

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

**AUDITED FINANCIAL
STATEMENTS**

For the year ended 31 December 2009

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of PetroVietnam Joint Stock Finance Corporation ("the Corporation") presents this report together with the Corporation's audited financial statements for the year ended 31 December 2009.

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 (appointed on 23 January 2009)
Mr. Nguyen Tien Dung	Chairman (resigned on 23 January 2009)
Mr. Vu Huy An	Vice Chairman (appointed on 11 June 2009)
Mr. Nguyen Xuan Son	Vice Chairman (resigned on 11 June 2009)
Mr. Tong Quoc Truong	Member
Mr. Nguyen Khuyen Nguon	Member (appointed on 23 January 2009)
Ms. Vu Thi Ngoc Lan	Member (resigned on 23 January 2009)
Mr. Do Quang	Member

Board of Directors

Mr. Tong Quoc Truong	General Director
Mr. Nguyen Dinh Lam	Deputy General Director (resigned on 23 January 2009)
Mr. Nguyen Khuyen Nguon	Deputy General Director (resigned on 23 January 2009)
Mr. Nguyen Thien Bao	Deputy General Director (appointed on 1 January 2009)
Mr. Nguyen Anh Tuan	Deputy General Director
Mr. Doan Minh Man	Deputy General Director
Mr. Pham Ngoc Lang	Deputy General Director (resigned on 31 March 2009)
Mr. Nguyen Quoc Khanh	Deputy General Director (resigned on 02 June 2009)
Mr. Trieu Tho Han	Deputy General Director (appointed on 10 April 2009)
Mr. Pham Huy Tuyen	Deputy General Director (appointed on 10 April 2009)
Ms. Nguyen Thu Huong	Deputy General Director (appointed on 22 September 2009)

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, Vietnamese Accounting System applicable to credit institutions 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.

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

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,

Tông Quốc Trường
General Director

26 February 2010

No.: 62/Deloitte-AUDHN-RE

AUDITORS' REPORT

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

We have audited the accompanying balance sheet of PetroVietnam Joint Stock Finance Corporation ("the Corporation") as at 31 December 2009, the related statements of income, cash flows and the notes to the financial statements for the year then ended. 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 pages 2 and 3, 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. These 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 the sample 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 2009, the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System applicable to credit institutions and other prevailing accounting regulations in Vietnam.

We would like to draw attention to the followings:

We draw attention to Note 7 of the Notes to the financial statements. As at 31 December 2009, the total credit facilities granted to some member companies of Vietnam Shipbuilding Industry Group (Vinashin) amounted to VND 1,853,028,186,702, some of which were overdue. However, in 2009, 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 as that Vinashin could complete its commitments; hence, the Corporation did not classify such outstanding loans as bad debts and 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.

As stated in Note 2 of the Notes to the financial statements, the Corporation reclassified several financial investment accounts pursuant to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 issued by the State Bank of Vietnam.



Trần Văn Hưng
Deputy General Director
CPA Certificate No. D.0029/KTV

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

26 February 2010
Hanoi, S.R. Vietnam

Dang Van Khai
Auditor
CPA Certificate No. 0758/KTV

BALANCE SHEET
As at 31 December 2009

FORM B02/TCTD
Unit: VND

NO.	ITEMS	Notes	31/12/2009	31/12/2008
A	Assets			
I	Cash on hand	4	4,450,211,663	6,397,285,055
II	Deposit at the State Bank of Vietnam	5	31,853,258,388	11,549,984,379
III	Balances due from other credit institutions	6	11,392,460,868,727	13,517,595,840,453
1	Cash at credit institutions		10,911,895,868,727	12,977,758,340,453
2	Loans to credit institutions		484,000,000,000	544,000,000,000
3	Provision for loan losses to credit institutions		(3,435,000,000)	(4,162,500,000)
IV	Trading securities	8	288,757,329,582	36,848,618,100
1	Trading securities		328,940,650,207	114,933,061,815
2	Provisions for diminution in value of trading securities		(40,183,320,625)	(78,084,443,715)
V	Loans and advances	7	26,961,378,085,381	17,208,744,406,027
1	Loans		26,276,831,750,560	15,769,873,160,876
2	Advances to customers		1,173,587,782,065	1,730,393,284,263
3	Provisions for loan losses		(489,041,447,244)	(291,522,039,112)
VI	Investment securities		4,493,040,288,579	3,390,009,596,367
1	Available-for-sale investment securities	9	5,319,907,897,589	4,730,968,232,904
2	Held-to-maturity investment securities	9	290,449,099,151	192,416,800,000
3	Provisions for diminution in value of investment securities	9	(1,117,316,708,161)	(1,533,375,436,537)
VII	Long-term investments and capital contribution	10	3,590,238,703,019	3,627,014,578,629
1	Investments in subsidiaries		530,571,105,860	354,641,105,860
2	Investments in joint-ventures		68,801,305,967	72,057,305,967
3	Investments in associates		695,030,638,810	515,431,168,777
4	Other long-term investments		2,477,464,724,001	2,847,119,171,367
5	Provisions for diminution in value of long-term investments		(181,629,071,619)	(162,234,173,342)
VIII	Fixed assets		587,071,898,989	68,578,810,241
1	Tangible fixed assets	11	389,331,582,799	49,117,063,644
a	Cost		440,456,311,214	83,971,414,531
b	Accumulated depreciation		(51,124,728,415)	(34,854,350,887)
2	Intangible fixed assets	12	197,740,316,190	19,461,746,597
a	Cost		200,414,382,367	20,478,909,367
b	Accumulated amortization		(2,674,066,177)	(1,017,162,770)
IX	Other assets		17,299,604,275,647	7,237,360,272,449
1	Other receivables	13	14,454,831,984,376	5,920,764,091,212
2	Interest, fees receivable		768,432,115,446	474,081,910,795
3	Deferred tax assets	14	-	46,197,163,628
4	Other assets	15	2,113,321,507,579	796,317,106,814
5	Provisions for diminution in value of other assets		(36,981,331,754)	-
TOTAL ASSETS			64,648,854,919,975	45,104,099,391,700

The notes set out from pages 10 to 35 are an integral part of these financial statements

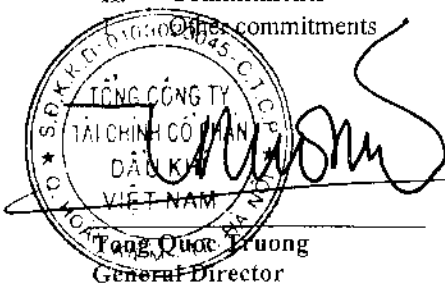
BALANCE SHEET (Continued)
 As at 31 December 2009


FORM: B02/TCTD
 Unit: VND

NO.	ITEMS	Notes	31/12/2009	31/12/2008
B Liabilities and Shareholders' equity				
I	Balances due to Government and State Bank of Vietnam		-	-
II	Deposits and borrowings from credit institutions	16	20,139,655,557,131	5,408,884,779,000
1	Deposits of other credit institutions		5,268,522,845,667	2,168,084,779,000
2	Borrowings from other credit institutions		14,871,132,711,464	3,240,800,000,000
III	Deposits from customers	17	1,768,462,857,464	209,266,984,288
IV	Grants, trusted funds and borrowings at risk of credit institutions	18	21,708,174,803,906	22,207,958,810,674
V	Bonds	19	5,291,558,021,700	3,609,484,814,800
VI	Other liabilities	20	9,130,509,044,146	7,562,637,707,698
1	Interest, fees payable		564,195,494,136	495,026,054,216
2	Other liabilities and operating payables		8,520,514,683,268	6,998,692,055,513
3	Other provisions		45,798,866,742	68,919,597,969
Total liabilities			58,038,360,284,348	38,998,233,096,460
VII	Shareholders' equity and funds		6,610,494,635,627	6,105,866,295,240
1	Chartered capital		6,055,604,184,999	6,055,604,184,999
a	Chartered capital	21	5,000,000,000,000	5,000,000,000,000
b	Share premium	21	1,055,604,184,999	1,055,604,184,999
2	Other funds/ reserves		395,772,484	395,772,484
3	Retained earnings	21	554,494,678,144	49,866,337,757
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			64,648,854,919,975	45,104,099,391,700

