations of the SBV as at 31 December 2011, the Bank is required to maintain certain cash reserves with the SBV in the form of compulsory deposits as follows:

- Reserves are computed at 3% and 1% of customer deposits in VND with original maturities of less than 12 months and over 12 months, respectively.
- Reserves are computed at 8.00% and 6.00% of customer deposits in foreign currencies with original maturities of less than 12 months and over 12 months, respectively.

Accordingly, total required average compulsory deposits (in both VND and foreign currencies) in December 2011 were VND 461,357 million and USD 6,819,030 respectively.

7. DUE FROM BANKS

	31 December 2011 VND	31 December 2010 VND
Demand deposits in other banks (Note 7.1)	39,114,002,470	1,291,840,229,979
Term deposits in other banks (Note 7.2)	9,090,336,111,111	7,258,395,600,000
	<u>9,129,450,113,581</u>	<u>8,550,235,829,979</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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7. DUE FROM BANKS (continued)

7.1 Demand deposits in other banks

	31 December 2011 VND	31 December 2010 VND
Demand deposits in local Banks		
In VND	14,125,718,135	5,121,067,039
In foreign currency ("FC")	7,477,315,935	630,920,608,423
Demand deposits in FC in foreign banks	17,510,968,400	655,798,554,517
	<u>39,114,002,470</u>	<u>1,291,840,229,979</u>

7.2 Term deposits in other banks

	31 December 2011 VND	31 December 2010 VND
<i>Deposits in other banks with term of less than or equal to 3 months</i>		
Term deposits in local banks		
In VND	2,964,111,111,111	5,026,350,000,000
In FC	-	709,950,000,000
Term deposits in gold in local banks	-	107,970,000,000
Included in cash and cash equivalents (Note 37)	<u>2,964,111,111,111</u>	<u>5,844,270,000,000</u>
<i>Deposits in other banks with term of more than 3 months</i>		
Term deposits in local banks		
In VND	6,126,225,000,000	804,400,000,000
In FC	-	393,785,600,000
In gold	-	215,940,000,000
	<u>6,126,225,000,000</u>	<u>1,414,125,600,000</u>
	<u>9,090,336,111,111</u>	<u>7,258,395,600,000</u>

Interest rates of term deposits in other banks at the year-end are as follows:

	31 December 2011 (%p.a)	31 December 2010 (%p.a)
Term deposits in local banks		
In VND	10.40 - 23.00	10.50 - 13.50
In FC	-	0.10 - 1.80
In gold	-	3.40 - 3.70

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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8. LOANS AND ADVANCES TO CUSTOMERS

	31 December 2011 VND	31 December 2010 VND
Loans to local economic entities and individuals	13,802,744,924,019	9,816,349,999,311
Discounted commercial notes and valuable papers	45,041,166,608	1,911,842,948,711
	<u>13,847,786,090,627</u>	<u>11,728,192,948,022</u>

Interest rates of loans and advances to customers at the year-end are as follows:

	31 December 2011 (%p.a)	31 December 2010 (%p.a)
Commercial loans		
In VND	6.00 - 28.30	6.00 - 25.00
In FC	3.20 - 10.50	2.29 - 10.00
In gold	2.50 - 8.50	3.00 - 8.50

Commercial loans include short-term, medium and long-term loans, and syndicated loans that the Bank is the lead manager, in VND and USD.

8.1 Analysis of loans by quality

	31 December 2011 VND	31 December 2010 VND
Current	12,726,452,310,175	11,397,929,035,604
Special mention	829,437,805,927	232,698,536,427
Substandard	154,444,963,856	31,754,988,844
Doubtful	95,845,436,669	18,716,976,226
Loss	41,605,574,000	47,093,410,921
	<u>13,847,786,090,627</u>	<u>11,728,192,948,022</u>

8.2 Analysis of loans by original terms

	31 December 2011 VND	31 December 2010 VND
Short-term loans	10,069,423,266,989	8,226,724,669,806
Medium-term loans	1,862,607,554,163	1,644,497,350,751
Long-term loans	1,915,755,269,475	1,856,970,927,465
	<u>13,847,786,090,627</u>	<u>11,728,192,948,022</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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8. LOANS AND ADVANCES TO CUSTOMERS (continued)

8.3 Analysis of loans by type of customers and ownership

	31 December 2011		31 December 2010	
	VND	%	VND	%
Corporate loans	8,689,727,733,307	62.752	6,157,080,618,781	52.498
Other limited liability companies	3,592,189,750,783	25.941	2,352,944,550,817	20.062
Other joint stock companies	3,445,415,601,031	24.881	2,281,389,108,085	19.452
Family household business	796,821,173,140	5.754	875,159,173,714	7.462
100% State limited liability companies	287,320,816,000	2.075	244,975,585,945	2.089
Private companies	253,028,145,968	1.827	131,849,421,807	1.124
Foreign invested enterprises	124,365,103,854	0.898	157,028,640,012	1.339
Other State-owned enterprises	134,052,394,600	0.968	42,817,075,483	0.365
State joint stock companies	31,517,555,807	0.228	29,867,465,025	0.255
Co-operatives	11,900,900,000	0.086	29,514,400,000	0.252
Foreign joint businesses	7,184,542,124	0.052	9,045,613,324	0.077
Others	4,519,250,000	0.033	-	-
State and administrative unit of government	1,000,000,000	0.007	-	-
Joint businesses	412,500,000	0.003	2,382,947,852	0.020
State Limited liability companies with more than 50% State-ownership	-	-	106,636,717	0.001
Individual loans	5,158,058,357,320	37.248	5,571,112,329,241	47.502
	13,847,786,090,627	100.00	11,728,192,948,022	100.00

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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8. LOANS AND ADVANCES TO CUSTOMERS (continued)

8.4 Analysis of loan portfolio by industry

	31 December 2011		31 December 2010	
	VND	%	VND	%
Other services	6,152,942,255,082	44.43	6,168,087,366,533	52.59
Constructions	1,914,768,418,913	13.83	1,504,593,050,235	12.83
Processing industry	1,132,271,983,696	8.18	940,577,448,060	8.02
Agricultural, forestry and aquaculture	1,127,761,255,076	8.14	226,814,062,275	1.93
Trading, repair of motor vehicles, motorcycles, personal appliances and household appliances	765,445,387,284	5.53	810,556,548,311	6.91
Households services	603,372,855,051	4.36	768,930,826,498	6.56
Electricity, gas and water supply/distribution	572,776,921,841	4.14	233,119,858,420	1.99
Media and communications	534,354,890,757	3.86	460,912,022,121	3.93
Science and technology activities	312,121,685,077	2.25	205,395,880,669	1.75
Financial, banking and insurance services	251,735,601,160	1.82	97,001,301,652	0.83
Transportation and warehousing	156,363,228,000	1.13	134,872,334,565	1.15
Hotel and restaurant	104,804,155,819	0.76	87,192,617,321	0.74
Administrations and supporting services	68,786,264,391	0.50	650,000,000	0.01
Art and entertainment services	44,817,892,712	0.32	26,054,600,000	0.22
Water supplies and waste treatment	42,714,141,666	0.31	-	0.00
Health care and social relief activities	24,217,891,448	0.17	13,308,137,793	0.11
Mining industry	18,414,411,007	0.13	404,200,000	0.01
Real Estate business	9,796,681,143	0.07	27,381,243,569	0.23
Education and training	6,787,314,938	0.05	18,007,450,000	0.15
State governance and national defense, Communist Party, unions, social obligations	3,532,855,566	0.02	4,334,000,000	0.04
	13,847,786,090,627	100.00	11,728,192,948,022	100.00

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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9. PROVISION FOR CREDIT LOSSES

Details of provision for credit losses on the balance sheet as at 31 December are summarised as follows:

	31 December 2011 VND	31 December 2010 VND
Provision for loans and advances to customers	140,684,733,157	84,836,827,140
Provision for contingent liabilities and off-balance sheet commitments	6,185,743,815	8,619,400,000
	<u>146,870,476,972</u>	<u>93,456,227,140</u>

Changes in provision for credit losses during the current year are as follows:

	<i>Specific provision</i> VND	<i>General provision</i> VND	<i>Total</i> VND
Beginning balance	22,565,300,000	70,890,927,140	93,456,227,140
Provisions charged for the year	53,684,375,337	50,995,652,731	104,680,028,068
Reversal of provision during the year	-	(18,573,237,086)	(18,573,237,086)
Provision used to write off bad loans from January to November 2011	(32,692,541,150)	-	(32,692,541,150)
Balance at 30 November and 31 December 2011	<u>43,557,134,187</u>	<u>103,313,342,785</u>	<u>146,870,476,972</u>

Changes in provision for credit losses during the prior year are as follows:

	<i>Specific provision</i> VND	<i>General provision</i> VND	<i>Total</i> VND
Beginning balance	22,771,450,000	49,618,927,140	72,390,377,140
Provisions charged for the year	4,228,000,000	31,912,000,000	36,140,000,000
Reversal of provision during the year	(3,540,150,000)	(10,640,000,000)	(14,180,150,000)
Provision used to write off bad loans from January to November 2010	(894,000,000)	-	(894,000,000)
Balance at 30 November and 31 December 2010	<u>22,565,300,000</u>	<u>70,890,927,140</u>	<u>93,456,227,140</u>

The Bank adopts Article 7 of Decision No. 493/2005/QĐ-NHNN, Decision No. 18/2007/QĐ-NHNN of the SBV and its own policy to make the loan classification and provision. Accordingly, provision for credit losses at 31 December 2011 has been made based on the classification of outstanding loan balances and off-balance sheet exposures as at 30 November 2011.

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

B05/TCTD

9. PROVISION FOR CREDIT LOSSES (continued)

Details of loan classification and provision as required by Decision No. 493/2005/QD-NHNN, Decision No. 18/2007/QD-NHNN and the Bank's own policy as at 30 November 2011 are as follows:

<i>Classification</i>	<i>Loan balance (*) VND</i>	<i>Specific provision VND</i>	<i>General provision VND</i>	<i>Total provision VND</i>
<i>Loans to customers</i>				
Current	11,847,696,996,123	-	88,857,727,476	88,857,727,476
Special mention	846,595,218,402	13,138,154,565	6,349,464,138	19,487,618,703
Substandard	156,865,977,953	5,338,674,666	1,176,494,835	6,515,169,501
Doubtful	99,188,336,167	14,934,094,656	743,912,521	15,678,007,177
Loss	51,397,974,000	10,146,210,300	-	10,146,210,300
	<u>13,001,744,502,645</u>	<u>43,557,134,187</u>	<u>97,127,598,970</u>	<u>140,684,733,157</u>
<i>Contingent liabilities and commitments</i>				
Current	<u>824,765,841,712</u>	-	<u>6,185,743,815</u>	<u>6,185,743,815</u>
		<u>43,557,134,187</u>	<u>103,313,342,785</u>	<u>146,870,476,972</u>

(*): Balance as at 30 November 2011

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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10. INVESTMENT SECURITIES

	31 December 2011 VND	31 December 2010 VND
Available-for-sale securities	8,955,690,040,031	5,804,615,176,035
<i>Debt securities</i>	<i>8,595,664,054,505</i>	<i>5,485,459,641,758</i>
Issued by the Government	2,348,532,563,354	2,202,459,641,758
Issued by other local banks	3,609,131,491,151	2,100,000,000,000
Issued by local economic entities	2,638,000,000,000	1,183,000,000,000
<i>Equity securities</i>	<i>360,025,985,526</i>	<i>319,155,534,277</i>
Issued by other local banks	150,273,751,249	142,132,800,000
Issued by local economic entities	209,752,234,277	177,022,734,277
<i>Provision for decline in value of available-for-sale securities</i>	<i>(174,894,725,220)</i>	<i>(90,862,664,375)</i>
Held-to-maturity securities	1,890,768,349,806	1,738,095,229,258
Issued by the Government	41,040,728,834	44,220,708,078
Issued by other local banks	300,000,000,000	950,000,000,000
Issued by local economic entities	1,549,727,620,972	743,874,521,180
<i>Provision for decline in value of held-to-maturity securities</i>	<i>-</i>	<i>-</i>
	<u>10,671,563,664,617</u>	<u>7,451,847,740,918</u>

