

**PETROVIETNAM FINANCE JOINT STOCK CORPORATION**  
*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED FINANCIAL  
STATEMENTS**

**For the year ended 31 December 2010**



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**PETROVIETNAM FINANCE JOINT STOCK CORPORATION**

22 Ngo Quyen, Hoan Kiem  
Hanoi, S.R.Vietnam

**STATEMENT OF THE BOARD OF DIRECTORS**

The Board of Directors of PetroVietnam Finance Joint Stock Corporation ("the Corporation") presents this report together with the Corporation's financial statements for the year ended 31 December 2010.

**THE BOARDS OF MANAGEMENT AND DIRECTORS**

The members of the Boards of Management and Directors of the Corporation who held office during the year and at the date of this report are as follows:

**Board of Management**

Mr. Nguyen Dinh Lam	Chairman
Mr. Vu Huy An	Vice Chairman
Mr. Nguyen Thien Bao	Member (appointed on 28 April 2010)
Mr. Tong Quoc Truong	Member (resigned on 28 April 2010)
Mr. Nguyen Khuyen Nguon	Member
Mr. Do Quang	Member

**Board of Directors**

Mr. Nguyen Thien Bao	General Director (appointed on 3 March 2010)
Mr. Tong Quoc Truong	General Director (resigned on 3 March 2010)
Mr. Nguyen Thien Bao	Deputy General Director (resigned on 3 March 2000)
Mr. Nguyen Anh Tuan	Deputy General Director
Mr. Doan Minh Man	Deputy General Director
Mr. Trieu Tho Han	Deputy General Director
Mr. Pham Huy Tuyen	Deputy General Director
Ms. Nguyen Thu Huong	Deputy General Director

**BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY**

The Board of Directors of the Corporation is responsible for preparing the financial statements of each year, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year. In preparing these financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates reasonably and prudently;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and to ensure that the financial statements comply with Vietnamese Accounting Standards, Accounting System applicable to credit institutions in Vietnam and comply with prevailing regulations of the State Bank of Vietnam. The Board of Directors is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps to prevent and detect frauds and other irregularities.

The Board of Directors confirms that the Corporation has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,



**Nguyen Thien Bao**  
**General Director**

Hanoi, 15 February 2011



No.: 256 /Deloitte-AUDHN-RE

## AUDITORS' REPORT

To: **The Boards of Management and Directors  
PetroVietnam Finance Joint Stock Corporation (PVFC)**

We have audited the accompanying balance sheet of PetroVietnam Finance Joint Stock Corporation ("the Corporation") as at 31 December 2010, the related statements of income, cash flows for the year then ended and the notes to the financial statements (collectively referred to as "the financial statements"), as set out from page 4 to page 38. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

### Responsibilities of the Board of Directors and Auditors

As stated in the Statement of the Board of Directors on page 2, these financial statements are the responsibility of the Corporation's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

### Basis of Opinion

We have conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Corporation as at 31 December 2010, the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Accounting System applicable to credit institutions in Vietnam and other prevailing relevant regulations in Vietnam.

Without qualifying our opinion, we would like to draw attention to Note 10.2. As at 31 December 2010, the total outstanding credit facilities the Corporation had granted to some companies of Vietnam Shipbuilding Industry Group (Vinashin) amounted to VND 1,299,025,142,788 (31/12/2009: VND1,853,028,186,702), of which VND 929,701,998,308 (31/12/2009: VND 1,305,039,794,866) was overdue. However, in 2010, the Corporation followed instruction from the government authorities on identifying and restructuring old debts of Vinashin, not classifying such debts as bad debts and continuing disbursement to Vinashin so that Vinashin could complete its signed contracts. In 2010, a decision on restructuring of Vinashin was issued by the Prime Minister. Accordingly, some of companies previously belonged to Vinashin will be transferred to Vietnam Oil and Gas Group (PVN) and Vietnam National Shipping Lines (Vinalines). Hence, the Corporation did not classify such outstanding loans as bad debts and did not make provision for them as regulated in 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.



