STATE BANK OF VIETNAM

ANNUAL REPORT

2010

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MANAGEMENT BOARD OF THE STATE BANK OF VIETNAM

Mr. **Nguyễn Văn Giàu**
Governor

Mr. **Nguyễn Đồng Tiến**
Deputy Governor

Mr. **Trần Minh Tuấn**
Standing Deputy Governor

Mr. **Đặng Thanh Bình**
Deputy Governor

Mr. **Nguyễn Toàn Thắng**
Deputy Governor

Mr. **Nguyễn Văn Bình**
Deputy Governor

According to the Law on the State Bank of Vietnam: The State Bank of Vietnam is a ministerial-level agency of the Government and the Central Bank of the Socialist Republic of Vietnam; performs the state management function over monetary, banking and foreign exchange operations; and performs such functions of the central bank as issuing bank-notes, acting as the bank of the credit institutions and providing monetary service for the Government.

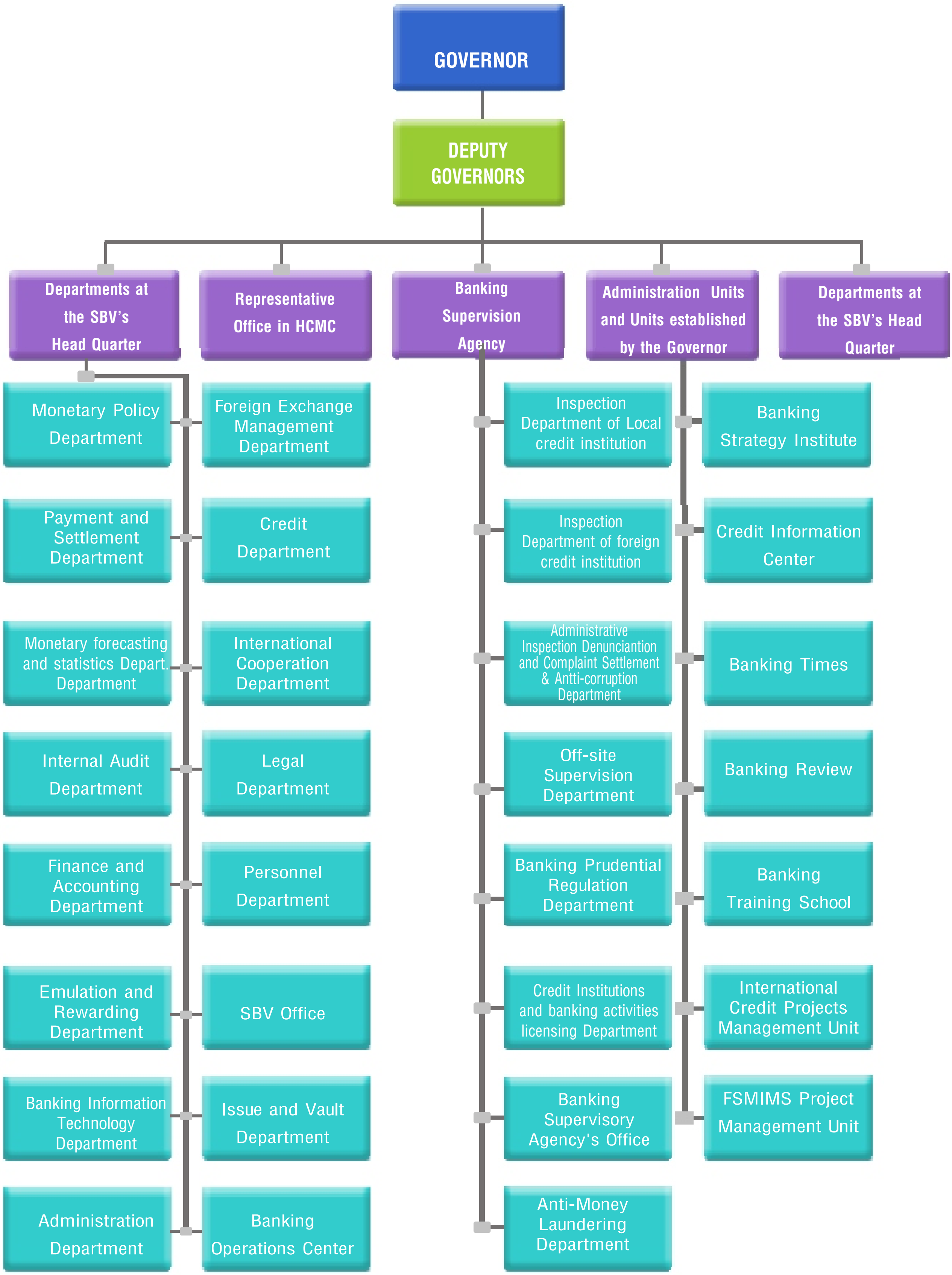
FOREWORDS BY THE GOVERNOR

In 2010, the world economy recovered from financial crisis and achieved the growth rate of around 5.0%, mainly driven by domestic demands and global trade. This recovery, however, is unsustainable due to the socio-political instability in many countries and the increasing complexibility of the debt crisis in Europe. A rise in the price of essential commodities as compared to 2009 put high pressure on inflation in various countries, especially the developing and emerging ones.

Vietnam's economy recovered quickly, growing at 6.78%, higher than the target of 6.5% and registered higher growth rates quarter after quarter thanks to the recovery of consumption, investment and net external demands. The increase in exports and FDI significantly narrowed the balance of payments' deficits to around 1.66% GDP. Still, the economy faced many difficulties, including the