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

B05/TCCTD

10. INVESTMENT SECURITIES (continued)

10.1 Available-for-sale securities

10.1.1 Debt securities

	31 December 2011		31 December 2010	
	Face value VND	Carrying value VND	Face value VND	Carrying value VND
Government	2,320,000,000,000	2,348,532,563,354	2,147,000,000,000	2,202,459,641,758
Bonds issued by Viet nam Development Bank	1,320,000,000,000	1,345,833,316,633	1,320,000,000,000	1,375,573,036,558
Government bonds	900,000,000,000	902,699,246,721	577,000,000,000	577,005,712,935
Government bonds for Thu Thiem's Project	100,000,000,000	100,000,000,000	100,000,000,000	100,000,000,000
Treasury bonds- TP109060	-	-	150,000,000,000	149,880,892,265
Credit institutions	3,640,000,000,000	3,609,131,491,151	2,100,000,000,000	2,100,000,000,000
Bills issued by Eximbank	2,300,000,000,000	2,300,000,000,000	1,000,000,000,000	1,000,000,000,000
Deposits Certificate of Sacombank	1,100,000,000,000	1,100,000,000,000	500,000,000,000	500,000,000,000
Bonds issued by Techcombank	140,000,000,000	109,131,491,151	-	-
Bonds issued by VietinBank	100,000,000,000	100,000,000,000	100,000,000,000	100,000,000,000
Bills issued by MHB - Sai Gon branch	-	-	500,000,000,000	500,000,000,000
Other economic entities	2,638,000,000,000	2,638,000,000,000	1,183,000,000,000	1,183,000,000,000
Bonds issued by Phu Long Real Estate JSC (Note 41)	530,000,000,000	530,000,000,000	150,000,000,000	150,000,000,000
Bonds issued by Development TN JSC	400,000,000,000	400,000,000,000	-	-
Bonds issued by Ngan Anh Trading and Tourism JSC	350,000,000,000	350,000,000,000	-	-
Bonds issued by Phu Hoang Anh JSC	289,000,000,000	289,000,000,000	189,000,000,000	189,000,000,000
Bonds issued by Hanoi Services and Real Estate JSC	250,000,000,000	250,000,000,000	-	-
Bonds issued by Ho Chi Minh City HDRReal JSC (Note 41)	200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000
Bonds issued by Ha Quang Real Estate JSC	200,000,000,000	200,000,000,000	200,000,000,000	200,000,000,000
Bonds issued by Hoa Binh Real Estate Ltd.	189,000,000,000	189,000,000,000	89,000,000,000	89,000,000,000
Bonds issued by Development and Investment Cat Trang Corporation	150,000,000,000	150,000,000,000	150,000,000,000	150,000,000,000
Bonds issued by Nam Long Investment JSC	50,000,000,000	50,000,000,000	-	-
Bonds issued by Khang An Real Estate Investment JSC	30,000,000,000	30,000,000,000	30,000,000,000	30,000,000,000
Bonds issued by HCMC General Import & Export and Investment JSC	-	-	175,000,000,000	175,000,000,000
	8,598,000,000,000	8,595,664,054,505	5,430,000,000,000	5,485,459,641,758

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

10. INVESTMENT SECURITIES (continued)

10.1 Available-for-sale securities (continued)

10.1.1 Debt securities (continued)

Details of available-for-sale debt investments as at 31 December 2011 are as follows:

	Carrying value	Term of securities	Interest payment	Interest rate per annum (%)	Margin interest rate per annum	Basis of interest calculation	Interest repricing period	Collateral assets
Government	2,348,532,563,354							
Bonds issued by Viet Nam Development Bank	1,345,833,316,633	2 - 5 years	Annual	11.70 - 15.00	-	-	-	Unsecured
Government bonds	902,699,246,721	3 - 5 years	Annual	9.80-12.70	-	-	-	Unsecured
Government bonds for Thu Thiem's Project	100,000,000,000	3 years	Annual	10.40	-	-	-	Unsecured
Credit institutions	3,609,131,491,151							
Bills issued by Eximbank	2,300,000,000,000	6 - 9 months	At maturity	14.00	-	-	-	Unsecured
Deposit Certificates of Sacombank	1,100,000,000,000	9 months	At maturity	14.00	-	-	-	Unsecured
Bonds issued by Techcombank	109,131,491,151	5 years	Annual	8.60	-	-	-	Unsecured
Bonds issued by VietinBank	100,000,000,000	2 years	Annual	15.00	1.00	(*)	Annually	Unsecured

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
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10. INVESTMENT SECURITIES (continued)

10.1 Available-for-sale securities (continued)

10.1.1 Debt securities (continued)

	Carrying value	Term of securities	Interest payment	Interest rate per annum (%)	Margin interest rate per annum	Basis of interest calculation	Interest repricing period	Collateral assets
Other economic entities	2,638,000,000,000							
Bonds issued by Phu Long Real Estate JSC (Note 41)	530,000,000,000	3 - 5 years	Every 6 months	17.50 - 18.00	3.50 - 4.00	(**)	6 months	Unsecured
Bonds issued by Development TN JSC	400,000,000,000	3 years	Annual	19.50	4.50	(*)	3 months	Unsecured
Bonds issued by Ngan Anh Trading and Tourism JSC	350,000,000,000	3 years	Annual	19.50	4.50	(*)	3 months	Unsecured
Bonds issued by Phu Hoang Anh JSC	289,000,000,000	3 years	Every 6 months	17.50	3.50	(**)	6 months	Unsecured
Bonds issued by Hanoi Services and Real Estate JSC	250,000,000,000	3 years	Annual	19.50	4.50	(*)	3 months	Unsecured
Bonds issued by Ho Chi Minh City HDR Real JSC (Note 41)	200,000,000,000	3 years	Every 6 months	18.00	4.00	(***)	6 months	Unsecured
Bonds issued by Ha Quang Real Estate JSC	200,000,000,000	3 years	Annual	18.00	4.00	(**)	Annually	Unsecured
Bonds issued by Hoa Binh Real Estate Ltd.	189,000,000,000	3 years	Every 6 months	21.00 - 21.50	3.50	(**)	6 months	Unsecured
Bonds issued by Development and Investment Cat Trang Corporation	150,000,000,000	3 years	Every 6 months	18.50	4.50	(***)	6 months	Unsecured
Bonds issued by Nam Long Investment JSC	50,000,000,000	1 year	At maturity	26.00	-	-	-	Unsecured
Bonds issued by Khang An Real Estate Investment JSC	30,000,000,000	3 years	Every 6 months	17.50	3.50	(**)	6 months	Unsecured
	8,595,664,054,505							

(*) Average 12-month saving deposits interest rate of four commercial State-owned banks.

(**) 12-month saving deposits interest rate of the Bank applicable to individuals.

(***) 12-month deposits interest rate of the Bank.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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10. INVESTMENT SECURITIES (continued)

10.1 Available-for-sale securities (continued)

10.1.2 Equity securities (continued)

Details of available-for-sale equity securities are as follows:

	31 December 2011		31 December 2010		Ownership of the Bank (%)
	Face value VND	Carrying value VND	Face value VND	Carrying value VND	
Investments in other banks	49,904,550,000	150,273,751,249	35,775,800,000	142,132,800,000	
<i>Listed shares</i>	30,278,180,000	130,647,381,249	27,334,100,000	133,691,100,000	
JS Commercial Bank for Foreign Trade of Vietnam	16,278,180,000	110,634,100,000	14,534,100,000	110,634,100,000	0.11
Vietnam JS Commercial Bank for Industry and Trade	14,000,000,000	20,013,281,249	12,800,000,000	23,057,000,000	0.15
<i>Unlisted shares</i>	19,626,370,000	19,626,370,000	8,441,700,000	8,441,700,000	
Gia Dinh Commercial JS Bank	18,696,690,000	18,696,690,000	8,441,700,000	8,441,700,000	0.42
Saigon Bank for Industry and Trade	929,680,000	929,680,000	-	-	-
Investments in business entities	109,979,950,000	209,752,234,277	82,200,450,000	177,022,734,277	
<i>Listed shares</i>	74,979,950,000	174,752,234,277	50,200,450,000	145,022,734,277	
Ho Chi Minh City Securities Corporation	21,823,750,000	59,549,058,725	13,094,250,000	50,819,558,725	2.18
Vietnam Securities Investment Fund	17,285,100,000	34,116,208,091	17,285,100,000	34,116,208,091	3.41
Son Ha International Corporation	16,050,000,000	21,000,000,000	-	-	-
HCMC Infrastructure Investment JSC	5,569,200,000	20,157,774,376	5,569,200,000	20,157,774,376	0.79
Thu Duc Housing Development Corporation	6,000,000,000	19,986,733,198	6,000,000,000	19,986,733,198	1.58
SMC Trading Investment JSC	8,251,900,000	19,942,459,887	8,251,900,000	19,942,459,887	3.35
<i>Unlisted shares</i>	35,000,000,000	35,000,000,000	32,000,000,000	32,000,000,000	
VietFund Management Company	32,000,000,000	32,000,000,000	32,000,000,000	32,000,000,000	2.37
Utxi Aquatic Products Processing Corporation	3,000,000,000	3,000,000,000	-	-	-
	159,884,500,000	360,025,985,526	117,976,250,000	319,155,534,277	

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

B05/TCTD

10. INVESTMENT SECURITIES (continued)

10.1 Available-for-sale securities (continued)

10.1.2 Equity securities (continued)

Movement in provision for decline in value of available-for-sale equity securities was as follows:

	31 December 2011 VND	31 December 2010 VND
Beginning balance	90,862,664,375	72,693,788,000
Provision charged for the year	84,032,060,845	18,168,876,375
Ending balance	174,894,725,220	90,862,664,375

10.2 Held-to-maturity securities

	31 December 2011		31 December 2010	
	Face value VND	Carrying value VND	Face value VND	Carrying value VND
Bonds issued by local economic entities	1,541,000,000,000	1,549,727,620,972	745,000,000,000	743,874,521,180
Bonds and bills issued by other local banks	300,000,000,000	300,000,000,000	950,000,000,000	950,000,000,000
Government bills and bonds	41,287,800,000	41,040,728,834	44,733,800,000	44,220,708,078
	1,882,287,800,000	1,890,768,349,806	1,739,733,800,000	1,738,095,229,258

Details of held-to-maturity securities as at 31 December 2011 are as follows:

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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B05/TC/TD

10. INVESTMENT SECURITIES (continued)

10.2 Held-to-maturity securities (continued)

Details of held-to-maturity securities as at 31 December 2011 are as follows (continued):

	Par value	Carrying value	Term of securities	Interest payment	Interest rate per annum (%)	Margin interest rate per annum	Basis of interest calculation	Interest repricing period	Collateral assets
Government	41,287,800,000	41,040,728,834							
Government bonds	41,287,800,000	41,040,728,834	5 years	Annually- Maturity	8.50 - 8.70	-	-	-	Unsecured Unsecured Unsecured
Credit Institutions	300,000,000,000	300,000,000,000							
Bonds issued by An Binh Bank	200,000,000,000	200,000,000,000	3 years	Annually	17.00	-	(*)	1 year	Unsecured
Bonds issued by Techcombank	100,000,000,000	100,000,000,000	5 years	Annually	8.60	-	-	-	Unsecured Unsecured Unsecured
Other economic entities	1,541,000,000,000	1,549,727,620,972							
Thien Thai Hotel and Tourism JSC	446,000,000,000	446,000,000,000	3 years	3- 6 months	20.00 - 22.00	3.00 - 4.00	(**)	3 - 6 months	Unsecured
Trang An Investment and Construction JSC	350,000,000,000	350,000,000,000	3 years	Pay interest when changing in value of collaterals	16.00	-	-	3 months	Savings deposits
VNT Investment Ltd.Co	300,000,000,000	309,200,000,000	3 years	Annually	16.00	3.50	(***)	1 year	Unsecured
Ocean Group JSC	200,000,000,000	200,000,000,000	3 years	Annually	12.00	-	-	1 year	Unsecured
Viet Long Hue Investment JSC	145,000,000,000	145,000,000,000	3 years	6 months	17.50	3.50	(**)	6 months	Unsecured
Lilama Viet Nam Ltd Corporation	100,000,000,000	99,527,620,972	5 years	Annually	8.80	-	-	-	Unsecured
	1,882,287,800,000	1,890,768,349,806							

(*) 13.30% per annum for the first year (2010) and 17.00% per annum for the following years.