**Pham Hoai Nam**  
Deputy General Director  
CPA Certificate No. D.0042/KTV

*For and on behalf of*  
**DELOITTE VIETNAM COMPANY LIMITED**

15 February 2011  
Hanoi, S.R. Vietnam

**Tran Duy Cuong**  
Auditor  
CPA Certificate No. 0797/KTV

**BALANCE SHEET**  
*As at 31 December 2010*

**FORM B 02/TCTD**  
*Unit: VND*

NO. ITEMS	Notes	31/12/2010	31/12/2009
<b>A ASSETS</b>			
<b>I Cash on hand</b>	6	2,871,108,523	4,450,211,663
<b>II Deposit at the State Bank of Vietnam</b>	7	90,423,978,669	31,853,258,388
<b>III Balances due from and loans to other credit institutions</b>	8	7,945,360,645,285	11,392,460,868,727
1 Cash at other credit institutions		7,945,360,645,285	10,911,895,868,727
2 Loans to other credit institutions		-	484,000,000,000
3 Provision for loan losses to other credit institutions		-	(3,435,000,000)
<b>IV Trading securities</b>	11	11,945,974,944	288,757,329,582
1 Trading securities		16,462,946,441	328,940,650,207
2 Provisions for diminution in value of trading securities		(4,516,971,497)	(40,183,320,625)
<b>V Loans and advances</b>		32,842,339,105,325	26,961,378,085,381
1 Loans	9.1	32,939,037,067,558	26,276,831,750,560
2 Advances to customers	9.2	707,443,427,381	1,173,587,782,065
3 Provisions for loan and advance losses	10	(804,141,389,614)	(489,041,447,244)
<b>VI Investment securities</b>	12	5,033,678,647,536	4,493,040,288,579
1 Available-for-sale investment securities	12	4,082,195,111,485	5,319,907,897,589
2 Held-to-maturity investment securities	12	1,773,809,348,428	290,449,099,151
3 Provisions for diminution in value of investment securities	12	(822,325,812,377)	(1,117,316,708,161)
<b>VII Long-term investments and capital contribution</b>	13	3,810,174,754,945	3,590,238,703,019
1 Investment in subsidiaries	14	444,341,843,801	530,571,105,860
2 Investments in joint-ventures	16	51,605,148,450	68,801,305,967
3 Investments in associates	15	369,474,931,260	695,030,638,810
4 Other long-term investments	13	3,175,130,523,632	2,477,464,724,001
5 Provisions for diminution in value of long-term investments	13	(230,377,692,198)	(181,629,071,619)
<b>VIII Fixed assets</b>		752,129,323,413	587,071,898,989
1 Tangible fixed assets	18	560,408,482,211	389,331,582,799
a Cost		648,741,452,589	440,456,311,214
b Accumulated depreciation		(88,332,970,378)	(51,124,728,415)
2 Intangible fixed assets	19	191,720,841,202	197,740,316,190
a Cost		207,347,235,467	200,414,382,367
b Accumulated amortization		(15,626,394,265)	(2,674,066,177)
<b>IX Other assets</b>		15,763,759,476,411	17,299,604,275,647
1 Receivables	20	10,516,514,626,100	14,454,831,984,376
2 Accrued interest income		1,061,653,960,311	768,432,115,446
3 Other assets	21	4,377,112,650,010	2,113,321,507,579
4 Provisions for diminution in value of other assets	22	(191,521,760,010)	(36,981,331,754)
<b>TOTAL ASSETS</b>		<b>66,252,683,015,051</b>	<b>64,648,854,919,975</b>

The notes set out from pages 9 to 38 are an integral part of these financial statements