inadequate sustainability of economic growth, low effectiveness of investment and high inflation rate of 11.75%. In that context, the State Bank of Vietnam (SBV) has conducted the monetary policy in an active and flexible manner, following market's principles and adopted the negotiable interest rate mechanism in the direction of reducing the interest rate level, thus contributing to stabilizing the macro economy, curbing inflation and fostering economic growth. The SBV has also focused on improving the monetary and banking institutional system towards applying new standards that are more in line with international practices and Vietnam's conditions, as seen in the issuance of the new Law on the State Bank of Viet Nam and the Law on Credit Institutions. Moreover, the SBV has continuously improved banking supervision by gradually applying international practices and standards in order to strengthen credit institutions' risk management capacity and financial potentials and to create the foundation for the safe and sustainable development of Viet Nam's banking system. Payment system and banking technology have been improved, making a significant contribution to the operation of the banking system and increasingly meeting the needs of the economy. In the last months of 2010, the SBV tightened monetary policy by raising interest rates to control inflation, that had showed sign of resurgence. The SBV's conduct of monetary policy and management of banking system have made positive contribution to the achievements of the economy as well as the security and effectiveness of cash circulation and credit institution's activities.

Governor of the State Bank of Vietnam

NGUYEN VAN GIAU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FSMIMS Project Management Unit