(**) 12-month saving deposits interest rate of the Bank applicable to individuals.

(***) Average 12-month saving deposits interest rate of four commercial State-owned banks.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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11. OTHER LONG-TERM INVESTMENTS

	31 December 2011 VND	31 December 2010 VND
Beginning balance	169,862,189,881	70,271,310,665
Increase during the year	55,265,760,000	117,640,879,216
Decrease during the year	(25,950,000,000)	(18,050,000,000)
<i>Withdrawal of capital contribution</i>	-	(1,000,000,000)
<i>Disposal</i>	-	(17,050,000,000)
<i>Transfer to available-for-sale securities</i>	(21,000,000,000)	-
<i>Reclassify to other receivables due to incomplete procedures for receipt of ownership certificate of shares</i>	(4,950,000,000)	-
Ending balance	<u>199,177,949,881</u>	<u>169,862,189,881</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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11. OTHER LONG-TERM INVESTMENTS (continued)

Details of the Bank's other long-term investments as at 31 December are as follows:

	31 December 2011			31 December 2010		
	Par value VND	Carrying value VND	% owned by the Bank	Par value VND	Carrying value VND	% owned by the Bank
Investments in business entities						
City Housing Development Real Estate Business JSC	33,000,000,000	66,000,000,000	11.00	33,000,000,000	66,000,000,000	11.00
BacHa Hydraulic JSC	46,500,000,000	47,820,000,000	7.75	-	-	-
Vinh Tuong Industrial Corporation	13,425,760,000	13,425,760,000	5.84	7,000,000,000	7,000,000,000	5.19
VietJet Aviation JSC	30,000,000,000	30,000,000,000	5.00	30,000,000,000	30,000,000,000	5.00
Duc Khai 25 Corporation	6,820,000,000	10,287,479,216	11.00	6,820,000,000	10,287,479,216	11.00
Phu Gia Securities JSC	4,730,000,000	7,473,400,000	11.00	4,730,000,000	7,473,400,000	11.00
Bac Trung Nam Housing Development JSC	4,400,000,000	4,400,000,000	8.80	4,400,000,000	4,400,000,000	8.80
Hoa Binh University	3,960,000,000	11,880,000,000	11.00	3,960,000,000	11,880,000,000	11.00
Cadif Investment JSC	2,800,000,000	2,800,000,000	2.80	2,500,000,000	2,500,000,000	2.50
Banking Card and Credit JSC	2,000,000,000	2,000,000,000	4.00	2,000,000,000	2,000,000,000	4.00
Vietnam Investment and Gold Trading JSC	2,000,000,000	2,000,000,000	2.53	1,500,000,000	1,500,000,000	1.50
HCMC Credit Guarantee Fund for Small & Medium Enterprise	500,000,000	500,000,000	0.25	500,000,000	500,000,000	0.26
Banking Training Corporation	371,310,000	371,310,665	5.15	371,310,000	371,310,665	5.15
Bank Securities Services	220,000,000	220,000,000	11.00	-	-	-
Son Ha International Corporation	-	-	-	15,000,000,000	21,000,000,000	7.50
Viet Nam Alliance Fund Management JSC	-	-	-	4,950,000,000	4,950,000,000	9.90
	150,727,070,000	199,177,949,881	-	116,731,310,000	169,862,189,881	

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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12. FIXED ASSETS

12.1 Tangible fixed assets

Movements of tangible fixed assets during the financial year ended 31 December 2011 were as follows:

	Buildings and structures VND	Machinery and equipment VND	Means of transportation VND	Office equipment VND	Other fixed assets VND	Total VND
Cost						
Beginning balance	118,724,525,049	14,205,255,525	41,095,663,283	65,613,776,687	2,968,553,885	242,607,774,429
Newly purchased	2,240,822,002	16,533,095,991	26,545,327,843	51,974,603,976	1,360,548,767	98,654,398,579
Other increase	-	-	-	52,852,914	-	52,852,914
Transferred from constructions in progress	1,690,300,795	547,440,401	244,364,469	336,678,633	3,428,253,240	6,247,037,538
Sold, disposed	(4,063,808,152)	(204,532,286)	(1,202,921,791)	(1,715,158,278)	(850,518,748)	(8,036,939,255)
Other decrease	-	(47,137,594)	(87,989,000)	-	(83,680,000)	(218,806,594)
Ending balance	118,591,839,694	31,034,122,037	66,594,444,804	116,262,753,932	6,823,157,144	339,306,317,611
Accumulated depreciation						
Beginning balance	14,039,762,442	3,515,996,064	10,537,704,814	19,935,937,198	724,848,519	48,754,249,037
Charged for the year	5,088,168,930	3,136,918,525	6,046,589,358	13,829,908,797	641,992,130	28,743,577,740
Other increase	-	-	-	11,118,518	-	11,118,518
Sold, disposed	(1,482,255,062)	(136,991,549)	(419,859,431)	(1,122,656,457)	(292,611,022)	(3,454,373,521)
Other decrease	-	(6,694,898)	(3,688,827)	-	(12,879,060)	(23,262,785)
Ending balance	17,645,676,310	6,509,228,142	16,160,745,914	32,654,308,056	1,061,350,567	74,031,308,989
Net carrying amount						
Beginning balance	104,684,762,607	10,689,259,461	30,557,958,469	45,677,839,489	2,243,705,366	193,853,525,392
Ending balance	100,946,163,384	24,524,893,895	50,433,698,890	83,608,445,876	5,761,806,577	265,275,008,622

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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12. FIXED ASSETS (continued)

12.1 *Tangible fixed assets* (continued)

Other information about tangible fixed assets

	31 December 2011 VND	31 December 2010 VND
Cost of tangible fixed assets fully depreciated but still in use	<u>8,552,583,223</u>	<u>5,237,864,835</u>

12.2 *Intangible fixed assets*

Movements of intangible fixed assets during the financial year ended 31 December 2011 are as follows:

	<i>Land use rights</i> VND	<i>Accounting software</i> VND	<i>Total</i> VND
Cost			
Beginning balance	22,548,083,700	48,629,258,545	71,177,342,245
Newly purchased	-	7,520,458,232	7,520,458,232
Other decrease	-	(7,590,149)	(7,590,149)
Ending balance	<u>22,548,083,700</u>	<u>56,142,126,628</u>	<u>78,690,210,328</u>
Accumulated amortisation			
Beginning balance	14,234,868	8,973,264,898	8,987,499,766
Charged for the year	85,409,208	7,393,939,996	7,479,349,204
Other decrease	-	(7,590,149)	(7,590,149)
Ending balance	<u>99,644,076</u>	<u>16,359,614,745</u>	<u>16,459,258,821</u>
Net carrying amount			
Beginning balance	<u>22,533,848,832</u>	<u>39,655,993,647</u>	<u>62,189,842,479</u>
Ending balance	<u>22,448,439,624</u>	<u>39,782,511,883</u>	<u>62,230,951,507</u>

Other information about intangible fixed assets

	31 December 2011 VND	31 December 2010 VND
Cost of intangible fixed assets fully amortised but still in use	<u>725,019,114</u>	<u>168,543,548</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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13 OTHER RECEIVABLES

	31 December 2011 VND	31 December 2010 VND
Deposits for purchasing bonds (Note 13.1)	3,536,301,998,000	3,234,550,000,000
Gold deposit as collateral assets for term deposit of other credit institutions at the Bank	1,882,291,000,000	-
Advances for acquisitions of fixed assets (Note 13.2)	693,054,627,776	338,944,766,100
Deposits for purchasing offices (i)	260,372,222,222	-
Receivables from purchasing securities (ii)	165,017,500,000	-
Interim dividend	150,000,000,000	155,000,000,000
Constructions in progress (Note 13.3)	106,481,722,242	32,581,503,807
Advances for operation activities	36,395,285,766	24,350,932,647
Advances for purchasing securities (iii)	20,869,300,000	13,172,107,000
Prepayment of bond interest (iv)	18,300,000,000	269,546,944,555
Receivables from Agribank Leasing Company II (v)	14,120,000,000	-
Deposits, mortgage and pledge	15,017,339,889	11,128,707,892
Interest receivable from term deposit (vi)	8,583,888,888	5,666,666,667
Deposits for VISA services and connect M-Link services	7,207,000,000	-
VAT receivables	5,889,589,849	73,277,932
Amounts awaiting payments from the State budget	5,209,337,646	5,220,929,515
Expenses incurred in resolving collaterals	5,066,926,687	1,789,666,889
Dividend receivables	2,182,375,000	9,742,219,705
Interest receivable from entrusted investment contract	-	7,847,040,000
Other receivables	5,237,209,814	2,924,410,551
	<u>6,937,597,323,779</u>	<u>4,112,539,173,260</u>

(i) This item consists of:

- The deposit paid to Song Viet Investment Joint Stock Company to purchase a parcel of Abacus Tower and the land plot No. 1 at Phan Ke Binh Street with the amount of VND 112,000 million;
- The deposit of VND 114,372 million and VND 34,000 million respectively paid to Trang An Investment and Construction Joint Stock Company and Phu My Real Estate Co., Ltd. as brokers to assist the Banks in seeking for properties served for opening the Bank's offices.

(ii) This is the Bank's receivable from the sale of SaiGon Development and Investment Joint Stock Company's shares (SDI) according to contract No.10/2011-HDB.

(iii) This item consists of the advance of VND 6,669 million for purchasing Ho Chi Minh City HDReal Joint Stock Company's shares, VND 4,950 million for purchasing Vietnam Alliance Fund Management Joint Stock Company's shares and VND 9,250 million purchasing Bank of Development and Investment of Vietnam's shares.

(iv) This is the bond interest of Phu Long Real Estate Joint Stock Company paid in advance by the Bank to Vietnam Asia Commercial Joint Stock Bank when selling bonds of Phu Long Real Estate Joint Stock Company currently held by the Bank to Vietnam Asia Commercial Joint Stock Bank.

(v) This is the Bank's receivable from Agribank Leasing Company II on the overdue deposit. The Bank made a provision for this receivable with the rate of 50% in compliance with Circular No. 228/2009/TT-BTC issued by the Ministry of Finance.