**BALANCE SHEET (Continued)**

As at 31 December 2010

FORM B 02/TCTD

Unit: VND

NO. ITEMS	Notes	31/12/2010	31/12/2009
<b>B LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>I Deposits of and borrowings from other credit institutions</b>	<b>23</b>	<b>10,429,110,950,553</b>	<b>20,139,655,557,131</b>
1 Deposits of other credit institutions		2,746,848,929,000	5,268,522,845,667
2 Borrowings from other credit institutions		7,682,262,021,553	14,871,132,711,464
<b>II Deposits from customers</b>	<b>24</b>	<b>3,163,307,499,610</b>	<b>1,768,462,857,464</b>
<b>III Grants, trusted funds and borrowings at risk of credit institutions</b>	<b>25</b>	<b>26,581,195,868,100</b>	<b>21,708,174,803,906</b>
<b>IV Valuable papers</b>	<b>26</b>	<b>6,268,191,796,000</b>	<b>5,291,558,021,700</b>
<b>V Other liabilities</b>	<b>27</b>	<b>12,959,365,137,814</b>	<b>9,130,509,044,147</b>
1 Accrued interest and fees payable		674,485,844,409	539,731,312,054
2 Other liabilities		12,227,192,991,597	8,544,978,865,351
3 Provisions for unused commitments		57,686,301,808	45,798,866,742
<b>TOTAL LIABILITIES</b>		<b>59,401,171,252,077</b>	<b>58,038,360,284,348</b>
<b>VI Shareholders' equity and funds</b>		<b>6,851,511,762,974</b>	<b>6,610,494,635,627</b>
1 Capital		6,055,604,184,999	6,055,604,184,999
a Chartered capital	28	5,000,000,000,000	5,000,000,000,000
b Share premium	28	1,055,604,184,999	1,055,604,184,999
2 Other funds/ reserves		226,655,013,544	395,772,484
3 Retained earnings	28	569,252,564,431	554,494,678,144
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>66,252,683,015,051</b>	<b>64,648,854,919,975</b>

**OFF BALANCE SHEET ITEMS**

NO. ITEMS	Notes	31/12/2010	31/12/2009
<b>I. Contingent liabilities</b>		<b>10,835,093,476,247</b>	<b>7,696,808,294,031</b>
1 Loan guarantees		419,446,900,000	30,216,232,200
2 Other guarantees	40	10,415,646,576,247	7,666,592,061,831
<b>II. Commitments</b>	<b>41</b>	<b>2,604,073,348,405</b>	<b>3,266,829,351,537</b>



Nguyen Thien Bao  
General Director

Pham Quang Huy  
Chief Accountant

15 February 2011

The notes set out from pages 9 to 38 are an integral part of these financial statements

**INCOME STATEMENT**  
*For the year ended 31 December 2010*

**FORM B 03/TCTD**  
*Unit: VND*

NO. ITEMS	Notes	2010	2009
1 Interest and similar income	29	3,954,256,695,954	2,529,384,615,454
2 Interest and similar expenses	30	3,851,229,973,251	2,510,810,307,250
<b>I Net interest income</b>		<b>103,026,722,703</b>	<b>18,574,308,204</b>
3 Income from services		211,262,591,458	76,304,771,771
4 Expenses on services		33,870,440,607	15,731,900,141
<b>II Net profit from services</b>	<b>31</b>	<b>177,392,150,851</b>	<b>60,572,871,630</b>
<b>III Net profit from foreign exchange activities</b>	<b>32</b>	<b>34,600,005,344</b>	<b>71,938,044,826</b>
<b>IV Net (loss) from trading securities</b>	<b>33</b>	<b>(467,861,180,484)</b>	<b>(570,160,689,692)</b>
5 Other operating income	34	1,885,349,628,625	2,305,276,323,633
6 Other operating expense		71,889,239,117	54,004,784,754
<b>V Net profit from other activities</b>		<b>1,813,460,389,508</b>	<b>2,251,271,538,879</b>
<b>VI Dividend and share of profit from joint ventures and associates</b>		<b>362,077,123,022</b>	<b>176,118,878,991</b>
<b>VII Operating expenses</b>	<b>35</b>	<b>814,355,886,682</b>	<b>553,882,429,160</b>
<b>VIII Profit before tax and provision expenses</b>		<b>1,208,339,324,262</b>	<b>1,454,432,523,678</b>
<b>IX Credit provision expenses</b>	<b>10</b>	<b>569,515,212,794</b>	<b>842,988,706,743</b>
<b>X Profit before corporate income taxes</b>		<b>638,824,111,468</b>	<b>611,443,816,935</b>
7 Current tax expenses	36	68,403,612,947	59,139,739,225
8 Deferred tax expense	36	1,167,934,090	46,197,163,628
<b>XI Coporate income tax expenses</b>		<b>69,571,547,037</b>	<b>105,336,902,853</b>
<b>XII Profit after corporate income tax</b>		<b>569,252,564,431</b>	<b>506,106,914,082</b>
<b>XIII Earnings per share</b>	<b>37</b>	<b>1,139</b>	<b>1,012</b>