OFF-BALANCE-SHEET ITEMS

NO.	ITEMS	Notes	31/12/2009	31/12/2008
I.	Contingent liabilities		7,696,808,294,031	993,683,157,239
1	Loans guarantees		30,216,232,200	50,000,000,000
2	Other guarantees		7,666,592,061,831	943,683,157,239
II.	Commitments		3,266,829,351,537	8,626,667,758,165
	Other commitments		3,266,829,351,537	8,626,667,758,165


 TANG QUỐC TRUONG
 General Director


 Pham Quang Huy
 Chief Accountant

26 February 2010

The notes set out from pages 10 to 35 are an integral part of these financial statements

INCOME STATEMENT
 For the year ended 31 December 2009

FORM B03/TCTD
 Unit: VND

NO. ITEMS	Notes	Year 2009	From 18/3/2008 to
			31/12/2008
1 Interest and similar income	22	2,529,384,615,454	2,423,450,931,695
2 Interest and similar expenses	23	2,510,810,307,250	1,835,809,811,553
I Net interest income		18,574,308,204	587,641,120,142
3 Income from services		76,304,771,771	25,737,301,609
4 Expenses from services		15,731,900,141	2,773,918,745
II Net profit from services	24	60,572,871,630	22,963,382,864
III Net profit from foreign exchange activities	25	71,938,044,826	227,985,310,511
IV Net (loss) from trading securities	26	(570,160,689,692)	(1,063,580,040,828)
5 Other operating income	27	2,305,276,323,633	753,528,978,603
6 Other operating expenses		54,004,784,754	26,680,504,341
V Net profit from other activities		2,251,271,538,879	726,848,474,262
VI Dividends and share of profit of joint ventures, associates		176,118,878,991	261,138,817,782
VII Operating expenses	28	553,882,429,160	280,145,824,582
VIII Net profit from operating activities before credit risk provision expenses		1,454,432,523,678	482,851,240,151
IX Credit risk provisions		842,988,706,743	479,182,066,022
X Profit before taxes		611,443,816,935	3,669,174,129
7 Current tax expense	29	59,139,739,225	-
8 Deffered tax expense	29	46,197,163,628	(46,197,163,628)
XI Income tax expense		105,336,902,853	(46,197,163,628)
XII Profit after tax		506,106,914,082	49,866,337,757
XIII Earnings per share	30	1,012	100



Tông Quốc Trung
 General Director

26 February 2010

Pham Quang Huy
 Chief Accountant

The notes set out from pages 10 to 35 are an integral part of these financial statements

CASH FLOW STATEMENT
 For the year ended 31 December 2009

FORM B04/TCTD
 Unit: VND

NO. ITEMS	Year 2009	From 18/3/2008 to 31/12/2008
CASH FLOWS FROM OPERATING ACTIVITIES		
01. Interest and similar income received	2,235,034,410,803	2,549,906,378,216
02. Interest and similar expenses paid (*)	(2,441,640,867,330)	(2,030,418,122,545)
03. Income from services	60,572,871,630	22,963,382,864
04. Net cash receipts from dealings in foreign currencies, gold and trading securities	166,833,576,231	259,640,919,112
05. Other income	607,174,902,214	279,121,958,469
06. Payroll, administration and public service expenses (*)	(437,906,551,150)	(267,026,018,247)
07. Corporate income tax paid (*)	-	(25,594,457,913)
<i>Operating profit before movements in operating assets and working capital</i>	190,068,342,398	788,594,039,956
<i>Movement in operating assets</i>	<i>(15,402,348,231,606)</i>	<i>(6,715,073,874,686)</i>
09. (Increase)/Decrease in cash, gold at and loans to credit institutions	5,544,573,591,726	(196,843,213,493)
10. (Increase)/ Decrease in trading securities	(900,979,552,228)	272,921,757,252
11. Decrease in derivatives and other financial assets	-	330,000,000
12. (Increase) in loans to customers	(9,950,153,087,486)	(4,353,904,468,042)
13. Decrease in provisions	(185,577,150,463)	(10,374,649,802)
14. (Increase) in other operating assets	(9,910,212,033,154)	(2,427,203,300,601)
<i>Movement in operating liabilities</i>	<i>18,580,259,060,611</i>	<i>1,768,163,382,452</i>
15. Increase/(Decrease) in deposits and borrowings from credit institutions	14,730,770,778,131	(1,554,315,785,000)
16. Increase in deposits from customers (including State Treasury)	1,559,195,873,176	79,098,940,579
17. Increase in issued bonds (excluding debts attributable to financial activities)	1,682,073,206,900	-
18. (Decrease)/Increase in grants, trusted funds and borrowings at risk of credit institutions	(499,784,006,768)	2,416,166,827,336
19. Increase/ Decrease in other operating liabilities	1,108,003,209,172	830,342,493,976
20. Cash used from funds	-	(3,129,094,439)
I. Net cash from/(used in) operating activities	3,367,979,171,404	(4,158,316,452,278)
CASH FLOWS FROM INVESTING ACTIVITIES		
01. Acquisition of fixed assets	(236,931,125,695)	(24,081,669,011)
02. Investments in other entities	-	(570,395,146,191)
03. Cash recovered from investments in other entities	129,900,395,916	356,939,505,776
04. Dividends received from long-term investments	176,118,878,991	261,138,817,782
II. Net cash from investing activities	69,088,149,212	23,601,508,356
CASH FLOWS FROM FINANCING ACTIVITIES		
01. Proceeds from issuing long-term valuable papers eligible to be the Company's capital and other long-term borrowings	-	1,419,090,566,800
III. Net cash from financing activities	-	1,419,090,566,800
IV. Net increase/(decrease) in cash	3,437,067,320,616	(2,715,624,377,122)
V. Cash and cash equivalents at beginning of the year	5,438,314,269,434	8,153,938,646,556
VI. Cash and cash equivalents at end of the year	8,875,381,590,050	5,438,314,269,434

The notes set out from pages 10 to 35 are an integral part of these financial statements

CASH FLOW STATEMENT (Continued)
 For the year ended 31 December 2009

Break-down of cash and cash equivalents

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Cash on hand	4,450,211,663	6,397,285,055
Deposit at the State Bank of Vietnam	31,853,258,388	11,549,984,379
Deposits at other credit institutions (*)	8,839,078,119,999	5,420,367,000,000
	<u>8,875,381,590,050</u>	<u>5,438,314,269,434</u>

(*) Deposits at other credit institutions represent demand deposits and time deposits with terms of less than 3 months in VND.



Phạm Quang Trường
 General Director

26 February 2010

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 Joint Stock Finance 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/QD-DKVN dated 22 August 2007 by Vietnam Oil and Gas Group on approving the proposal of transforming PetroVietnam Finance Company to PetroVietnam Joint Stock Finance 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 17 March 2008 issued by Hanoi Department of Planning and Investment and Certificate for Operation No. 72/2008/GP-NHNN dated 17 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.

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 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 to organizations and individuals;
- Acting as guarantor, using its prestige and financial capability. Guarantees are made by PetroVietnam Joint Stock Finance Corporation in compliance with Articles 58, 59 and 60 of the Law on Credit Institutions and 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 locates, 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 FX 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 2009 was 1,135 (31 December 2008: 1,189).