(vi) This is the interest receivable from the overdue deposit contract of Saigon Commercial Joint Stock Bank. This amount was fully collected by the Bank on 2 February 2012.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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13. OTHER RECEIVABLES (continued)

13.1 Deposits for the purchase of bonds

These are the deposits made to securities companies based on the securities brokerage contracts signed between the Bank and the securities companies. Accordingly, the companies will act as securities brokers to assist the Bank in seeking for investment opportunities and the Bank shall earn a fixed interest rate on the deposits. Within the period defined in each securities brokerage contract if the brokers fail to find investment opportunities for the Bank, the Bank shall withdraw the deposits and change the corresponding interest as agreed. The contracts' details are as follows:

<i>Broker</i>	<i>Deposit amount VND</i>	<i>Interest rate per annum (%)</i>	<i>Term (months)</i>
Viet nam Alliance Fund Management JSC	2,032,601,998,000	3.00 - 25.00	1 - 6
Phu Gia Securities Corporation	1,221,700,000,000	17.30 - 26.00	1 - 6
SME Securities Corporation	248,000,000,000	16.00	2 - 9
Hoa Binh Securities Joint Stock Company	32,000,000,000	24.00	4
Phoenix Securities Corporation	2,000,000,000	21.10	1
	<u>3,536,301,998,000</u>		

13.2 Advances for acquisition of fixed assets

	<i>31 December 2011 VND</i>	<i>31 December 2010 VND</i>
Purchase of houses and offices (*)	667,240,439,228	316,771,297,889
Fixed assets acquired for implementation of the core banking system in progress	10,579,417,857	11,877,139,784
Purchase of other assets	15,234,770,691	10,296,328,427
	<u>693,054,627,776</u>	<u>338,944,766,100</u>

(*) In 2011, the Bank acquired the Abacus tower and the land plot No. 1 in Phan Ke Binh Street HCMC, and paid 75% of the contract value amounting to VND 449,404 million. The remaining amount mainly includes the deposits to purchase houses of Incomex project (amounting to VND 78,580 million) and fixed assets in Ho Chi Minh City and Tien Giang Province amounting to VND 139,257 million.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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13. OTHER RECEIVABLES (continued)

13.3 Constructions in progress

	31 December 2011 VND	31 December 2010 VND
Head Office	28,110,718,474	11,157,821,610
Ha Noi branch and affiliated transaction offices, saving funds	9,601,933,963	2,097,950,731
Thang Long branch and affiliated transaction offices, saving funds	8,295,907,642	286,642,726
Hoan Kiem branch and affiliated transaction offices, saving funds	7,787,535,848	191,143,541
Nghe An branch and affiliated transaction offices	5,189,806,632	357,464,272
Da Nang branch and affiliated transaction offices	4,951,773,983	1,638,520,397
Cong Hoa branch and affiliated transaction offices	4,804,522,883	1,170,567,604
Hiep Phu branch and affiliated transaction offices	4,540,177,242	993,642,989
Sai Gon branch and affiliated transaction offices	4,291,096,945	2,043,140,910
Binh Duong branch and affiliated transaction offices, saving funds	4,019,252,139	882,818,763
Phu Nhuan branch and affiliated transaction offices	3,868,913,796	1,040,184,960
Van Hanh branch and affiliated transaction offices, saving funds	3,051,721,328	1,295,220,296
Dong Nai branch and affiliated transaction offices	2,937,052,837	883,958,917
Lanh Binh Thang and affiliated transaction offices	2,600,585,959	1,290,912,512
Tan Binh branch and affiliated transaction offices, saving funds	2,506,203,845	1,829,396,106
Can Tho branch and affiliated transaction offices, saving funds	2,175,633,433	1,046,094,960
Vung Tau branch and affiliated transaction offices	1,986,635,419	898,352,677
An Giang branch	1,335,550,228	1,377,572,358
Nguyen Trai branch and affiliated transaction offices	1,190,611,231	1,100,490,389
Hai Duong branch	991,559,609	-
Nha Trang branch and affiliated transaction offices, saving funds	952,872,341	406,423,632
Bac Ninh branch	863,216,238	-
Nguyen Dinh Chieu branch and affiliated transaction offices	320,000,000	-
Hai Phong branch	79,167,500	593,183,457
Vinh Long branch	20,000,000	-
Dac Lac branch	9,272,727	-
	<u>106,481,722,242</u>	<u>32,581,503,807</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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14. ACCRUED INTEREST AND FEES RECEIVABLE

	31 December 2011 VND	31 December 2010 VND
Accrued interest on deposits with other banks in VND	280,987,725,565	91,957,017,332
Accrued interest on deposits with other banks in FC, gold	-	2,415,220,064
Accrued interest on loans in VND	108,187,130,250	58,574,211,106
Accrued interest on loans in FC, gold	8,083,571,794	8,426,695,505
Accrued interest on available-for-sale securities	480,068,017,726	187,929,972,223
Accrued interest on held-to-maturity securities	108,833,388,855	63,313,838,883
Currency forward contracts	965,706,219	140,424,096
Fees receivable	65,224,318	8,243,662,845
	<u>987,190,764,727</u>	<u>421,001,042,054</u>

15. OTHER ASSETS

	31 December 2011 VND	31 December 2010 VND
Prepaid expenses (i)	327,513,041,743	171,804,878,452
Entrusted funds (ii)	45,450,000,000	68,991,120,000
Foreclosed assets awaiting resolution (iii)	3,783,253,797	3,783,253,797
Other assets	9,213,630,986	3,539,071,904
	<u>385,959,926,526</u>	<u>248,118,324,153</u>

- (i) Prepaid expenses included costs of tools and supplies, repairing cost of fixed assets, office renovation and leasing offices and leased lines, in which the prepaid expense for lease of eight floors, 25 Bis Nguyen Thi Minh Khai Tower as the Bank's Head Office amounting to VND 226,557 million and the prepaid expense for lease of Hoan Kiem branch office amounting to VND 16,917 million.
- (ii) This represents entrusted funds into business projects of Ca Tam Viet Nam JSC and PVFC Land JSC amounting to VND 42,000 million and VND 3,450 million, respectively.
- (iii) The foreclosed assets waiting for resolution were placed as collaterals for two loans at Da Nang branch under which the borrower became insolvent. The Bank continue to possess ownership of these assets as at 31 December 2011.

16. PROVISION FOR IMPAIRMENT OF OTHER ASSETS

	31 December 2011 VND	31 December 2010 VND
Provision for doubtful debts	<u>(7,060,000,000)</u>	<u>-</u>

This is the provision for the overdue deposit at Agribank Leasing Company II as disclosed in Note 13.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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17. BORROWINGS FROM THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	31 December 2011 VND	31 December 2010 VND
Borrowings from the State Bank of Vietnam (i)	830,470,825,992	2,002,935,079,259
Other borrowings	239,805,954,379	179,688,288,363
Asian Development Bank (ii)	61,351,547,879	31,731,270,863
Japan Bank of International Cooperation (iii)	178,454,406,500	147,957,017,500
	<u>1,070,276,780,371</u>	<u>2,182,623,367,622</u>

- (i) These are borrowings in the open market through the SBV which are secured by the Government bonds (Note 10). These borrowings have the term of two (2) weeks and bear interest rate of 14.00% per annum.
- (ii) These borrowings are made under the Credit Financing Project funded by Asia Development Bank through the SBV. According to the agreement dated 16 January 2006 and its amendments dated 24 November 2006 and 11 October 2010 signed with the SBV, total credit limit is VND 68,000 million. The borrowings have a term of 20 years from 6 January 2004 and bear interest rate which is equivalent to the average interest rate of all types of term deposits in the banking system at end of each quarter.
- (iii) These borrowings were made under the Credit Financing for Small and Medium Enterprises Project - Phase II funded by Japan Bank of International Cooperation (JBIC) through the SBV. According to the agreement dated 1 November 2007, the Bank obtained these loans to support enterprises which meet the criteria of the project.

18. DEPOSITS FROM OTHER BANKS

	31 December 2011 VND	31 December 2010 VND
Demand deposits	3,869,997,103	2,212,266,622
In VND	3,728,035,534	2,070,464,221
In FC	141,961,569	141,802,401
Term deposits	11,680,583,212,449	7,252,318,000,000
In VND	11,264,250,000,000	5,851,350,000,000
In FC	416,333,212,449	1,400,968,000,000
	<u>11,684,453,209,552</u>	<u>7,254,530,266,622</u>

Interest rates applicable to deposits from other banks at the year-end are as follows:

	31 December 2011 (%p.a)	31 December 2010 (%p.a)
Demand deposits in VND	0.10 - 3.00	maximum 3.00
Demand deposits in FC	maximum 0.50	0.20 - 0.50
Term deposits in VND	10.50 - 19.00	3.00 - 13.50
Term deposits in FC	0.10 - 6.00	0.70 - 3.00

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19. DEPOSITS AND OTHER AMOUNTS DUE TO CUSTOMERS

19.1 Analysis by products

	31 December 2011 VND	31 December 2010 VND
<i>Demand deposits</i>		
Demand deposits in VND	1,585,305,591,873	1,802,530,345,810
Demand savings deposits in VND	552,767,262	3,327,033,549
Demand deposits in FC	229,178,079,087	100,493,045,782
Demand saving deposits in FC	5,989,339,471	50,538,380,214
<i>Term deposits</i>		
Term deposits in VND	4,674,699,241,922	3,661,552,596,111
Term savings deposits in VND	11,031,030,875,281	2,830,167,638,295
Term deposits in FC	93,233,908,924	27,439,201,544
Term savings deposits in FC	1,309,199,136,630	1,215,459,665,888
<i>Deposits for specific purposes</i>		
In VND	18,047,246,906	25,322,542,357
In FC	12,597,007,041	19,283,691,245
<i>Margin deposits</i>		
In VND	53,374,992,910	67,584,552,586
In FC	32,633,375,078	106,175,055,559
<i>Other amounts owing to customers</i>		
Other savings deposits	44,018,055,763	4,076,339,206,108
	<u>19,089,859,618,148</u>	<u>13,986,212,955,048</u>

Interest rates applicable to customer deposits at the year-end are as follows:

	31 December 2011 (%p.a)	31 December 2010 (%p.a)
Demand deposits in VND	1.20 - 6.00	1.20 - 9.50
Demand savings deposits in VND	maximum to 3.00	maximum to 3.00
Demand deposits in FC	0.20 - 1.20	0.20 - 1.20
Demand savings deposits in FC	0.20 - 1.20	0.20 - 1.20
Term deposits in VND	3.00 - 14.00	3.00 - 17.30
Term savings deposits in VND	6.00 - 14.00	8.00 - 14.50
Term deposits in FC	0.50 - 2.00	1.00 - 4.40
Term savings deposits in FC	1.00 - 2.00	0.20 - 6.50

For term savings deposits in VND and in foreign currency, in case customers withdraw before maturity, demand interest rate shall be applied.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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19. DEPOSITS AND OTHER AMOUNTS DUE TO CUSTOMERS (continued)

19.2 Analysis by customers

	31 December 2011 VND	31 December 2010 VND
Deposits from business entities	7,879,848,215,607	5,804,468,577,408
Other joint-stock companies	3,352,066,207,170	2,323,370,334,193
Family household business	1,190,414,498,802	1,349,855,904,475
Other limited liability companies	1,116,473,189,681	813,045,967,369
100% State limited liability companies	956,486,803,600	550,501,577,991
Other State-owned enterprises	513,454,536,326	295,516,395,428
State joint-stock companies	335,025,490,137	192,822,379,037
Co-operatives	57,829,435,545	11,764,429,204
State and administrative unit of government	25,059,278,014	5,097,890,016
100% foreign-invested enterprises	24,836,118,102	120,808,437,388
Private companies	23,673,175,912	17,239,446,847
Joint-foreign-invested enterprises	13,333,472,460	64,856,994,407
State Limited liability companies with more than 50% State-ownership	11,874,213,345	6,834,148,845
Joint businesses	38,569,600	7,846,339
Others	259,283,226,913	52,746,825,869
Deposits from individuals	11,210,011,402,541	8,181,744,377,640
	19,089,859,618,148	13,986,212,955,048

20. DERIVATIVES AND OTHER FINANCIAL ASSETS/LIABILITIES

	<i>Total contract value (using exchange rate at the contract effective date)</i>	<i>Carrying value (using exchange rate at balance sheet date)</i>	
		Assets VND	Liabilities VND
As at 31 December 2011			
Currency derivatives			
Forward contracts	116,951,857,120	-	2,789,558,902
As at 31 December 2010			
Currency derivatives			
Forward contracts	22,804,800,000	859,200,000	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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21. VALUABLE PAPERS ISSUED

	31 December 2011 VND	31 December 2010 VND
Certificates of deposits with term		
Under 12 months	5,728,033,471,647	4,688,564,378,843
From 12 months to 5 years	10,196,620,000	82,479,794,580
Straight bonds		
From 12 months to 5 years	1,600,000,000,000	1,800,000,000,000
Over 5 years	500,000,000,000	500,000,000,000
	<u>7,838,230,091,647</u>	<u>7,071,044,173,423</u>

Certificates of deposits issued by the Bank comprise of certificates of deposits denominated in VND, FC and gold with term from 1 month to 5 years. Interest of certificates of deposits in gold is payable at maturity or on a quarterly basis.