15 February 2011

Pham Quang Huy  
Chief Accountant

**CASH FLOW STATEMENT**  
*For the year ended 31 December 2010*

**FORM B 04/TCTD**  
*Unit: VND*

NO. ITEMS	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01. Interest and similar incomes	3,661,034,851,089	2,235,034,410,803
02. Interest and similar expenses	(3,716,475,440,896)	(2,441,640,867,330)
03. Income from services rendered	177,392,150,851	60,572,871,630
04. Net cash receipt from dealings in foreign currencies, gold and trading securities	(147,124,122,130)	166,833,576,231
05. Other incomes	798,084,904,141	607,174,902,214
06. Receipts from debts cleared or risk fund	59,492,464,006	-
07. Payroll, administration and public services expenses	(472,243,829,794)	(437,906,551,150)
08. Corporate income tax paid	-	-
<b>Net cash from operation before movements in assets and working capital</b>	<b>360,160,977,267</b>	<b>190,068,342,398</b>
<i>Movement in operating assets</i>	<i>(1,533,331,885,353)</i>	<i>(15,402,348,231,606)</i>
09. Decrease in deposits and loans to other credit institutions	1,753,997,748,729	5,544,573,591,725
10. Decrease/(Increase) in trading securities	66,830,240,593	(900,979,552,228)
11. (Increase) in loans to customers	(6,196,060,962,314)	(9,950,153,087,486)
12. Decrease in provisions	(225,728,205)	(185,577,150,463)
13. Decrease/(Increase) in other operating assets	2,842,126,815,845	(9,910,212,033,154)
<i>Movement in operating liabilities</i>	<i>872,712,461,161</i>	<i>18,580,259,060,611</i>
14. Decrease in deposits and borrowings from credit institutions	(9,710,544,606,578)	14,730,770,778,131
15. Increase in deposits from customers	1,394,844,642,146	1,559,195,873,176
16. Increase in valuable papers issued	976,633,774,300	1,682,073,206,900
17. Increase/(decrease) in grants, trusted funds and borrowings at risk of credit institutions	4,873,021,064,194	(499,784,006,768)
18. Increase in other operating liabilities	3,366,993,024,584	1,108,003,209,172
19. Cash used from funds	(28,235,437,485)	-
<b>I. Net cash (used in)/from operating activities</b>	<b>(300,458,446,925)</b>	<b>3,367,979,171,403</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
01. Acquisition of fix assets	(290,087,747,313)	(236,931,125,695)
02. Investments in other entities	(333,110,346,247)	-
03. Cash recovered from investments in other entities	675,408,221,423	129,900,395,916
04. Dividends received from long-term investments and capital contribution	76,303,061,490	176,118,878,992
<b>II. Net cash from investing activities</b>	<b>128,513,189,353</b>	<b>69,088,149,213</b>

*The notes set out from pages 9 to 38 are an integral part of these financial statements*

**CASH FLOW STATEMENT (Continued)**

For the year ended 31 December 2010

FORM B 04/TCTD

Unit: VND

NO. ITEMS	2010	2009
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
01. Dividends paid to shareholders, allocated earnings	(300,000,000,000)	-
<b>III. Net cash from financing activities</b>	<b>(300,000,000,000)</b>	<b>-</b>
<b>IV. Net (decrease)/increase in cash</b>	<b>(471,945,257,572)</b>	<b>3,437,067,320,616</b>
<b>V. Cash and cash equivalents at the beginning of the year</b>	<b>8,875,381,590,050</b>	<b>5,438,314,269,434</b>
<b>VI. Cash and cash equivalents at the end of the year</b>	<b>8,403,436,332,478</b>	<b>8,875,381,590,050</b>