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, Vietnamese Accounting System applicable to credit institutions and prevailing regulations of the State Bank of Vietnam. Nevertheless, the financial statements have been translated from those issued in Vietnam, from the Vietnamese language into English language.

Accounting period

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

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

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD (Continued)

Adoption of new accounting treatments of the State Bank of Vietnam

On 14 April 2009, the State Bank of Vietnam issued Official Letter No. 2601/NHNN-TCKT to instruct classification of investments and provide basis for making provision for the diminution in value of financial investments. The adoption of new accounting treatment affected the classification of investments in the current securities portfolio and long-term investments and capital contribution as well as provision made for these investments. Although the Letter does not require and instruct retroactive adjustments of opening balances, the Corporation reclassified its investment portfolio as at 31 December 2008 for comparison purpose as follows:

Items	31/12/2008 Audited VND	Reclassification Entries VND	31/12/2008 reclassified VND
Trading securities	114,933,061,815	-	114,933,061,815
Investment securities	592,228,863,245	2,797,780,733,121	3,390,009,596,366
Available-for-sale investment securities	281,194,079,915	4,449,774,152,988	4,730,968,232,903
Held-to-maturity investment securities	403,769,234,000	(211,352,434,000)	192,416,800,000
Provision for diminution in value of investment securities	(92,734,450,670)	(1,440,640,985,867)	(1,533,375,436,537)
Long-term investments and capital contribution	871,606,078,257	2,755,408,500,872	3,627,014,579,129
Investments in subsidiaries	-	354,641,105,860	354,641,105,860
Investments in joint-ventures	29,861,148,950	42,196,157,517	72,057,306,467
Investments in associates	361,948,372,161	153,482,796,616	515,431,168,777
Other long-term investments	511,914,819,313	2,335,204,352,054	2,847,119,171,367
Provisions for diminution in value of long-term investments	(32,118,262,167)	(130,115,911,175)	(162,234,173,342)
Other receivables			
<i>Risk trusted investments</i>	<i>6,857,866,706,776</i>	<i>(6,857,866,706,776)</i>	-
Available-for-sale investment securities	3,607,092,868,202	(3,607,092,868,202)	-
Investments in associates	307,821,524,914	(307,821,524,914)	-
Other long-term investments	2,942,952,313,660	(2,942,952,313,660)	-
<i>Non-risk trusted investments</i>	<i>2,375,386,969,024</i>	<i>(305,863,406,505)</i>	<i>2,069,523,562,519</i>
<i>Other receivables</i>	<i>636,005,428,331</i>	<i>39,783,982,246</i>	<i>675,789,410,577</i>
Provisions for diminution in value of other assets	(1,570,756,897,041)	1,570,756,897,041	-

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, Vietnamese Accounting System applicable to credit institutions and prevailing regulations of the State Bank of Vietnam 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 reporting period. Actual results could differ from those estimates.

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)

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.

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 in the 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 Letter and Circular No.13/2006/TT-BTC dated 27 February 2006 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, which are Viet Capital Securities Joint Stock Company, Sacombank Securities Company and Thang Long 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.

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investments in associates are stated at cost.

Provision for diminution in value of these investments is made in accordance with Circular No.13/2006/TT-BTC dated 27 February 2006 of the Ministry of Finance and Official Letter No.2601/NIINN-TCKT dated 14 April 2009 of the State Bank of Vietnam.

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Interests in joint ventures are stated at cost.

Provision for diminution in value of these investments is made in accordance with Circular No.13/2006/TT-BTC dated 27 February 2006 of the Ministry of Finance and Official Letter No.2601/NHNN-TCKT dated 14 April 2009 of the State Bank of Vietnam.

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)

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-taking 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. 13/2006/TT-BTC dated 27 February 2006 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 proportion to the capital contribution made by the Corporation made to such investments, as well as estimates and assessed 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 to make provision for as at 31 December 2009.

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 at 31 December 2009 becomes available, the Corporation will assess the materiality level for appropriate treatments in accordance with current accounting standards and accounting regulations.

Repurchase agreements (REPO)

Repurchase agreements present the value of contracts that the Corporation purchased and committed to sell back and clients committed to repurchase in the future at a predetermined price and that is presented in Other receivables in the balance sheet.

Selling Put option contracts

Value of selling put option contracts represents deposits (100%) to client purchasing the put option to secure the contract obligation of the Corporation. Put option agreements allow clients to sell particular securities to the Corporation in a specific amount and at a determined price at a point in time in the future. The value of such contracts is recorded in the Other Assets account.

The Corporation charges fees for selling put options and such fees are allocated to profit or loss using the straight-line method during the effective period of the contracts.

As at 31 December 2009, these contracts were not mature. The Board of Directors made assessments and believed that the Corporation was able to collect all above deposits.

Entrustment activities and entrusted funds

The Corporation's entrustment activities include full entrustment investments, instructive entrustment investments, profit-sharing entrustment investments. The value of entrustment investments and entrustment funds received are recorded as the entrustment contracts have been signed and entrustment funds have been realized. Rights and obligations of the trustor and trustee relating to profit and profit sharing, entrustment fee, other rights and obligations are in compliance with the terms of the contracts.

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)

Loans to customers and interest income

Loans are stated at their outstanding principal amounts and are adjusted for any written-offs and provision for doubtful debts.

Interest receivable is recognized on accrual basis with regards to loans whose both principal and interest can be settled on time and there is no specific provision needed pursuant to prevailing regulation. Interest receivable is recorded as income but when they fall due (both principal and interest) and debtors are unable to repay, they shall be recognized as operating expense and followed up as off-balance sheet items. As soon as these receivables are settled, they are recorded as income in the income statement.

Interests receivable during the year of outstanding loans are not charged to income but followed up as off-balance sheet items. When received, they are charged to operating income.

Provision for loan losses, losses on guarantees

Provision for doubtful debts, commitments is made based on management's estimates of doubtful debts and commitments in accordance with guidance specified in Decision No. 493/2005/QĐ-NNH dated 22 April 2005 issued by the State Bank of Vietnam and Decision No. 18/2007/QĐ-NHNN dated 25 April 2007 by the State Bank of Vietnam amending and supplementing a number of articles of the Regulation on classification of debts, appropriation and use of provisions for offsetting credit risks in credit institutions' banking activities.

Specific provisions for loans as at year end are made based on the following provision rates applied to loans as at 30 November 2009 after deducting the value of evaluated collaterals:

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

General provision for loan losses, losses on guarantees is made at 0.75% of the Corporation's calculated net exposure.

Net exposure is determined by adding the total amount of loans to customers (after deducting loans that have been fully provided for) with the total amount of guarantees as at the balance sheet date.

The provision for loan losses, losses on guarantees is charged to the income statement.

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)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation such as repairs, maintenance and overhaul costs is charged to the income statement as incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

Tangible fixed assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Estimated useful lives</u>
Buildings and structures	40 - 50 years
Office equipment	3 - 8 years
Motor vehicles	10 years
Other assets	3 years

Intangible fixed asset and amortization

Intangible fixed assets comprise land use rights and computer software which are stated at cost less accumulated amortization. Land use rights granted with indefinite term are not amortized; computer software is amortized using the straight-line method over the period of 5 years.

The Corporation recorded value of the land use right for the land at 22 Ngo Quyen based on the finalized value of VND 179,905,473,000 in the Intangible Fixed Assets account. Up to 31 December 2009, the Corporation had not completed necessary procedures to receive the land use right for such land. However, the Corporation temporarily amortised the value of the land use right over the period of 25 years to ensure completeness of expenses in the year.

Off-balance sheet commitments and guarantees

At any time during the course of business, the Corporation always has outstanding commitments. These commitments are in the form of approved loans and overdraft facilities. The Corporation also provides financial guarantee services to guarantee the contract performance of customers to third parties. These transactions are recorded in the financial statements when performed or when related expenses are incurred or received.