Interest rates applicable to valuable papers at the year-end are as follows:

	31 December 2011 (%p.a)	31 December 2010 (%p.a)
Certificates of deposits in VND	14.00	10.50 - 14.00
Certificates of deposits in FC	-	4.45 - 5.00
Certificates of deposits in gold	0.30 - 3.70	0.20 - 4.50
Bonds	15.50 - 16.70	11.50 - 11.90

No interest rate shall be applied in case customers withdraw before the maturity date of certificates of deposits in gold.

22. ACCRUED INTEREST AND FEES PAYABLE

	31 December 2011 VND	31 December 2010 VND
Accrued interest on deposits from banks in VND	310,409,920,525	115,699,143,614
Accrued interest on deposits from banks in FC	1,306,853,068	516,071,175
Accrued interest on saving deposits in VND	94,691,043,419	76,456,020,875
Accrued interest on saving deposits in FC	5,033,390,910	13,375,327,715
Accrued interest on borrowings in VND	2,418,819,498	4,086,284,258
Accrued interest on valuable papers in VND	290,839,172,042	161,203,504,379
Accrued interest on valuable papers in FC, gold	4,595,846,500	2,332,799,820
Currency forward contracts	497,171,556	189,580,723
	<u>709,792,217,518</u>	<u>373,858,732,559</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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23. OTHER PAYABLES

	31 December 2011 VND	31 December 2010 VND
Internal payables	2,124,969,883	5,246,067,780
Payables to employees	-	3,602,067,780
Provision for severance allowance	2,124,969,883	1,644,000,000
External payables	1,071,502,527,939	1,149,455,292,668
Deposits from the Bank's shareholders for capital contributions	-	1,000,000,000,000
Cash held in trust and awaiting payment (i)	994,516,581,049	91,431,040,674
Value added-tax payable	-	2,094,429,986
Corporate income tax payables (Note 24)	20,341,104,127	20,350,762,053
Other tax payables (Note 24)	2,207,669,507	5,360,253,112
Payables from the excess of settlement collaterals (ii)	35,922,876,667	-
Subsidy interest received from the State Budget	3,134,307,333	595,640,666
Interest payable on other deposits	2,043,107,388	2,552,414,778
Payables from card services	1,808,561,114	-
Unearned revenue	1,549,728,734	14,469,623,828
Payables for warranty services	1,319,912,280	-
Dividend payables	416,406,546	404,183,342
Accrued interest payable on deposits for capital contributions in the Bank	815,973	6,855,822,765
Other payables	8,241,457,221	5,341,121,464
	<u>1,073,627,497,822</u>	<u>1,154,701,360,448</u>

- (i) Cash kept under trust or for payment comprises cash and gold held on behalf of individuals, enterprises and credit institutions. In which, the gold held on behalf of Vietnam Tin Nghia Commercial Joint Stock Bank as at 31 December 2011 was 21,627 taels (equivalent to VND 910,496 million).
- (ii) This is the amount payable to Vietnam Tin Nghia Commercial Joint Stock Bank for the handling of the gold deposited as collateral by Vietnam Tin Nghia Commercial Joint Stock Bank at the Bank in relation to the deposit in VND of the Bank at Vietnam Tin Nghia Commercial Joint Stock Bank.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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24. STATUTORY OBLIGATIONS

	Beginning balance VND	Movement during the year		Ending balance VND
		Payable VND	Paid VND	
Value added tax ("VAT")	2,094,429,986	12,145,267,388	(20,129,287,223)	(5,889,589,849)
VAT on providing services	1,698,791,777	(2,884,673,840)	(4,557,286,299)	(5,743,168,362)
VAT on foreign exchange trading	395,638,209	15,029,941,228	(15,572,000,924)	(146,421,487)
Corporate income tax	20,350,762,053	136,746,576,681	(136,756,234,607)	20,341,104,127
Other taxes	5,360,253,112	23,360,325,325	(26,512,908,930)	2,207,669,507
Personal income tax	5,361,753,112	22,624,179,201	(25,778,762,806)	2,207,169,507
License tax	(1,500,000)	110,000,000	(108,000,000)	500,000
Withholding tax	-	626,146,124	(626,146,124)	-
Other payables	-	350,258,525	(350,258,525)	-
	27,805,445,151	172,602,427,919	(183,748,689,285)	16,659,183,785

24.1 Current corporate income tax

The Bank has the obligation to pay current corporate income tax ("CIT") at a rate of 25% of taxable profit (2010: 25%)

The tax returns filed by the Bank are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the year. The taxable profit of the Bank for the year differs from the profit as reported in the income statement because it excludes income or expenses that are taxable or deductible in other periods due to the differences between the Bank's accounting policies and the current tax policies, and it further excludes items that are not taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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24. STATUTORY OBLIGATIONS (continued)

24.1 Current corporate income tax (continued)

	2011 VND	2010 VND
Profit before tax	565,976,418,110	350,732,136,680
<i>Less:</i>		
Tax-exempt dividend income	(9,988,190,148)	(23,872,915,577)
Realised foreign exchange loss	-	(30,582,459,508)
Realised foreign exchange loss	(633,635,990)	-
Unrealised foreign exchange gain	(10,300,082,367)	-
<i>Add:</i>		
Non-deductible expenses	1,931,797,124	1,019,430,480
Unrealised foreign exchange loss	-	633,635,990
Estimated current taxable profit	546,986,306,729	297,929,828,065
Current CIT for the year		
CIT at the statutory rate of 25%	136,746,576,681	74,482,457,017
Under provision of CIT in prior year	-	6,999,517,778
Estimated current CIT expense	136,746,576,681	81,481,974,795
CIT payable at beginning of the year	20,350,762,053	12,625,985,916
CIT paid during the year	(136,756,234,607)	(73,757,198,658)
CIT payable at the end of the year	20,341,104,127	20,350,762,053

24.2 Deferred corporate income tax

	<i>Balance sheet</i>		<i>Credited/(debited) to Income statement</i>	
	<i>31 December 2011 VND</i>	<i>31 December 2010 VND</i>	<i>2011 VND</i>	<i>2010 VND</i>
Deferred tax asset				
Unrealised foreign exchange loss	-	158,408,998	-	158,408,998
Realised foreign exchange loss	-	-	(158,408,998)	-
Deferred tax liability				
Unrealised foreign exchange gain	(2,575,020,592)	-	(2,575,020,592)	-
	(2,575,020,592)	158,408,998		
Net deferred tax (expense)/benefit charged to the income statement			(2,733,429,590)	158,408,998

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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25. CAPITAL AND RESERVES

25.1 Statement of changes in capital and reserves

	Share capital VND	Share premium VND	Financial reserve VND	Supplementary capital reserve VND	Other reserve VND	Bonus and welfare fund VND	Retained earnings VND	Total VND
Beginning balance	2,000,000,000,000	4,043,016,800	49,745,013,749	16,159,527,926	3,442,819,795	323,274,187	283,922,996,015	2,357,636,648,472
Increase in the year	1,000,000,000,000	-	26,910,857,088	-	6,000,000,000	2,000,000,000	391,585,554,751	1,426,496,411,839
Capital contribution	1,000,000,000,000	-	-	-	-	-	-	1,000,000,000,000
Profit for the year	-	-	-	-	-	-	426,496,411,839	426,496,411,839
Additional appropriation to reserves of the prior year	-	-	26,910,857,088	-	6,000,000,000	2,000,000,000	(34,910,857,088)	-
Decrease in the year	-	-	(2,945,776,883)	-	(9,442,819,795)	(1,462,177,222)	(222,650,684,932)	(236,501,458,832)
Reserves used during the year	-	-	(2,945,776,883)	-	(9,442,819,795)	(1,462,177,222)	(300,000,000)	(14,150,773,900)
Cash dividends	-	-	-	-	-	-	(222,350,684,932)	(222,350,684,932)
Ending balance	3,000,000,000,000	4,043,016,800	73,710,093,954	16,159,527,926	-	861,096,965	452,857,865,834	3,547,631,601,479

During the year, the Bank's shareholders have contributed additional capital of VND 1,000 billion to increase the Bank's charter capital to VND 3,000 billion in accordance with Decision No. 6554/NHNN-TTGSNH dated 27 August 2010 issued by the State Bank of Vietnam - Ho Chi Minh City Branch, the plan of charter capital increase passed by the shareholders on 15 March 2010 and the 14th amendment to the Business Registration Certificate for joint stock company issued by the Department of Planning and Investment of Ho Chi Minh City on 4 January 2011.

The Bank has not yet created the statutory reserves from the net profit after tax for the year 2011. The appropriation to statutory reserves for 2011 will be made in accordance with the approval by the shareholders at the Annual General Meeting of Shareholders of the Bank and will be recorded in 2012.



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NOTES TO THE FINANCIAL STATEMENTS (continued)
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25. CAPITAL AND RESERVES (continued)

25.2 Statutory reserves

The Bank creates the following statutory reserves in compliance with the Law on Credit Institutions No.47/2010/QH12 effective since 1 January 2011:

	<i>Calculation</i>	<i>Maximum balance</i>
Supplementary capital reserve	5% of profit after tax	100% chartered capital
Financial risk reserve	At the discretion of shareholders at the Annual General Meeting of Shareholders	Not applicable

Other funds are created at the discretion of shareholders at the Annual General Meeting of Shareholders.

26. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Details of basic earnings per share of the Bank follow:

	2011	2010
Net profit after tax attributable to ordinary equity holders for basic earnings (VND)	426,496,411,839	269,408,570,883
Weighted average number of ordinary shares for basic earnings per shares (shares)	<u>298,904,110</u>	<u>158,698,630</u>
Basic earnings per share (VND/share)	<u>1,427</u>	<u>1,698</u>

Net profit attributable to the Bank's ordinary shareholders used to calculate basic earnings per share represents profit after tax, which does not exclude amounts used to create reserves according to the Bank's regulations and policies as presented in Note 25.2.