**Details of Cash and Cash equivalents**

	31/12/2010	31/12/2009
	VND	VND
Cash on hand (*)	2,871,108,523	4,450,211,663
Deposits at the State Bank of Vietnam (*)	90,423,978,669	31,853,258,388
Deposits at other credit institutions (**)	8,310,141,245,287	8,839,078,119,999
	<b>8,403,436,332,479</b>	<b>8,875,381,590,050</b>

(\*) Cash on hand and Deposits at the State Bank of Vietnam are presented in Note 6 and 7.

(\*\*) Deposits at other credit institutions are demand deposits, time deposits and non-risk entrustments with terms of less than 3 months in VND.



Nguyễn Thiên Bảo  
General Director

15 February 2011

Phạm Quang Huy  
Chief Accountant

**NOTES TO THE FINANCIAL STATEMENTS****FORM B 05/TCTD**

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

**1. GENERAL INFORMATION**

PetroVietnam Finance Joint Stock Corporation ("the Corporation"), previously known as PetroVietnam Finance Company - a wholly stated-owned member company of Vietnam Oil and Gas Group, was equitized under Decision No. 3002/QĐ-DKVN dated 22 August 2007 by Vietnam Oil and Gas Group on approving the proposal of transforming PetroVietnam Finance Company to PetroVietnam Finance Joint Stock Corporation. The Corporation officially commenced its operation as a joint stock company from 18 March 2008 in accordance with its Business Registration Certificate No.0103023045 dated 18 March 2008 issued by Hanoi Department of Planning and Investment and Certificate for Operation No. 72/2008/GP-NHNN dated 18 March 2008 issued by the Governor of the State Bank of Vietnam. The total charter capital of the Corporation is VND 5,000 billion.

The holding company of the Corporation - Vietnam Oil and Gas Group - holds 78% of the Corporation's charter capital.

As at 31 December 2010, the parent company – the Corporation owned 3 subsidiaries, 3 joint ventures and 6 associates. General information about the subsidiaries, associates and joint ventures is presented in accompanying Note 14, Note 15 and Note 16.

**Operating industry and principal activities:****Financing activities:**

- Receiving time deposits with terms of 1 year or more from organisations and individuals according to regulations of the State Bank of Vietnam;
- Issuing promissory notes, bonds, certificates of deposit and other valuable papers for mobilizing funds from local and international organizations and individuals in accordance with prevailing regulations;
- Obtaining loans from local and international financial and credit institutions;
- Receiving entrusted capital of the Government, local and international organizations and individuals.

**Credit activities:**

- Granting short-term, medium-term and long-term loans as regulated by the State Bank of Vietnam; granting loans as entrusted by the Government, local and international organizations and individuals according to prevailing regulations of the Law on Credit Institutions and entrustment contracts;
- Discounting, rediscounting, mortgaging commercial papers and other valuable papers; providing credit facilities by discounting, mortgaging commercial papers, bonds and other valuable papers of organizations and individuals;
- Acting as guarantor, using its prestige and financial capability. Guarantees are made by PetroVietnam Finance Joint Stock Corporation in compliance with requirements of the State Bank of Vietnam;
- Providing credit facilities in other forms as defined by the State Bank of Vietnam.

**Opening accounts and treasury services:****Opening accounts:**

- The Corporation is permitted to open Nostro account at the State Bank, where its head office is located, and at other banks within Vietnam territory. The Corporation must seek approval from the State Bank of Vietnam should it is to open Nostro account at banks located out of Vietnam territory;
- As the Corporation accepts deposits from organisations and individuals, it must open Nostro account at the State Bank of Vietnam and maintain a minimum balance of not less than the required amount as regulated by the State Bank of Vietnam.

