

## FINANCIAL STATEMENTS 2008

Financial statements are presented in Vietnam Dong (VND), adopting the accounting regime stipulated by the State Bank of Vietnam (SBV), consistent with Vietnam's Accounting Standard and accounting principles generally accepted in Vietnam, with the financial management regulation issued in connection with Decision No 180/2002/QD-TTg by the Prime Minister on 19th December, 2002, and with Circulars No. 24/2005/TT-BTC, dated September 1st, 2005 by Ministry of Finance providing guidance on VBSP's financial management regulation, which was issued in connection with Decision No 180/2002/QD-TTg by the Prime Minister on 19th December, 2002.

VBSP's fiscal year begins on January 1st and ends on December 31st of the calendar year.

### Key principles

#### 1. Income

VBSP's income consists of income actually earned from its operations and other activities.

#### 2. Expense

Expenses are reasonable costs incurred in the period.

#### 3. Conversion of Foreign Currencies

Transactions denominated in foreign currencies were converted to VND at the exchange rates prevailing on the date of transaction. The balances of assets and liabilities originally denominated in foreign currencies on the closing date of a fiscal year were converted to VND at the exchange rates announced by the SBV on that date. Gains (losses) as a result of such conversion were charged to the profit and loss account.

#### 4. Fixed assets and depreciation of fixed assets

Fixed assets are valued at the original cost minus the accumulated depreciation. The depreciation of fixed assets is calculated on the basis of the straight-line depreciation method and the estimated useful life of the assets, which are stipulated in Decision No. 206/2003/QD-BTC issued by the Minister of Finance on 12th December, 2003.

#### 5. Credit

The total outstanding loan is the aggregate of the unpaid principals of all loans at the end of the fiscal year subtract loss provision amount. Interest is calculated on cash basis. Loan loss provision is calculated by setting aside 0.02% of the average annual loan outstanding and shall be used to cover losses that incur objectively in the course of lending to the poor and other policy-based beneficiaries.

## BALANCE SHEET

*Unit: million dong*

<i>Assets</i>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2008</b>
Cash in hand	18,217	29,681	43,592
Deposits at the State Bank of Vietnam	79,071	34,738	34,613
Deposits at domestic credit institutions.	403,075	333,808	748,744
Loans to domestic economic entities and individuals	22,723,394	33,150,153	50,318,994
Trust funds lending	1,091,985	1,491,901	1,935,030
Frozen loans	236,154	200,777	139,312
Assets	409,364	463,973	1,106,152
Other assets	445,929	350,556	369,676

<b>Total assets</b>	<b>25,407,189</b>	<b>36,055,587</b>	<b>54,696,113</b>
<b>Liabilities</b>			
Borrowings from the State Bank of Vietnam	1,621,239	4,821,373	7,795,618
Borrowings from other credit institutions	12,533,665	16,946,387	29,710,720
Deposits of clients	1,682,140	1,999,170	986,735
Trust funds	1,203,492	1,656,160	2,102,710
Other liabilities	338,039	596,294	990,248
<b>Liabilities subtotal</b>	<b>17,378,575</b>	<b>26,019,384</b>	<b>41,586,031</b>
<b>Equity and reserves</b>			
Charter capital	4,788,000	5,988,000	7,988,000
Others capital	3,114,129	3,803,691	4,761,911
Reserves	77,872	75,563	144,724
<b>Total equity and reserves</b>	<b>7,980,001</b>	<b>9,867,254</b>	<b>12,894,635</b>
Undistributed profit	48,613	168,949	215,447
<b>Total liabilities</b>	<b>25,407,189</b>	<b>36,055,587</b>	<b>54,696,113</b>

**\* Source:**

- The year of 2006 and 2007: Audited Financial Reports by the State Audit of Vietnam;
- The year of 2008: Audited Financial Reports by the Chairman of Board of Directors of VBSP.

**FINANCIAL PERFORMANCE**

*Unit: million dong*

<b>Targets</b>	<b>31/12/2006</b>	<b>31/12/2007</b>	<b>31/12/2008</b>
<b>a. Income</b>	<b>2,295,466</b>	<b>2,902,543</b>	<b>4,320,352</b>
Interest income from lending activities	1,186,889	1,903,795	2,954,724
Other income from credit activities	7,918	15,697	722,463
Interest income from deposits	29,637	35,705	44,584
Income from payment activities	346	659	830

Income from treasury activities	2 1	3 2	3 3
Income from other activities	10,860	18,694	27,165
Subsidy from State budget for minus interest spread and operational cost	1,057,362	922,675	1,261,285
Other incomes	2,452	5,315	9,298
<b>b. Expenses</b>	<b>2,246,853</b>	<b>2,782,207</b>	<b>4,104,905</b>
Funds mobilization expenses	1,049,874	1,187,769	1,645,416
Expenses associated with payment and treasury activities	11,114	14,856	18,347
Fees paid for entrusted lending services	331,209	422,047	614,455
Asset expenses	261,806	305,115	249,965
Staff expenses	433,054	641,783	988,229
Managerial and operation expenses	140,068	174,495	212,775
Provisions	15,321	30,198	370,094
Other expenses	4,407	5,944	5,597
<b>C. Profit (Income - Expense)</b>	<b>48,613</b>	<b>120,336</b>	<b>215,447</b>

**\* Source:**

- The year of 2006 and 2007: Audited Financial Reports by the State Audit of Vietnam;
- The year of 2008: Audited Financial Reports by the Chairman of Board of Directors of VBSP.