27. DIVIDENDS

On 5 October 2011, the Bank paid interim dividends amounting to VND 150,000 million (equivalent to 5% of the Bank's charter capital) in accordance with Resolution No. 09/2011/NQ-HDQT issued by the Board of Directors dated 16 June 2011. The dividends advanced will be off-set against retained earnings in accordance with the approval by the shareholders at the Annual General Meeting of Shareholders of the Bank in 2012.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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28. INTEREST AND SIMILAR INCOME

	2011 VND	2010 VND
Interest income from deposits with banks	1,316,338,573,369	363,133,139,705
Interest income from loans and advances to customers	2,229,902,592,056	996,672,764,805
Interest income from trading and investment debt securities	1,156,346,415,904	679,267,817,524
Interest income from other credit activities	638,068,152,240	314,084,221,769
	<u>5,340,655,733,569</u>	<u>2,353,157,943,803</u>

29. INTEREST AND SIMILAR EXPENSES

	2011 VND	2010 VND
Interest expense on deposits from banks	3,135,427,303,948	1,395,223,444,358
Interest expense on borrowings	204,634,129,954	65,026,040,965
Interest expense on valuable papers	662,224,240,960	335,599,017,664
Expense from other credit activities	29,537,971,554	34,901,857,635
	<u>4,031,823,646,416</u>	<u>1,830,750,360,622</u>

30. NET FEES AND COMMISSION INCOME

	2011 VND	2010 VND
Fees and commission income		
Settlement services	48,290,009,818	31,183,194,869
Treasury services	14,660,121,596	7,631,253,754
Discounted fees	14,503,840,073	83,971,038,913
Guarantee transactions	13,404,793,814	15,910,531,288
Advisory services	7,854,104,038	26,871,577,568
Credit service fees	3,616,892,633	6,514,847,387
Trust and agent services	244,703,057	182,627,052
	<u>102,574,465,029</u>	<u>172,265,070,831</u>
Fees and commission expenses		
Treasury service	(16,696,667,533)	(2,371,124,539)
Postal and telecommunication	(10,850,539,566)	(8,019,463,750)
Settlement services	(6,219,194,146)	(2,881,878,121)
Advisory services	(2,883,616,237)	(1,951,172,571)
Brokerage services	(867,594,151)	(2,512,848,378)
Trust and agent services	(683,044,406)	(885,792,134)
Others	(178,963,832)	(131,080,911)
	<u>(38,379,619,871)</u>	<u>(18,753,360,404)</u>
Net fees and commission income	<u>64,194,845,158</u>	<u>153,511,710,427</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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31. NET LOSS FROM CURRENCIES AND GOLD TRADING

	2011 VND	2010 VND
Income from foreign currencies and gold trading		
Income from foreign exchange spot	1,224,398,370,799	495,023,838,117
Income from gold trading	878,152,862,320	701,351,907,756
Income from currency derivatives	6,584,514,951	33,154,689,576
	<u>2,109,135,748,070</u>	<u>1,229,530,435,449</u>
Expense from foreign currencies and gold trading		
Expense from foreign exchange spot	(1,181,954,781,066)	(504,222,611,902)
Expense from gold trading	(984,105,258,951)	(712,342,169,211)
Expense from currency derivatives	(36,565,132,484)	(51,562,324,315)
	<u>(2,202,625,172,501)</u>	<u>(1,268,127,105,428)</u>
Net loss from foreign currencies and gold trading	<u>(93,489,424,431)</u>	<u>(38,596,669,979)</u>

32. NET (LOSS)/GAIN FROM DEALING OF INVESTMENT SECURITIES

	2011 VND	2010 VND
Income from dealing of available-for-sales securities	58,886,965,249	38,195,280,451
Expense from dealing of available-for-sales securities	(26,952,456,731)	(2,436,487,706)
Provision for decline in value of available-for-sales securities	(84,032,060,845)	(18,168,876,375)
Net (loss)/gain from dealing of available-for-sales securities	<u>(52,097,552,327)</u>	<u>17,589,916,370</u>
Income from dealing of held-to-maturity securities	7,321,787,600	-
Expense from dealing of held-to-maturity securities	-	(794,520,549)
Net (loss)/gain from dealing of held-to-maturity securities	<u>7,321,787,600</u>	<u>(794,520,549)</u>
Net (loss)/gain from dealing of investment securities	<u>(44,775,764,727)</u>	<u>16,795,395,821</u>

33. INCOME FROM LONG-TERM INVESTMENTS

	2011 VND	2010 VND
Income from sale of other long-term investments	-	39,215,000,000
Net carrying amount of other long-term investments (Note 11)	-	(17,050,000,000)
Net gain from other long-term investments	<u>-</u>	<u>22,165,000,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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34. NET OTHER OPERATING INCOME

	2011 VND	2010 VND
Other operating income		
Income from rental service	9,023,188,419	10,528,716,565
Gain from disposal of fixed assets	319,675,858	477,295,583
Other income	2,235,284,860	279,480,443
	11,578,149,137	11,285,492,591
Other operating expense		
Loss from disposal of fixed assets	(1,636,788,851)	(842,767,222)
Fines due to violation of contracts	(7,870,197,745)	-
Other expenses	(135,304,359)	-
	(9,642,290,955)	(842,767,222)
Net other operating income	1,935,858,182	10,442,725,369

35. INCOME FROM LONG-TERM INVESTMENTS

	2011 VND	2010 VND
Dividends from long-term investments:		
<i>From equity available-for-sale securities</i>	7,161,226,452	7,960,984,577
<i>From capital contributions and long-term investments</i>	2,826,963,696	15,911,931,000
	9,988,190,148	23,872,915,577

36. OPERATING EXPENSES

	2011 VND	2010 VND
Employees remuneration	267,297,109,756	162,462,720,873
<i>Salary and allowance</i>	247,691,338,872	145,370,798,266
<i>Salary related allowance</i>	13,661,916,803	12,688,118,462
<i>Allowance</i>	4,857,674,081	3,799,509,145
<i>Social activities</i>	1,086,180,000	604,295,000
Depreciation expense	36,222,926,944	27,267,989,230
Other operating expenses	291,082,545,691	148,175,963,613
<i>Office rental</i>	75,446,513,175	40,892,462,201
<i>Advertising, marketing, promotion and entertainment</i>	56,280,273,097	30,022,138,261
<i>General administration expenses</i>	53,734,702,062	32,081,932,156
<i>Repair and maintenance</i>	22,446,013,844	10,393,403,178
<i>Other taxes and fees</i>	16,752,312,099	6,669,784,749
<i>Tools and equipments</i>	15,546,165,643	7,876,953,919
<i>Insurance for customer deposits</i>	13,131,664,599	7,324,979,587
<i>Business trip</i>	11,078,629,983	3,948,655,905
<i>Material and printing</i>	9,741,087,564	4,647,016,083
<i>Provision for overdue deposits</i>	7,060,000,000	-
<i>Post and telecommunication</i>	7,059,113,898	3,289,029,836
<i>Insurance of the Bank's assets</i>	1,737,133,979	801,160,848
<i>Training</i>	1,068,935,748	228,446,890
	594,602,582,391	337,906,673,716

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37. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprised the following amounts on the balance sheet:

	<i>31 December 2011</i> VND	<i>31 December 2010</i> VND
Cash in VND	382,612,756,500	154,361,471,055
Cash in FC	139,939,068,108	78,020,887,458
Monetary gold	754,166,770,000	566,723,733,000
Current account with the SBV	1,410,215,684,528	736,099,414,685
Demand deposits with other banks	39,114,002,470	1,291,840,229,979
Deposits with other banks with term of less than 90 days (<i>Note 7.2</i>)	<u>2,964,111,111,111</u>	<u>5,844,270,000,000</u>
	<u>5,690,159,392,717</u>	<u>8,671,315,736,177</u>

38. EMPLOYEES' INCOME

	<i>Actual amount</i>	
	<u>2011</u>	<u>2010</u>
I. Total number of employees (persons)	2,162	1,752
II. Employees' income (VND)		
1. Total salary	231,910,640,571	136,899,849,378
2. Lunch allowances	<u>15,780,698,301</u>	<u>8,470,948,888</u>
3. Total income (1+2)	<u>247,691,338,872</u>	<u>145,370,798,266</u>
4. Average monthly salary (VND/person)	<u>8,251,286</u>	<u>6,010,706</u>
5. Average monthly income (VND/person)	<u>8,812,757</u>	<u>6,382,631</u>

39. COLLATERALS AND MORTGAGES

	<i>Net book value</i>	
	<u>31 December 2011</u> VND	<u>31 December 2010</u> VND
Real estate properties	23,561,049,334,785	14,205,952,914,096
Movable assets	5,011,265,067,505	3,936,056,268,542
Valuable papers	3,783,063,710,665	3,656,321,907,118
Other assets	<u>10,444,189,506,898</u>	<u>7,562,604,919,847</u>
	<u>42,799,567,619,853</u>	<u>29,360,936,009,603</u>

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40. CONTINGENT LIABILITIES AND COMMITMENTS

In the 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 recognised 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 default by clients are recognised 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 0.00% to 100.00% of the value of a commitment granted, depending on the creditworthiness of clients as assessed by the Bank.

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

	<i>31 December 2011</i>	<i>31 December 2010</i>
	<i>VND</i>	<i>VND</i>
Financial guarantees	448,847,024,072	769,350,103,496
At sight letters of credit	155,191,898,611	218,266,113,697
Deferred letters of credit	14,340,782,734	25,023,943,863
	618,379,705,417	1,012,640,161,056
Less: Margin deposits	<u>(78,873,835,479)</u>	<u>(170,025,708,655)</u>
Contingent liabilities and commitments	<u>539,505,869,938</u>	<u>842,614,452,401</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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41. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank is related. Parties are considered as related parties if one party is able to control over or significantly influence to the other party in making decision of financial and operational policies. A party is deemed to be 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 and subsidiaries);
 - ▶ has an interest in the Bank that gives it significant influence over the Bank;
 - ▶ 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 Company;
- (d) the party is a close member of the family of any person referred to in (a) or (c); and
- (e) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any person referred to in (c) or (d).



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NOTES TO THE FINANCIAL STATEMENTS (continued)
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37. RELATED PARTY TRANSACTIONS (continued)

Significant transactions with related parties in the year 2011 are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Amount VND</i>
Ho Chi Minh City Finance and Investment State-owned Company	Shareholder	Deposit in current account Withdrawing from current account Term deposit	4,187,051,816,004 4,176,420,355,309 30,000,000,000
Bac Ha Investment JSC	Shareholder	Deposit in current account Withdrawing from current account Term deposit Withdrawing from term account	4,009,379,345,321 4,018,130,558,616 4,962,437,220 1,200,394,521
Bac Trung Nam Housing Development JSC	Investee	Deposit in current account Withdrawing from current account Withdrawing from margin deposit	26,988,237,070 26,576,801,780 110,000,000
Viet Nga Investment JSC	Shareholder	Deposit in current account Withdrawing from current account Term account	1,023,815,796,197 1,024,043,844,039 9,000,000,000
Phu Long Real Estate JSC	Shareholder	Deposit in current account Withdrawing from current account Term account Withdrawing from term account Purchasing bonds Selling SDI securities	2,483,880,829,501 2,467,740,188,711 1,671,571,309,802 1,276,071,309,802 530,000,000,000 165,017,500,000
City Housing Development Real Estate Business JSC	Investee	Deposit in current account Withdrawing from current account Purchasing bonds	46,931,785,357 47,291,986,360 200,000,000,000
Bank Securities Services JSC	Investee	Deposit in current account Withdrawing from current account	23,503,275,432 19,585,702,818

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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41. RELATED PARTY TRANSACTIONS (continued)

Details of receivables from and payables to related parties as at 31 December 2011 are as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivables VND</i>	<i>Payables VND</i>
Ho Chi Minh City Finance and Investment State-owned Company	Shareholder	Current account Term account	- -	(15,549,594,949) (30,000,000,000)
Bac Ha Investment JSC	Shareholder	Current account Term account	- -	(307,560,239) (3,762,042,699)
Bac Trung Nam Housing Development JSC	Investee	Loan Current account	3,500,000,000 -	- (1,720,390,908)
Viet Nga Investment JSC	Shareholder	Current account Term account	- -	(452,042,383) (9,000,000,000)
Phu Long Real Estate JSC	Shareholder	Current account Term account Purchasing bonds Selling SDI securities	- - 530,000,000,000 165,017,500,000	(28,321,677,648) (435,500,000,000) - -
City Housing Development Real Estate Business JSC	Investee	Current account Purchasing bonds	- 200,000,000,000	(1,544,060) -
Bank Securities Services JSC	Investee	Current account	-	(3,917,572,614)

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
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42. RISK MANAGEMENT POLICIES RELATING TO FINANCIAL INSTRUMENTS

The use of financial instruments, including receipt of deposits from customers and investments in high quality financial assets, has become a key activity enabling the Bank to achieve the required interest rate differences. In consideration of the aspect of risk management, the Bank is required to have a balance between the off-balance sheet commitments (such as guarantees and letters of credit) with the loans (in local currency and foreign currency) to individuals and organisations depending on different levels of reliability. In addition, the Bank has also invested a portion of working capital in investment securities or loans to other banks. The risks related to foreign exchanges and interest rate changes are managed through the use of status limit in order to restrict the excessive concentration while engaging in activities to balance each other to reduce the risks. By holding multiple assets which are financial instruments with high quality, the Bank's balance sheet structure is completely able to prevent material risks during the course of business and ensure the liquidity.