Monetary derivative instruments

The Corporation enters foreign currency forward transactions. Foreign currency forward contracts are separate commitments of the Corporation to buy foreign currencies or VND, including unrealised spot transactions. Difference between spot rates and the rates stated in the forward contracts is recorded as unearned revenue and is allocated to profit and loss over the contract duration. At the balance sheet date, forward contracts are revaluated at the exchange rate prevailing on such date, and difference is recognized as other assets or other payables in the balance sheet.

Foreign currencies

Transactions arising in currencies other than VND are translated at the exchange rates ruling at the transaction date. Foreign exchange differences arising from these transactions are recognized in the income statement.

Monetary assets and liabilities denominated in currencies other than VND are retranslated at the rates of exchange prevailing on the balance sheet date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

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)

Operating lease

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental charges applicable to such operating leases are charged to income statement as incurred over the lease term.

Revenue

Revenue is recorded in the income statement on the accrual basis.

Income from dividends, bonus shares is recorded pursuant to Official Letter No.4964/NHNN-TCKT dated 02 June 2008 of the State Bank of Vietnam guiding the accounting of dividends in the form of shares, bonus shares and share-purchasing rights of current shareholders.

Borrowing costs

Borrowing costs are recognised during the year in the income statement when incurred on the accrual basis.

Related parties

Related parties include the parent company, related parties of the parent company, and subsidiaries, associates, joint-ventures of the Corporation.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The charge for current tax is based on the results for the year as adjusted for items, which are deemed non-assessable or disallowed including losses carried forward, if any. It is calculated using the current rate of 25% of assessable income as at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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 taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of corporate income tax due and deferred tax is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and its ultimate determination depends on the results of tax authorities' examination.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

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

4. CASH ON HAND

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Cash in VND	3,583,648,266	5,622,613,510
Cash in foreign currencies	866,563,397	774,671,545
	<u><u>4,450,211,663</u></u>	<u><u>6,397,285,055</u></u>

5. DEPOSIT AT THE STATE BANK OF VIETNAM

Deposit at the State Bank of Vietnam consists of compulsory reserves for deposits and current accounts. Pursuant to regulations by the State Bank of Vietnam on compulsory reserve, part of the bank's compulsory reserve can be floating balance. In details:

According Decision No. 379/QD-NHNN dated 24 February 2009:

Compulsory reserve balances for VND deposits applicable to credit institutions:

- Compulsory reserve balance is 3% (31 December 2008: 6%) of the preceding month's average balances for demand deposits and time deposits with terms of less than 12 months in VND;
- Compulsory reserve balance is 1% (31 December 2008: 2%) of the preceding month's average balances for deposits in VND with terms of more than 12 months.

Compulsory reserve balances for deposits in foreign currencies applicable to credit institutions:

- Compulsory reserve balance is 7% (31 December 2008: 7%) of the preceding month's average balances for demand deposits and time deposits with terms of less than 12 months in foreign currencies;
- Compulsory reserve balance is 3% (31 December 2008: 3%) of the preceding month's average balances for deposits in foreign currencies with terms of more than 12 months.

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Current account at the State Bank of Vietnam	31,853,258,388	11,549,984,379
	<u><u>31,853,258,388</u></u>	<u><u>11,549,984,379</u></u>

6. BALANCES DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Deposits at other credit institutions		
Demand deposits	1,775,101,748,727	2,141,155,192,894
- In VND	1,193,356,924,423	2,000,815,683,733
- In foreign currencies	581,744,824,304	140,339,509,161
Term deposits	9,136,794,120,000	10,836,603,147,559
- In VND	4,520,216,000,000	7,571,926,047,559
- In foreign currencies	4,616,578,120,000	3,264,677,100,000
	<u><u>10,911,895,868,727</u></u>	<u><u>12,977,758,340,453</u></u>
Loans to other credit institutions		
Loans in VND	484,000,000,000	544,000,000,000
Provisions for loan losses	(3,435,000,000)	(4,162,500,000)
	<u><u>480,565,000,000</u></u>	<u><u>539,837,500,000</u></u>
	<u><u>11,392,460,868,727</u></u>	<u><u>13,517,595,840,453</u></u>

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

7. LOANS AND ADVANCES

7.1 LOANS

	31/12/2009	31/12/2008
	VND	VND
Loans to local economic organizations and individuals	23,767,850,064,394	13,937,597,368,264
Loans from discounted commercial bills and other valuable papers	1,078,176,954	71,166,782,855
Loans from grants, trusted funds	2,507,903,509,213	1,761,109,009,757
	<u>26,276,831,750,560</u>	<u>15,769,873,160,876</u>

Loan quality

	31/12/2009	31/12/2008
	VND	VND
Current loans	24,675,261,419,762	14,580,508,286,321
Special-mentioned loans	1,233,188,378,468	751,185,289,653
Sub-standard loans	17,085,265,514	159,996,176,989
Doubtful loans	90,418,196,412	60,450,704,010
Loss	260,878,490,405	217,732,703,903
	<u>26,276,831,750,560</u>	<u>15,769,873,160,876</u>

Loan balance by term

	31/12/2009	31/12/2008
	VND	VND
Short-term loans	8,593,033,045,397	5,396,573,543,631
Medium-term loans	5,038,898,195,757	2,846,889,991,910
Long-term loans	12,644,900,509,406	7,526,409,625,335
	<u>26,276,831,750,560</u>	<u>15,769,873,160,876</u>

Short-term, medium-term and long-term loans have initial terms of less than 1 year, from 1 year to 5 years and more than 5 years, respectively.

Loan balances by currency

	31/12/2009	31/12/2008
	VND	VND
Loans in VND	16,783,220,281,278	9,071,910,383,081
Loans in foreign currencies, gold	9,493,611,469,282	6,697,962,777,795
	<u>26,276,831,750,560</u>	<u>15,769,873,160,876</u>

7.2 ADVANCES

	31/12/2009	31/12/2008
	VND	VND
Advance for entrusted investments	969,325,663,301	1,525,125,387,966
Advances to mandators of selling securities	204,262,118,764	205,267,896,297
	<u>1,173,587,782,065</u>	<u>1,730,393,284,263</u>

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

7. LOANS AND ADVANCES (Continued)

7.2 ADVANCES (Continued)

Advances represent deferred payments of entrusted funds under entrustment contracts stipulating that PVFC bears no risk and advances to mandators for selling shares under purchasing and forward contracts.

As at 31 December 2009, some advances for entrusted investments had been overdue as per the contracts and the market value of some securities as at 31 December 2009 was VND 248,971,776,353 less than the amount advanced by the Corporation. The Corporation prudently assessed solvency of each customer and determined that the Corporation was able to collect such amounts in full in the near future. Therefore, no provision was made for these contracts.

As at 31 December 2009, the advances to mandators for selling securities totaling VND 204,262,118,764 were overdue from 19 October 2008 and the market value of such securities at 31 December 2009 was VND 141,478,095,639 less than the amount advanced by the Corporation. The Corporation made provision for in an amount of VND 71,993,115,703. For other customers, the Corporation prudently assessed solvency of each customer and determined that the Corporation was able to collect such amounts in full in the near future. Therefore, no provision was made for these contracts.