**Treasury Services:**

The Corporation is permitted to provide cash receipt and disbursement services to customers.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FORM B 05/TCTD**

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

**1. GENERAL INFORMATION (Continued)**

Other activities:

- Contributing capital, purchasing shares of enterprises and credit institutions;
- Investing in projects on the contractual basis;
- Participating in monetary market;
- Providing foreign fund transfer and trading gold;
- Providing agency service for issuing bonds, stocks and other valuable papers of enterprises;
- Receiving entrusted capital, acting as agent in areas of banking and finance, insurance and investments, including contract-based asset and fund management for organizations and individuals;
- Providing consulting services relating to finance and banking, monetary and investment to clients;
- Providing depository services for valuables papers and assets, safe leasing, mortgaging and other services;
- Performing foreign exchange activities in compliance with current regulations on foreign exchange management;
- Providing factoring service as regulated by the State Bank of Vietnam;
- Other activities regulated by the State Bank of Vietnam.

The number of employees of the Corporation as at 31 December 2010 was 1,186 (31 December 2009: 1,135).

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**

**Accounting convention**

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, Accounting System applicable for credit institutions in Vietnam and prevailing relevant regulations made by the State Bank of Vietnam.

**Accounting period**

The Corporation's financial year begins on 1 January and ends on 31 December.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Corporation in the preparation of these financial statements, are as follows:

**Estimates**

The preparation of financial statements in conformity with Vietnamese Accounting Standards, Accounting System applicable to credit institutions in Vietnam as regulated by the State Bank of Vietnam and prevailing relevant regulations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Actual results could differ from those estimates.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FORM B 05/TCTD***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Trading securities and investment securities**

Trading securities and investment securities include equity securities held not for enterprise- controlling purpose and debt securities issued by the Government, other credit institutions and economic entities. Securities held by the Corporation for the purpose of earning profit and for a period of 1 year or less are classified as trading securities; held-to-maturity securities are those the Corporation has intention and ability to hold to maturity. Other securities are classified as available-for-sale securities.

Trading securities and investment securities are classified according to Official Letter No.2601/NHNN-TCKT dated 14 April 2009 of the State Bank of Vietnam and are stated at cost. Provision for diminution in value of these securities is made according to the above-mentioned Official Letter and Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance. Accordingly, for listed securities, the Corporation determined the value of the investments using closing prices at the date of preparing financial statements; for unlisted securities, the Corporation collected quotations from three securities companies with their charter capital of more than VND 300 billion each, which are Viet Capital Securities Joint Stock Company, Sacombank Joint Stock Securities Company and Sai Gon - Hanoi Joint Stock Securities Company at the end of the accounting period to determine the value of the investments. When market price increases, profit will be offset against, but not exceeding the provision made previously. The difference is not recorded as income until the securities are sold.

**Long-term investments**

Long-term investments include equity securities and investments in projects with the holding, recovery or payment period of more than 1 year for profit-making purpose in the following circumstances (i) the Corporation is the founding shareholder; or (ii) the Corporation is the strategic partner; or (iii) the Corporation obtains a certain controlling power in making, approving financial policies or operation through written agreements to appoint representatives joining the Boards of Directors/Management. Long-term investments are stated at cost. Provision for diminution in value of these investments is in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 of the Ministry of Finance. Accordingly, for investments that have impairment indicators, the Corporation collects financial information of the investments to the issuance date of these financial statements and computes the net value of assets of the investments in proportion to the capital contribution made by the Corporation made to such investments, as well as estimates and assesses potential losses to the end of the financial year to determine the provision for diminution in value of such investments. In such cases that no financial information about such investments is available to the date of financial statement preparation, the Corporation uses latest information that can be collected for provision making as at 31 December 2010.

Investments that the Corporation is not able to collect any necessary financial information to determine provision for diminution in their values are stated at cost.

In case after the issuance date of the financial statements, adequate and reliable information relating to diminution in value of such investments as at 31 December 2010 becomes available, the Corporation will assess the materiality level for appropriate accounting treatments in accordance with current accounting standards and accounting regulations.

**Repurchase agreements (REPO)**

Repurchase agreements represent the value of contracts that the Corporation has purchased and committed to re-sell and clients committed to repurchase in the future at a predetermined price, which is presented as Receivables in the balance sheet.