As for the management of credit risk, the Bank has issued credit policies and guidance of implementation to control the Bank's credit activities. The risk of liquidity is limited by holding a large amount of cash and cash equivalents in the form of Nostro account, deposits at the State Bank and other credit institutions and valuable papers. The rates of safety taking into account of risk factors are also used to manage liquidity risk. The Bank usually conducts assessment of interest rate difference, comparisons with domestic and international markets for timely adjustments. In addition, the application of internal risk management processes becomes more efficient by deploying the system of Centralised Capital Management and Centralised Payment, under which all capital transactions and payments of the Bank are made by its Head Office. That allows the Bank to monitor the transformation of capital more effectively and reduce possible errors as well as unnecessary complex procedures.

43. CREDIT RISK

Credit risk is the possibility of losses in the banking activities of credit institutions due to customers do not or cannot fulfill their obligations as committed.

The Bank controls and manages credit risk by setting up credit limits corresponding to the levels of risk that the Bank may be acceptable for each customer, geographical area and industry.

The Bank has established a review process of credit quality enabling early prediction of changes in financial status, repayment ability of borrowers on the qualitative and quantitative basis. Credit limit for each customer is established through the application of credit rating system, in which each customer is classified at a level of risk. The level of risk can be amended and updated regularly.

43.1 *Financial assets not past due and not impaired*

The Bank's financial assets which are not past due and not impaired comprised loans and advances to customers classified as Current loan in accordance with Decision No. 493/2005/QĐ-NHNN and Decision No. 18/2007/QĐ-NHNN; securities, receivables and other financial assets which are not past due and no provision is required in accordance with Circular No. 228/2009/TT-BTC.

The Bank believed that it can recover fully and timely these financial assets in the near future.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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43. CREDIT RISK (continued)

43.2 Financial assets past due but not impaired

Past due financial assets but not impaired are presented as below:

	<i>Past due</i>			
	<i>Less than 90 days VND</i>	<i>91-180 days VND</i>	<i>181-360 days VND</i>	<i>Over 360 days VND</i>
ASSET				
Placements with and loans to other banks	440,000,000,000	-	-	-
Balances with other banks	440,000,000,000	-	-	-
Loans and advances to customers	213,707,468,268	66,993,731,767	63,711,050,533	23,884,827,408
Investment securities	-	-	-	11,287,800,000
Held-to-maturity securities	-	-	-	11,287,800,000
Other assets	472,500,442,444	32,000,000,000	-	4,849,728,975
Receivables	457,898,220,222	32,000,000,000	-	-
Accrued interest and fees receivable	14,602,222,222	-	-	4,849,728,975

The Bank holds real estate properties, movable assets, valuable papers and other assets as collaterals for these financial assets. The Bank has not determined adequately the fair value of these collaterals due to lack of necessary detail instructions and market information.

44. MARKET RISK

44.1 Interest risk

Foreign currency sensitivity

No analysis on foreign currency sensitivity was performed for the year ended 31 December 2011 since the Bank does not have sufficient data and technology.

Analysis of assets and liabilities based on the re-pricing period of effective interest rate

The re-pricing period of effective interest rate is the remaining period from the date of the financial statements to the latest re-pricing date of interest rate applicable to assets and liabilities which are subject to changes in interest rates.

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
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B05/TCTD

44. MARKET RISK (continued)

44.1 Interest risk (continued)

The following assumptions and conditions are used in analysis of the re-pricing period of interest rates of the Bank's assets and liabilities:

- ▶ Cash, gold, jewelry, gemstones; long-term investment and other assets (including fixed assets, investment properties and other assets) are classified as non-interest bearing group.
- ▶ Balances with the State Bank of Vietnam which represent current accounts are classified into group which has the re-pricing period of up to one month.
- ▶ The term of actual re-pricing interest rate of investment and trading securities is determined based on the actual maturity term as at the balance sheet date of each kind of securities.
- ▶ The term of actual re-pricing interest rate of deposits with and loans to other banks; loans to customers; borrowings from government and the State Bank of Vietnam; grants, entrusted funds and loans exposed to risks; deposits and borrowings from other banks and deposits from customers are determined as follows:
 - items with fixed interest rate for the entire contractual term: The term of actual re-pricing interest rate is determined based on the remaining contractual term calculated from the balance sheet date.
 - items with floating interest rate: The term of actual re-pricing interest rate is determined based on the next interest reset date subsequent to the balance sheet date.
- ▶ The term of actual re-pricing interest rate of valuable papers is determined based on the remaining maturity term of each valuable paper calculated from the balance sheet date;
- ▶ The term of actual re-pricing interest rate of entrusted funds and loans exposed to risks to the Bank is determined based on the remaining contractual term calculated from the balance sheet date; and
- ▶ Other liabilities are classified as non-bearing interest group.

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
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44. MARKET RISK (continued)

44.1 Interest risk (continued)

	Re-pricing interest rate in period							Total VND
	Overdue VND	Non-interest bearing VND	Up to 1 month VND	1 – 3 months VND	3 – 6 months VND	6 – 12 months VND	1 – 5 years VND	
Assets								
Cash, gold, jewelry and gemstones	-	1,276,718,594,608	-	-	-	-	-	1,276,718,594,608
Balances with the SBV	-	-	1,410,215,684,528	-	-	-	-	1,410,215,684,528
Deposits with and loans to other banks (*)	-	-	2,885,250,113,581	3,699,950,000,000	2,200,000,000,000	244,250,000,000	100,000,000,000	9,129,450,113,581
Loans and advances to customers (*)	-	-	1,166,619,149,218	12,681,166,941,409	-	-	-	13,847,786,090,627
Investment securities (*)	-	371,313,785,526	-	1,600,000,000,000	2,805,000,000,000	2,682,659,112,111	3,387,485,492,200	10,846,458,389,837
Long-term investments (*)	-	199,177,949,881	-	-	-	-	-	199,177,949,881
Fixed assets	-	327,505,960,129	-	-	-	-	-	327,505,960,129
Other assets (*)	587,518,220,222	4,614,946,794,810	244,785,000,000	702,462,000,000	2,161,036,000,000	-	-	8,310,748,015,032
Total assets	587,518,220,222	6,789,663,084,954	5,706,869,947,327	18,683,578,941,409	7,166,036,000,000	2,926,909,112,111	3,487,485,492,200	45,348,060,798,223
Liabilities								
Deposits and borrowings from the SBV and other banks	-	-	4,624,924,035,544	6,021,891,739,379	2,107,914,215,000	-	-	12,754,729,989,923
Customer deposits	-	86,148,042,988	14,171,787,266,359	4,018,748,196,681	467,914,206,234	305,052,035,704	40,209,870,182	19,089,859,618,148
Derivatives and financial liabilities	-	2,789,558,902	-	-	-	-	-	2,789,558,902
Valuable papers issued	-	-	1,275,568,281,647	2,430,451,557,000	805,988,013,000	2,475,586,530,000	850,635,710,000	7,838,230,091,647
Other liabilities	-	1,785,994,735,932	-	-	-	-	-	1,785,994,735,932
Total liabilities	-	1,874,932,337,822	20,072,279,583,550	12,471,091,493,060	3,381,816,434,234	2,780,638,565,704	890,845,580,182	41,471,603,994,552
Sensitive interest rate difference for balance sheet items	587,518,220,222	4,914,730,747,132	(14,365,409,636,223)	6,212,487,448,349	3,784,219,565,766	146,270,546,407	2,596,639,912,018	3,876,456,803,671
Off-balance sheet commitments affecting sensitive interest rate difference of assets and liabilities (net)	-	618,379,705,417	-	-	-	-	-	618,379,705,417
Sensitive interest rate difference for on and off-balance sheet items	587,518,220,222	4,296,351,041,715	(14,365,409,636,223)	6,212,487,448,349	3,784,219,565,766	146,270,546,407	2,596,639,912,018	3,258,077,098,254

(*): Total assets represent gross carrying value which does not include provisions.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2011

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44. MARKET RISK (continued)

44.2 Currency risk

Currency risk is the risk that the value of a financial instrument fluctuates due to changes in foreign exchange rates.

As the Bank was incorporated and operates in Vietnam, VND is the reporting currency. The major currency in which the Bank transacts is also VND. The Bank's loans and advances are mainly denominated in VND with the remainder mainly in USD. However, some of the Bank's other assets are in currencies other than VND and USD. The Bank's management has set limits on positions by currency. Positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits.

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
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44. MARKET RISK (continued)

44.2 Currency risk (continued)

Classification of assets and liabilities of which currencies are translated into VND at 31 December 2011 as follows:

	EUR equivalent VND	US\$ equivalent VND	Gold equivalent VND	Other currencies equivalent VND	Total VND
Assets					
Cash, gold, jewelry and gemstones	4,571,856,001	135,367,212,107	754,166,770,000	-	894,105,838,108
Balances with the SBV	-	147,140,765,028	-	-	147,140,765,028
Placements with and loans to other banks (*)	1,682,736,034	19,657,476,189	-	3,648,072,112	24,988,284,335
Derivatives and financial assets	-	114,162,298,218	-	-	114,162,298,218
Loans and advances to customers (*)	24,495,394,320	1,770,519,123,960	605,482,663,100	-	2,400,497,181,380
Other assets (*)	37,590,725	14,213,355,033	1,883,188,487,800	-	1,897,439,433,558
Total assets	30,787,577,080	2,201,060,230,535	3,242,837,920,900	3,648,072,112	5,478,333,800,627
Liabilities					
Deposits and borrowings from other banks	38,443,373,482	378,031,800,536	-	-	416,475,174,018
Customer deposits	10,174,044,459	1,672,028,454,435	-	628,347,337	1,682,830,846,231
Valuable papers issued	-	-	2,247,722,957,400	-	2,247,722,957,400
Other liabilities	23,263,385	6,375,824,869	995,663,442,300	38,555	1,002,062,569,109
Total liabilities	48,640,681,326	2,056,436,079,840	3,243,386,399,700	628,385,892	5,349,091,546,758
FX position on balance sheet	(17,853,104,246)	144,624,150,695	(548,478,800)	3,019,686,220	129,242,253,869
FX position off balance sheet	-	-	-	-	-
FX position on and off-balance sheet	(17,853,104,246)	144,624,150,695	(548,478,800)	3,019,686,220	129,242,253,869

(*) Total assets represent gross carrying value which does not include provisions.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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44. MARKET RISK (continued)

44.2 Currency risk (continued)

Foreign currency sensitivity

No analysis on foreign currency sensitivity was performed for the year ended 31 December 2011 since the Bank does not have sufficient data and technology.