7.3 PROVISIONS FOR LOAN LOSSES

	<u>General provisions</u>	<u>Specific provisions</u>
	VND	VND
As at 31/12/2008	117,768,261,960	173,753,777,152
Additions	102,501,837,043	703,620,165,951
Reversal of provisions for credit losses	(42,111,426,237)	(382,070,643,402)
Uses of provisions	(4,701,816,201)	(180,875,334,262)
Others	1,156,625,240	-
As at 31/12/2009	<u>174,613,481,805</u>	<u>314,427,965,439</u>

As at 31 December 2009, the total outstanding credit facilities the Corporation had granted to some members of Vietnam Shipbuilding Industry Group (Vinashin) amounted to VND 1,853,028,186,702, of which VND 1,305,039,794,866 was overdue. However, in 2009, 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 as that Vinashin could complete its signed contracts; hence, the Corporation did not classify such outstanding loans as bad debts and 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. Should the Corporation followed the instructions in the above-mentioned Decisions, the outstanding loan balance in group 2 would have decreased by VND 339,480,820,712; the outstanding balance in group 3 would have increased by VND 829,274,944,459; the outstanding balance in group 5 would have increased by VND 407,622,835,560; and the total provision expense for loan losses in the year would have increased by VND 524,844,847,616. In addition, the Corporation recorded the interest income and interest receivable of these contracts with the amount of VND 91,156,417,937. The Corporation assessed the situation carefully and believed that the Corporation would have effective solutions to manage the credit quality and be able to collect principals and interest in full in the following years (depending on finance support policy of the Government to enterprises).

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

8. TRADING SECURITIES

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Equity securities		
- Equity securities issued by other local credit institutions	8,486,032,578	33,915,758,764
- Equity securities issued by local economic organizations	320,454,617,629	81,017,303,051
Provision for diminution in value of trading securities	(40,183,320,625)	(78,084,443,715)
	<u>288,757,329,582</u>	<u>36,848,618,100</u>

9. INVESTMENT SECURITIES

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Available-for-sale investment securities		
Debt securities		
- Issued by Government	150,413,531,650	212,645,034,000
- Issued by other local credit institutions	1,020,000,000,000	100,000,000,000
- Issued by other local economic organizations	500,000,000,000	-
- Foreign debt securities	-	-
Equity securities		
- Issued by other local credit institutions	469,305,775,739	512,797,371,644
- Issued by local economic organizations	3,180,188,590,200	3,905,525,827,260
	<u>5,319,907,897,589</u>	<u>4,730,968,232,904</u>
Provisions for diminution in value of available-for-sale investment securities	(1,117,316,708,161)	(1,533,375,436,537)
	<u>4,202,591,189,428</u>	<u>3,197,592,796,367</u>

Investments by source of capital

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Investments using trusted funds	2,780,319,725,112	3,765,545,866,475
Investments using PVFC's funds	2,539,588,172,477	965,422,366,429
	<u>5,319,907,897,589</u>	<u>4,730,968,232,904</u>

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Held-to-maturity investment securities		
- Government bonds	-	20,000,000,000
- Debt securities issued by other local credit institutions	180,382,699,151	80,707,000,000
- Debt securities issued by local economic organizations	110,066,400,000	91,709,800,000
	<u>290,449,099,151</u>	<u>192,416,800,000</u>

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

10. LONG-TERM INVESTMENTS AND CAPITAL CONTRIBUTION (*)

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Investment in subsidiaries (i)	530,571,105,860	354,641,105,860
Investments in joint-ventures	68,801,305,967	72,057,305,967
Investments in associates (ii)	695,030,638,810	515,431,168,777
Other long-term investments	2,477,464,724,001	2,847,119,171,367
Provisions for diminution in value of long-term investments (iii)	(181,629,071,619)	(162,234,173,342)
	<u>3,590,238,703,019</u>	<u>3,627,014,578,629</u>

(*) As stated in Note 2, some investments as at 31 December 2008 were reclassified according to the accounting policy applied in the financial year ended 31 December 2009.

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

10. LONG-TERM INVESTMENTS AND CAPITAL CONTRIBUTION (Continued)

Long-term investments by source of capital

	31/12/2009		31/12/2008	
	PVFC Source VND	Entrustment source VND	PVFC Source VND	Entrustment source VND
Investments in subsidiaries	65,012,170,604	465,558,935,256	354,641,105,860	-
Investments in joint-ventures	4,244,000,000	64,557,305,967	29,861,148,450	42,196,157,517
Investments in associates	136,754,200,000	558,276,438,810	131,395,359,606	384,035,809,171
Other long-term investments	725,021,626,667	1,752,443,097,334	220,814,280,000	2,626,304,891,367
	931,031,997,271	2,840,835,777,367	736,711,893,916	3,052,536,858,055

The investments using entrustment sources that PVFC bears all risk were financed by the non-directive entrustment source of economic organizations at the fixed interest rate.

The balances of investments as at 31 December 2008 were reclassified as stated in Note 2 of the Notes to the financial statements.

(i) Information about the subsidiaries of the Corporation as at 31 December 2009 is as follows:

Name of subsidiary	Operating and establishing placement	Owning	Voting	Activities
		rate	right	
		%	%	
Hai Dang Investment Joint Stock Company	04 Nguyen Thien Thuat, Tan Lap ward, Nha Trang city, Khanh Hoa province	66.24%	58.97%	- Construction and investments in real estate
Phu Dat Investment and Construction Joint Stock Company	2nd Floor, No. 1-5 Le Duan, Ho Chi Minh city	93.23%	93.23%	- Construction and investments in real estate
My Khe Tourism Joint Stock Company	Co Luy hamlet, Tinh Khe commune, Son Tinh district, Quang Ngai province	100.00%	80.00%	- Trading in sea tourism

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FORM B 05/ICTD

10. LONG-TERM INVESTMENTS AND CAPITAL CONTRIBUTION (Continued)

(ii) Information about the Corporation's associates

Name of associate	Place of incorporation (or registration) and operation	Owning rate %	Voting right %	Principal activities
Song Vang Hydropower Joint Stock Company	No.298, 2/9 street, Hoa Cuong ward, Hai Chau district, Da Nang city	33.07%	31.05%	- Investing in construction of power plants and projects - Producing and trading electricity; Consulting electrical work construction
Bat Dai Son Hydropower Joint Stock Company		20.00%	16.10%	- Investing in hydroelectric projects
Hoa Binh Infrastructure Investment and Construction Joint Stock Company	Hamlet 7, Nhi Thanh commune, Thu Thua district, Long An province	30.00%	30.00%	- Investing in construction of infrastructure of industrial areas; providing land use right transfer service - Trading export and import goods, building materials - Financial investments and entrusted investments
Petro Vietnam Finance Investment and Consultancy Joint Stock Company	No. 5, Lot 14A, Trung Yen New Urban Area, Trung Hoa Ward, Cau Giay district, Hanoi	41.14%	41.14%	- Exploiting, exploring, drilling and processing minerals and mineral products - Constructing civil, industrial, irrigation, hydro-electrical, thermo-electrical works; generating and trading electricity - Performing local and international entrusted investments
Cao Nguyen Investment Joint Stock Company	Lot No.08, Nguyen Tat Thanh street, Group No.05, Tan Loi ward, Buon Me Thuot city, Dak lak province	30.00%	12.94%	- Afforestation, wood and ore exploitation - Producing, trading, transmitting and distributing electricity - Constructing railway and road projects, civil and housing works - Providing commercial services, short-term stay service, restaurant - Providing office administration and management consulting services
Mai - Ben Dinh Petroleum Investment Joint Stock Company	Petro Tower Building, No. 8 Hoang Dieu, Ward No.1, Vung Tau city	22.00%	22.00%	- Exploiting Sao Mai-Ben Dinh port and economic area - Manufacturing, repairing and leasing containers - Executing construction works; trading petroleum-related machinery and equipment - Newly building and repairing boats, ships and floating vehicles - Providing transport services in sea route, internal river routes
Metroco Songhong Joint Stock Company	70 An Duong, Yen Phu, Tay Ho, Ha Noi city	20.00%	23.03%	- Construction investment and material trading
Petro Vietnam Manpower Development and Services Joint Stock Company	17 Ngo Quyen, Hoan Kiem, Hanoi	20.43%	20.43%	- Providing commercial services, export-import machinery and equipment - Providing tourism services and trading in real estate - Supplying labours, providing orientation training services and exporting labours

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 05/TC/TD

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

10. LONG-TERM INVESTMENTS AND CAPITAL CONTRIBUTION (Continued)

(ii) Information about the Corporation's associates (Continued)

Name of associate	Place of incorporation (or registration) and operation	Owning rate %	Voting right %	Principal activities
Petroviet Nam Song Hong Investment Joint Stock Company	12 Co Loa, Phuoc Tan ward, Nha Trang city, Khanh Hoa province	28.33%	39.44%	- Constructing infrastructure, houses, offices, workshops and warehouses - Trading in recreation and sport areas; providing hotel management, business management consulting, investment consulting services - Providing investment project preparation consulting services and project management
Nghe An Food Products Joint Stock Company	47 Nguyen Canh Hoan, Le Loi ward, Vinh city	50.00%	56.88%	- Producing fruit juices; trading agricultural and forest products, raw materials, seedlings and breedings, and agricultural materials
Sa Pa Petro Tourist Joint Stock Company	261 Nguyen Hue street, Pho Moi ward, Lao Cai city, Lao Cai province	33.00%	33.00%	- Trading in hotels and restaurants; international tourism, transport; providing recreation services and selling souvenirs - Export and import business; consulting study abroad in China - Trading automobiles, motorbikes and components - Trading in real estate; providing warehouse and transport services; trading cattle foods
Petrovietnam-Nghe An Investment & Trading Joint Stock Company	12 TECCO Building, Quang Trung, Vinh city	30.00%	30.00%	- Investing real estate, commercial business and construction
My Phuc Joint Stock Company	18 Tran Quoc Toan, Hai Chau district, Da Nang city	49.00%	31.78%	- Investing, constructing, brokering and trading real estate, interior and exterior decorations - Trading in hotels and restaurants; providing local and international tourism services - Exploiting minerals; trading building materials

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

10. LONG-TERM INVESTMENTS AND CAPITAL CONTRIBUTION (Continued)

(iii) Details of provision for long-term investments

	31/12/2009	31/12/2008
	VND	VND
Provision for diminution in value of investments in subsidiaries	6,287,467,515	-
Provision for diminution in value of investments in joint-ventures	23,085,221,911	25,136,262,165
Provision for diminution in value of investments in associates	135,606,121,168	-
Provision for diminution in value of other long-term investments	16,650,261,025	137,097,911,177
Total	181,629,071,619	162,234,173,342

11. TANGIBLE FIXED ASSETS

	Buildings and structures	Motor vehicles	Office equipment	Other assets	Total
	VND	VND	VND	VND	VND
Cost					
As at 01/01/2009	-	24,219,720,030	47,371,334,405	12,380,360,096	83,971,414,531
Additions	324,909,900,141	787,548,989	29,862,730,650	2,735,472,915	358,295,652,695
Decreases	-	342,651,509	1,413,746,503	54,358,000	1,810,756,012
As at 31/12/2009	324,909,900,141	24,664,617,510	75,820,318,552	15,061,475,011	440,456,311,214
Accumulated depreciation					
As at 01/01/2009	-	4,860,662,643	18,095,641,967	11,898,046,277	34,854,350,887
Additions	2,034,118,143	2,752,321,440	12,536,305,706	576,658,118	17,899,403,407
Decreases	-	356,781,400	1,244,343,959	27,900,520	1,629,025,879
As at 31/12/2009	2,034,118,143	7,256,202,683	29,387,603,714	12,446,803,875	51,124,728,415
Net book value					
As at 31/12/2009	322,875,781,998	17,408,414,827	46,432,714,838	2,614,671,136	389,331,582,799
As at 31/12/2008	-	19,359,057,387	29,275,692,438	482,313,819	49,117,063,644

12. INTANGIBLE FIXED ASSETS

	Land-use rights	Software	Total
	VND	VND	VND
Cost			
As at 01/01/2009	19,029,648,600	1,449,260,767	20,478,909,367
Increases	179,905,473,000	30,000,000	179,935,473,000
As at 31/12/2009	198,935,121,600	1,479,260,767	200,414,382,367
Accumulated amortisation			
As at 01/01/2009	-	1,017,162,770	1,017,162,770
Increases	1,513,882,000	143,021,407	1,656,903,407
As at 31/12/2009	1,513,882,000	1,160,184,177	2,674,066,177
Net book value			
As at 31/12/2008	19,029,648,600	432,097,997	19,461,746,597
As at 31/12/2009	197,421,239,600	319,076,590	197,740,316,190

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

13. RECEIVABLES

	31/12/2009	31/12/2008
	VND	VND
Construction in progress	143,347,831,325	11,756,728,298
External receivables (*)	14,234,891,289,836	5,853,630,630,726
Internal receivables	76,592,863,215	55,376,732,188
	<u>14,454,831,984,376</u>	<u>5,920,764,091,212</u>

(*) As stated in Note 2, some investments financed by entrusted funds as at 31 December 2008 were reclassified according to the accounting policy applicable for financial year ended 31 December 2009.

Details of external receivables:

	31/12/2009	31/12/2008
	VND	VND
Deposits, pledges	3,007,075,473	8,513,419,073
Repo agreements (i)	7,272,907,699,000	522,919,477,624
Accrued interest on repo agreements	23,722,765,762	17,064,693,536
Loans using entrusted funds from other credit institutions	3,440,421,366,878	2,518,185,125,302
Accrued interest on loans using entrusted funds	26,056,240,510	41,634,942,095
Non-risk trusted investments (ii)	1,708,094,287,879	2,069,523,562,519
Deposits for put options (iii)	980,976,640,741	-
Receivables from PVC for transferring PVFC Land	181,946,900,000	-
Amount paid for purchasing PTSC shares	293,830,000,000	65,256,680,000
Suspended account for trading securities in the payment period T+3	53,199,804,495	-
Receivables for interest rate support program	54,106,220,206	-
Receivables from State Treasury for CIT temporarily paid	63,234,013,897	117,880,611,393
Advance for construction of offices in Vung Tau	45,785,069,000	45,785,069,000
Advances for purchasing new shares issues	12,801,670,000	85,946,019,530
Receivables from Thien Quan Industry JSC	39,783,982,246	39,783,982,246
Receivables from Vietnam Oil and Gas Group due to changes in interest rate applied to entrustment funds of the Group	-	290,044,048,167
Others	35,017,553,749	31,093,000,241
	<u>14,234,891,289,836</u>	<u>5,853,630,630,726</u>

- (i) Securities purchased under repurchase agreement represent securities that PVFC had acquired up to 31 December 2009 and committed to resell to the seller within fixed periods mentioned in the contracts. During the term of the contracts, the Corporation benefits from the difference between the future re-selling price and the purchase price
- (ii) Risk-free investments are financed by trusted funds from individuals and organizations (equivalent trusted funds for non-risk investments mentioned in Note 20). The Corporation does not expose to any risks of these investments. At the end of the trusted period, the Corporation must transfer these securities to investors.
- (iii) Deposits for put options represent the 100% deposit amount for execution of the contract obligation that the Corporation sold put options to clients in 2009.

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

14. DEFERRED TAX ASSETS

In 2009, the Corporation offset all taxable loss incurred in 2008 against the taxable income for the year when determining corporate income tax.