44.3 Liquidity risk

Liquidity risk is the risk which the Bank has difficulties in meeting the obligations of financial liabilities. Liquidity risk occurs when the Bank cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To manage the liquidity risk exposure, the Bank has diversified the mobilisation of deposits from various sources in addition to its basic capital resources. In addition, the Bank has established policy for control of liquidity assets flexibly, monitor the future cash flows and daily liquidity. The Bank has also evaluated the estimated cash flows and the availability of current collateral assets in case of obtaining more deposits.

The maturity term of assets and liabilities represents the remaining period of assets and liabilities as calculated from the balance sheet date to the settlement date in accordance with contractual terms and conditions.

The following assumptions and conditions are applied in the analysis of maturity of the Bank's assets and liabilities:

- ▶ Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's customer deposits.
- ▶ The maturity term of investment securities is calculated based on the maturity date of each kind of securities.
- ▶ The maturity term of placements with and loans to other banks; and loans to customers is determined on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended.
- ▶ The maturity term of long-term investments is considered as more than one year because these investments do not have specific maturity date.
- ▶ The maturity term of deposits and borrowings from other banks; and customer deposits are determined based on features of these items or the maturity date as stipulated in contracts. Vostro account and demand deposits are transacted as required by customers, and therefore, being classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated, and therefore, they last beyond the original maturity date.
- ▶ The maturity term of fixed assets is determined on the remaining useful life of assets.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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44. MARKET RISK (continued)

44.3 Liquidity risk (continued)

	Overdue		Current					Total VND
	Above 3 months VND	Up to 3 months VND	Up to 1 month VND	1—3 months VND	3—12 months VND	1—5 years VND	Above 5 years VND	
Assets								
Cash, gold, jewelry and gemstones	-	-	1,276,718,594,608	-	-	-	-	1,276,718,594,608
Balances with the SBV	-	-	1,410,215,684,528	-	-	-	-	1,410,215,684,528
Placements with and loans to other banks (*)	-	440,000,000,000	2,445,250,113,581	3,699,950,000,000	2,444,250,000,000	100,000,000,000	-	9,129,450,113,581
Loans and advances to customers (*)	675,520,780,811	491,098,368,407	2,150,351,852,999	2,005,762,083,626	4,758,193,467,381	1,727,096,414,447	2,039,763,122,956	13,847,786,090,627
Investment securities (*)	-	-	371,313,785,526	1,800,905,581,332	3,173,412,040,945	5,500,826,982,034	-	10,846,458,389,837
Long-term investments (*)	-	-	-	-	-	199,177,949,881	-	199,177,949,881
Fixed assets	-	-	46,662,455,800	14,851,994	746,426,528	75,623,950,657	204,458,275,150	327,505,960,129
Other assets (*)	129,620,000,000	457,898,220,222	2,339,484,049,473	2,247,953,000,000	2,196,966,000,000	933,619,745,337	5,207,000,000	8,310,748,015,032
Total assets	805,140,780,811	1,388,996,588,629	10,039,996,536,515	9,754,585,516,952	12,573,567,934,854	8,536,345,042,356	2,249,428,398,106	45,348,060,798,223
Liabilities								
Deposits and borrowings from the Government and the SBV and other banks	-	-	4,624,924,035,544	5,890,620,000,000	2,001,245,200,000	154,164,706,500	83,776,047,879	12,754,729,989,923
Customer deposits	-	-	14,102,196,732,483	3,969,838,114,208	818,464,839,088	199,359,932,369	-	19,089,859,618,148
Derivatives and other financial liabilities	-	-	2,789,558,902	-	-	-	-	2,789,558,902
Valuable papers issued	-	-	1,275,568,281,647	2,430,451,557,000	3,281,574,543,000	850,635,710,000	-	7,838,230,091,647
Other liabilities	-	-	1,785,994,735,932	-	-	-	-	1,785,994,735,932
Total liabilities	-	-	21,791,473,344,508	12,290,909,671,208	6,101,284,582,088	1,204,160,348,869	83,776,047,879	41,471,603,994,552
Net liquidity	805,140,780,811	1,388,996,588,629	(11,751,476,807,993)	(2,536,324,154,256)	6,472,283,352,766	7,332,184,693,487	2,165,652,350,227	3,876,456,803,671

(*) Total assets represent gross carrying value which does not include provisions.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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45. CAPITAL EXPENDITURE AND OPERATING LEASE COMMITMENTS

	31 December 2011 VND	31 December 2010 VND
Commitments to acquired fixed assets	169,812,867,551	99,411,174,720
Non-cancelable operating leases	323,689,320,469	170,599,086,060
<i>In which:</i>		
<i>Due within one year</i>	64,464,483,288	1,318,697,282
<i>Due within from two to five years</i>	185,750,804,642	83,253,733,349
<i>Due after five years</i>	73,474,032,539	86,026,655,429

46. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR 210

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") which is effective for financial years beginning on or after 01 January 2011.

The adoption of Circular 210 results in new disclosures being added to the financial statements as shown in notes to the financial statements. Because Circular 210 only provides guidance for the presentation and disclosures of financial instruments, the concepts of financial assets, financial liabilities and other related concepts presented in Note 46 are only applied for the disclosure of this note. The assets, liabilities and equity of the Bank have been recognised and accounted for in accordance with the Vietnamese Accounting Standards and Accounting System for Credit Institutions and comply with relevant regulations stipulated by the State Bank of Vietnam.

Financial assets

Financial assets of the Bank within the scope of the Circular No. 210/2009/TT-BTC comprise cash, gold, precious stones, balances with SBV, placements with other banks, loans and advances to customers and other banks, trading and investment securities, receivables and other assets under monetary derivative contracts.

According to Circular No. 210/2009/TT-BTC, financial assets are classified appropriately, for the purpose of disclosure in the financial statements, into one of the following categories:

▪ *Financial asset at fair value through profit or loss:*

is a financial asset that meets either of the following conditions:

- a) It is classified as held for trading. A financial asset is classified as held for trading if:
 - ▶ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - ▶ On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
 - ▶ It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)
- b) Upon initial recognition it is designated by the Bank as at fair value through profit or loss.

Housing Development Bank

NOTES TO THE FINANCIAL STATEMENTS (continued)
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46. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR 210 (continued)

Financial assets (continued)

▪ *Held-to-maturity investments:*

are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity other than:

- a) Those that the Bank upon initial recognition designates as at fair value through profit or loss;
- b) Those that the entity designates as available for sale; and
- c) Those that meet the definitions of loans and receivables.

▪ *Loans and receivables:*

are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than:

- a) Those that the Bank intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank upon initial recognition designates as at fair value through profit or loss;
- b) Those that the Bank upon initial recognition designates as available for sale; or
- c) Those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

▪ *Available-for-sale assets:*

are non-derivative financial assets that are designated as available for sale or are not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets at fair value through profit or loss.

Financial liabilities

Financial liabilities of the Bank under the Circular No. 210/2009/TT-BTC consist of borrowings from the Government and the State Bank of Vietnam, deposits and borrowings from other banks, due to customers, grants, entrusted funds and loans exposed to risks, valuable papers issued by the Bank, payables and other liabilities under monetary derivative contracts.

According to Circular No. 210/2009/TT-BTC, financial liabilities are classified appropriately, for the purpose of disclosure in the financial statements, into one of the following categories:

▪ *Financial liabilities at fair value through profit or loss*

is a financial liability that meets either of the following conditions:

- a) It is classified as held for trading. A financial liability is classified as held for trading if:
 - ▶ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - ▶ On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
 - ▶ It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).
- b) Upon initial recognition it is designated by the Bank as at fair value through profit or loss.

▪ *Financial liabilities at amortised cost*

Financial liabilities are not categorized as at fair value through profit or loss will be classified financial liabilities at amortised cost.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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46. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR 210 (continued)

46.1 Carrying amount and fair value of financial assets and financial liabilities

The carrying amount and fair value of the Bank's financial assets are presented as below:

VND

	Carrying amount				Fair value (*)	
	Trading	Held to maturity	Loan and receivable	Available for sale		Other assets at amortised cost
Cash, gold and precious stones	-	-	-	-	1,276,718,594,608	1,276,718,594,608
Balances with the SBV	-	-	-	-	1,410,215,684,528	1,410,215,684,528
Placements with and loansto other banks	-	-	-	-	9,129,450,113,581	9,129,450,113,581
Loans and advances to customers	-	-	13,847,786,090,627	-	-	13,847,786,090,627
Available for sale securities	-	-	-	8,955,690,040,031	-	8,955,690,040,031
Held to maturity securities	-	1,890,768,349,806	-	-	-	1,890,768,349,806
Other financial assets	-	-	-	-	7,164,812,148,639	7,164,812,148,639
	-	1,890,768,349,806	13,847,786,090,627	8,955,690,040,031	18,981,196,541,356	43,675,441,021,820
						43,527,696,288,663

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46. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR 210 (continued)

46.1 Carrying amount and fair value of financial assets and financial liabilities (continued)

The carrying amount and fair value of the Bank's financial liabilities are presented as below:

	Carrying amount				Fair value (*)	
	Trading	Held to maturity	Loan and receivable	Available for sale		Other liabilities at amortised cost
Deposits of and loans from the SBV and other banks	-	-	-	-	1,070,276,780,371	1,070,276,780,371
Placements with and loans to other banks	-	-	-	-	11,684,453,209,552	11,684,453,209,552
Customers' deposits	-	-	-	-	19,089,859,618,148	19,089,859,618,148
Derivative financial instruments	-	-	-	-	2,789,558,902	2,789,558,902
Valuable papers issued	-	-	-	-	7,838,230,091,647	7,838,230,091,647
Other financial liabilities	-	-	-	-	1,759,771,263,681	1,759,771,263,681
	-	-	-	-	41,445,380,522,301	41,445,380,522,301

VND

(*) Because the Vietnamese Accounting Standards and Accounting System for Credit Institutions and relevant regulations stipulated by the State Bank of Vietnam have no specific guidance on the fair value determination, the fair value of these items have been presented as the principal amount deducted by provision, if any.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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B05/TCTD

46. ADDITIONAL DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES IN COMPLIANCE WITH CIRCULAR 210 (continued)

Reclassification of financial assets


In 2011, investment in Son Ha International Corporation amounting to VND 21,000 million was reclassified into "available-for-sales securities" from "other long term investment" due to change in the Bank management's holding purpose. This change does not impact to operating results as well as equity of the Bank.

47. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events occurred since the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

48. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VND AT YEAR-END

	31 December 2011 VND	31 December 2010 VND
USD	20,828	18,932
EUR	27,360	27,432
GBP	32,864	31,889
JPY	273.36	254.85
SGD	16,309	16,021
CAD	20,658	20,563
AUD	21,539	20,918
CNY	3,280	-
Gold SJC (tale)	42,100,000	35,990,000

Prepared by: 



Ms. Ho Dang Hoang Quyên
Chief Accountant

Reviewed by: 

Mr. Pham Van Dau
Chief Financial Officer

Approved by: 



Mr. Nguyen Huu Dang
General Director

Ho Chi Minh City, Vietnam

27 February 2011