15. OTHER ASSETS

	31/12/2009	31/12/2008
	VND	VND
Trusted loans, investments	2,093,541,023,313	786,674,322,189
- Trusted loans, investments at fixed interest rates (i)	1,119,721,818,377	655,747,734,565
- Trusted investments designating investees (ii)	473,819,204,936	92,926,587,624
- Trusted investment in portfolios (iii)	500,000,000,000	38,000,000,000
Prepaid expenses	19,780,484,266	9,642,784,625
	<u>2,113,321,507,579</u>	<u>796,317,106,814</u>

- (i) The trusted loans, investments at fixed interest rates represent the funds entrusted to other companies, and that the trustees commit to maintain the trusted funds and pay a fixed interest amount to the Corporation regardless of the entrusted investment results. These contracts have terms ranging from one to three years, and the applicable interest rates varies from 10.5% to 15% p.a. (in 2008: the contract terms were from 1 to 3 years, applicable interest rates ranged from 10.2% to 16%).
- (ii) Trusted investments designating investees that the Corporation bears all risks represent the contracts in which other companies are entrusted to invest in the companies designating by the Corporation. Income from these entrustment contracts depends on the operating results and market value of the invested companies.
- (iii) The trusted investments in portfolios that the Corporation bears all risk represent the amount trusted to other companies for investment. The trustees have obligation to make investments and are entitled to a management fee at the fixed rate of 2% p.a. and other benefits depending on actual results of the portfolios. Income from the entrustment contracts is realized at the expiry date of the entrustment contracts and depends on the actual value of the investment portfolios.

16. DEPOSITS OF AND BORROWINGS FROM CREDIT INSTITUTIONS

	31/12/2009	31/12/2008
	VND	VND
Term deposits		
- In VND	4,479,118,845,667	1,084,952,179,000
- In foreign currencies	789,404,000,000	1,083,132,600,000
	<u>5,268,522,845,667</u>	<u>2,168,084,779,000</u>
Borrowings		
- In VND	13,261,900,000,000	3,240,800,000,000
- In gold, foreign currencies	1,609,232,711,464	-
	<u>14,871,132,711,464</u>	<u>3,240,800,000,000</u>
	<u>20,139,655,557,131</u>	<u>5,408,884,779,000</u>

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

17. DEPOSITS FROM CUSTOMERS

	31/12/2009	31/12/2008
	VND	VND
Term deposits	1,710,892,632,348	171,110,049,542
- In VND	1,148,202,146,369	65,285,371,745
- In foreign currencies	562,690,485,979	105,824,677,797
Margin deposits	57,570,225,116	38,156,934,746
	<u>1,768,462,857,464</u>	<u>209,266,984,288</u>

18. GRANTS, TRUSTED FUNDS AND BORROWINGS AT RISK OF CREDIT INSTITUTIONS

	31/12/2009	31/12/2008
	VND	VND
Grants, trusted funds and borrowings in VND	14,225,637,565,133	16,253,330,731,877
Grants, trusted funds and borrowings in foreign currencies	7,482,537,238,773	5,954,628,078,797
	<u>21,708,174,803,906</u>	<u>22,207,958,810,674</u>

Details of trusted funds:

	31/12/2009	31/12/2008
	VND	VND
Entrusted capital management	15,814,199,819,775	10,760,794,018,774
<i>Including: Trusted funds from Vietnam Oil and Gas Group (1)</i>	2,354,472,850,376	728,364,231,000
Specific-purpose entrustments	5,893,974,984,131	11,447,164,791,900
<i>Including: Trusted funds from Vietnam Oil and Gas Group (2)</i>	5,863,974,984,131	11,163,974,984,131
	<u>21,708,174,803,906</u>	<u>22,207,958,810,674</u>

- (1) On 5 March 2008, the Corporation entered into Contract No.1507/HDKT-DKVN with Vietnam Oil and Gas Group for the trusted fund of mine cleaning in USD for managing contributed capital of the petroleum contracts signed by Vietnam Oil and Gas Group and contractors. The trusted interest rate is determined by the rate of 12 month deposits in USD announced Vietcombank + 0.75%/year. The balance as at 31 December 2009 was VND 1,313,894,850,376 (31 December 2008: VND 728,364,231,000).

Contract No. 4778/HĐKT-DKVN for capital management entrustment was signed on 09 July 2009 with the amount of USD 58,000,000, equivalent to VND 1,040,578,000 for 1 year.

- (2) Entrusted funds from Vietnam Oil and Gas Group include the amount of VND 5,863,974,984,131 for 3 years with the objective of investments for profit on the basis of safe and efficient business operations according to Contract No. 2539/HD-DKVN and Appendix 01 dated 30 June 2009.

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

19. BONDS ISSUED

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
In VND	2,707,270,000,000	2,334,301,600,000
In foreign currencies and gold	2,584,288,021,700	1,275,183,214,800
	<u>5,291,558,021,700</u>	<u>3,609,484,814,800</u>

In 2007, the Corporation issued VND 1,500 billion of the Corporation's bonds with the term of 5 years and at the fixed coupon rate of 8.6% p.a.

In 2008, the Corporation issued VND 466.1 billion and USD 55 million of the Corporation's bonds with the term of 3 years, and at the respective annual coupon rates for the first year (from 1 October 2008 to 30 September 2009) of 17.5% p.a. for bonds in VND and 6.2% p.a. for bonds in USD. The applicable coupon rates for the subsequent years are the average 12-month saving rate with interest being paid at maturity date (applicable to VND or USD deposits) announced by 4 banks (including Vietcombank, BIDV, Vietinbank, and Agribank) plus 0.3% p.a.

In 2009, the Corporation issued VND 814.5 billion and USD 89 million of the Corporation's bonds with term of 3 years (from 24 November 2009 to 24 November 2012). The annual coupon rate is determined by 12 month saving interest rate plus 2.75% p.a. for bonds in VND, or plus 1.5% p.a. for bonds in USD. The coupon rates for the first year are fixed at 9.9%-10.4% p.a. for bonds in VND and at 4.5% p.a. for bonds in USD. Up to 31 December 2009, the Corporation received VND 771.5 billion and USD 89 million according to face value of the issued bonds.

20. OTHER LIABILITIES

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Accrued interest, fees payable	539,731,312,054	448,596,096,669
Internal payables	2,555,898,062,831	1,866,158,097,398
External payables	5,756,357,016,303	5,178,455,718,448
Other liabilities	232,723,786,216	508,197,214
Provisions for unused commitments	45,798,866,742	68,919,597,969
	<u>9,130,509,044,146</u>	<u>7,562,637,707,698</u>

Details of internal payables

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Payables to employees	34,793,938,284	21,754,319,659
Payables to Vietnam Oil and Gas Group (*)	2,521,004,589,213	1,844,293,469,631
Others	99,535,334	110,308,108
	<u>2,555,898,062,831</u>	<u>1,866,158,097,398</u>

(*) This represents the trusted funds received from Vietnam Oil and Gas Group to grant credit facilities to economic organization specified in entrustment contracts. The loan balances are represented under the "Loan and Advances" account in the Balance sheet.

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

20. OTHER LIABILITIES (Continued)

Details of external payables

	<u>31/12/2009</u>	<u>31/12/2008</u>
	VND	VND
Trusted funds for non-risk investments	1,708,094,287,879	2,375,185,577,462
Trusted funds for loans	3,440,421,366,878	2,518,185,125,302
Accrued interest payables for loans financed by trusted funds	24,464,182,082	46,429,957,547
Tax payable	5,237,255,074	20,589,287,142
Payables to PVN for transferring of VLAC shares	112,519,418,583	-
Dividends payable to trustors	15,135,082,712	9,524,837,806
Payables to PVN for purchasing office at 22 Ngo Quyen and entrustment fee payable	303,029,867,466	-
Payables to Project 43 Mac Dinh Chi	-	133,429,499,500
Accruals for cost of equipment at 22 Ngo Quyen	28,820,975,000	-
Others	118,634,580,629	75,111,433,689
	<u>5,756,357,016,303</u>	<u>5,178,455,718,448</u>

21. CAPITAL AND MOVEMENTS IN SHAREHOLDERS' EQUITY

On 18 March 2008, Hanoi Department of Planning and Investment granted Business Registration Certificate No.0103023045 and at the same date, the State Bank of Vietnam issued Decision No.541/QD-NHNN approving the chartered capital of PetroVietnam Joint Stock Finance Corporation of VND 5,000 billion.

	Chartered capital	Share premium	Retained earnings	Total
	VND	VND	VND	VND
31/12/2008	5,000,000,000,000	1,055,604,184,999	49,866,337,757	6,105,470,522,756
Additions	-	-	506,106,914,082	506,106,914,082
Adjustment	-	-	(1,478,573,695)	(1,478,573,695)
31/12/2009	<u>5,000,000,000,000</u>	<u>1,055,604,184,999</u>	<u>554,494,678,144</u>	<u>6,610,098,863,143</u>

Proportion of the chartered capital contribution by shareholders is as follows

	<u>Contributed capital</u>	<u>%</u>
	VND	
Vietnam Oil and Gas Group (PVN)	3,900,000,000,000	78%
Morgan Stanley International Holding Inc.	500,000,000,000	10%
Others	600,000,000,000	12%
	<u>5,000,000,000,000</u>	<u>100%</u>

The total number of shares registered and issued by the Corporation as at 31 December 2009 was 500,000,000 with the face value of VND 10,000 per share.

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

22. INTEREST AND SIMILAR INCOME

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Interest from deposits	734,031,959,304	845,516,398,838
Interest from loans to customers	1,685,483,254,887	1,456,522,429,715
Interest from debt securities	99,607,775,643	57,187,776,732
Other income from credit activities	10,261,625,620	64,224,326,410
	<u>2,529,384,615,454</u>	<u>2,423,450,931,695</u>

23. INTEREST AND SIMILAR EXPENSES

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Interest expense from deposits	1,641,833,196,724	1,236,439,475,856
Interest expense from borrowings	509,347,931,922	344,509,001,295
Interest expense from bonds issued	303,446,934,960	179,266,753,819
Expenses from other credit activities	56,182,243,644	75,594,580,583
	<u>2,510,810,307,250</u>	<u>1,835,809,811,553</u>

24. NET PROFIT FROM SERVICES

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Income from guarantee services	28,592,634,835	8,261,375,876
Income from entrustment and agency services	30,343,661,901	10,106,897,790
Income from consulting services	15,973,130,242	5,302,963,757
Others	1,395,344,793	2,066,064,186
Income from services	76,304,771,771	25,737,301,609
Payment services fees	9,129,112,179	1,186,202,907
Expenses from entrustment and agency services	1,565,595,235	1,155,992,530
Expense on consulting services	4,843,442,727	431,723,308
Brokerage commission fees	193,750,000	-
Expenses from services	15,731,900,141	2,773,918,745
Net profit from services	<u>60,572,871,630</u>	<u>22,963,382,864</u>

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

25. NET PROFIT FROM FOREIGN EXCHANGE ACTIVITIES

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Gain from foreign exchange trading	201,965,496,669	241,647,800,938
- Gain of spot contract trading	105,153,100,195	178,838,286,894
- Gain of monetary derivative instruments	-	5,635,934,895
- Gain from exchange rate difference	96,812,396,474	57,173,579,149
Loss on foreign exchange trading	130,027,451,843	13,662,490,427
- Loss on spot contract trading	2,947,470,574	287,666,260
- Loss on monetary derivative instruments	-	13,374,824,167
- Loss from exchange rate difference	127,079,981,269	-
Net gain from foreign exchange trading	71,938,044,826	227,985,310,511

26. NET LOSS FROM SECURITIES TRADING

	Year 2009	Từ 18/3/2008 đến 31/12/2008
	VND	VND
Gain from securities trading	374,459,783,475	40,546,405,926
Loss on securities trading	(315,819,730,731)	(8,890,797,325)
Provisions for diminution in value of securities	(628,800,742,436)	(1,095,235,649,429)
Net loss from securities trading	(570,160,689,692)	(1,063,580,040,828)

27. INCOME FROM OTHER ACTIVITIES

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Income from selling put options	34,896,973,346	-
Income from repos and deferred payment fee for advances	423,438,141,981	259,830,785,885
Income from specific-purpose entrusted investments at fixed interest rates	93,728,328,063	41,294,121,311
Reversal of provisions for credit losses	464,734,702,805	444,942,962,574
Reversal of provisions for diminution in value of investments	1,255,398,448,561	2,783,553,219
Other income	33,079,728,877	4,677,555,614
	2,305,276,323,633	753,528,978,603

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

28. OPERATING EXPENSES

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Tax, fees and charges	10,740,616,978	17,971,415,038
Payroll expenses	191,935,762,542	137,272,032,827
Depreciation and amortisation	64,359,596,161	49,669,903,403
Administration expenses	87,628,979,622	75,227,407,314
Premium for insurance of deposits from customers	4,341,078	5,066,000
Provision for diminution in value of investments and capital contribution	199,213,132,779	-
	<u>553,882,429,160</u>	<u>280,145,824,582</u>

29. CORPORATE INCOME TAX EXPENSE

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Profit before tax	611,443,816,935	3,669,174,129
Adjustments for:		
- Non-taxable income (*)	(164,250,810,546)	188,457,828,641
- Increase in expenses as per tax finalisation	22,417,924	-
- Gain from revaluation of receivables denominated in foreign currencies	(21,672,351,595)	-
- Gain from revaluation of foreign currency differences in FX activities	476,273,547	-
- Other adjustments	(4,671,736,452)	-
- Loss in 2008 carried forward	(184,788,654,512)	-
Taxable income	236,558,955,301	(184,788,654,512)
Corporate income tax rate	25%	28%
Current corporate income tax expense	59,139,739,225	-
Deferred corporate income tax expense	46,197,163,628	-

(*) Non-taxable income is profit and dividends received from investments in associates and joint-ventures and interest from government bonds.

30. EARNINGS PER SHARE

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Earnings for the purposes of basic earnings per share	506,106,914,082	49,866,337,757
Weighted average number of ordinary shares for the purposes of basic earnings shares	500,000,000	500,000,000
Earnings per share	1,012	100

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

31. RELATED PARTY TRANSACTIONS AND BALANCES

During the course of operations, the Corporation had deposits, borrowings and other transactions with its related parties (most of which were with Vietnam Oil and Gas Group and its subsidiaries and associates).

Balances with its related parties:

	31/12/2009	31/12/2008
	VND	VND
Loans to economic institution related parties	11,101,526,647,630	5,649,779,423,739
Assets entrusted for investment	3,305,469,739,099	577,689,822,189
Borrowings and entrusted funds received	23,535,514,688,447	14,343,902,684,762

Significant transactions with its related parties during the year:

	Year 2009	From 18/3/2008 to 31/12/2008
	VND	VND
Interest payable to related parties	1,089,939,036,780	864,006,274,717
Interest receivable from related parties	347,504,615,766	202,870,842,176
Remuneration of the Board of Directors	3,486,780,799	3,050,630,395
Remuneration of the Board of Management	1,721,000,000	1,347,997,639
Remuneration of the Board of Supervisors	733,000,000	623,266,930

32. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior period's figures to enhance their comparability with the current year's presentation as presented in the accompanying notes to the financial statements.

Figures disclosed in the income statement for comparative purpose are the figures of the financial statements for the period from 18 March 2008 to 31 December 2008, which is the first accounting period of the Corporation operating as the joint stock company.

According to Decision No.16/2007/QĐ-NHNN dated 18 April 2007 on the accounting regime applicable to credit institutions, the Corporation prepared the cash flow statement for the year ended 31 December 2009 using the direct method. The comparative figures for the period from 18 March 2008 to 31 December 2008 were reclassified for reference purpose.