DEPARTMENTS AND ADMINISTRATIVE UNITS OF THE STATE BANK OF VIETNAM

UNITS	FUNCTIONS
Monetary Policy Department	To advise and assist the Governor of the State Bank of Vietnam in making national monetary policies and using monetary policy tools in accordance with relevant laws and regulations.
Foreign Exchange Management Department	To advise and assist the Governor in carrying out the state management functions over foreign exchange and foreign exchange activities in accordance with relevant laws and regulations.
Payment and Settlement system Department	To advise and assist the Governor in carrying out the state management function over payment and settlement activities of the economy in accordance with relevant laws and regulations.
Credit Department	To advise and assist the Governor in carrying out the state management function over banks' credit and in managing money market in accordance with relevant laws and regulations.
Monetary forecasting and statistics Department	To advise and assist the Governor in carrying out monetary forecasting and statistics in accordance with relevant laws and regulations.
International Cooperation Department	To advise and assist the Governor in carrying out the state management function over international cooperation and integration in accordance with relevant laws and regulations.
Internal Audit Department	To advise and assist the Governor in carrying out the internal audit of SBV's units' operations.
Legal Department	To advise and assist the Governor in conducting the state legal management and enhancing the socialist legal framework in the banking industry.
Finance and Accounting Department	To advise and assist the Governor in the SBV's finance, accounting and capital investment activities and conducting the state management in accounting and capital investment in the banking industry in accordance with relevant laws and regulations.
Personnel Department	To advise the Governor and the SBV's Party's Civil Affairs Committee in organization, personnel and employee management, salary policy and other policies of the SBV in accordance with relevant laws and regulations.
Emulation and Rewarding Department	To advise and assist the Governor in implementing the state management function over emulation and rewarding in the banking industry in accordance with relevant laws and regulations.
Banking Supervision Agency	To conduct the administrative and banking professional regulation and supervision in the areas under the SBV's state management; to advise and assist the Governor in implementing the state management function over credit institutions, microfinance institutions, and banking operations of other institutions; and to conduct the anti - money laundering activities in accordance with relevant laws and regulations.
SBV Office	To advise and assist the Governor in instructing and managing the banking activities; implementing administrative reform of the SBV; managing the information, promulgation, press, archive and administration work of the banking system in accordance with relevant laws and regulations; and carrying out administration, protocol and archives activities at the SBV Headquarters.
Banking Information Technology Department	To advise and assist the Governor in carrying out the state management of information technology in the banking industry in accordance with relevant laws and regulations.

UNITS	FUNCTIONS
Issue and Vault Department	To advise and assist the Governor in implementing the state management and central bank's functions over banknote issuance and vault operation in accordance with the law.
Administration Department	To advise and assist the Governor in management of SBV's asset, finance and technical infrastructure, logistics, security and heath care for employees at the SBV Headquarters.
Banking Operations Center	To advise and assist the Governor in conducting central banking operations.
Municipal and provincial branches	To advise and assist the Governor in implementing local monetary and banking operations and selected central banking operations as authorized by the Governor.
Representative Office in HCMC	To conduct the representative functions as authorized by the Governor.
Administration Units and Units established by the Governor	
Banking Strategy Institute	To study and develop banking development strategies and plans; to conduct research and banking technology development for the execution of the SBV's state management function on monetary and banking activities in accordance with relevant laws and regulations.
Credit Information Center	To collect, process, record, analyze and forecast credit information for the purpose of state management by the SBV; to provide banking information services in accordance with the SBV's regulations and relevant laws and regulations.
Banking Times	The mouthpiece and social forum of the banking sector to disseminate the Party's orientation and guidelines, the State's legislation and policies and banking operations in accordance with the SBV's regulation and relevant laws and regulations.
Banking Review	The mouthpiece and professional forum to disseminate banking profession, science and technology; and to disseminate the Party's orientation and guidelines, the State's legislation and policies, banking activities and scientific & technology achievements of the banking industry in accordance with the SBV's regulation and relevant laws and regulations.
Banking Training School	To train, update and enrich the knowledge, state management and professional skills of the SBV and banking sector's staff to meet the development requirements and to improve the SBV's and banking sector's staff quality in accordance with the Governor's approved plans.
International Credit Projects Management Unit	To supervise and manage the implementation of SME financing Project and Housing Finance Project.
FSMIMS Project Management Unit	To advise and assist the Governor in implementing the FSMIMS Project.

Overview

In 2010, the world economy continued to recover from economic downturn and reached the growth rate of 5%, the highest rise since 2007, mainly thanks to the demand stimulus packages of the governments. Yet, there were potential risks to the recovery as unemployment rate continued to increase, inflationary pressure persisted and public debt crisis unfolded.

In 2010, the United State's economy growed by 2.8%, the highest rate since 2007, marking the recovery after a period of economic recession, which was mainly driven by demand stimulus packages of the United States's government and FED. The average unemployment rate grew to 9,6% in the fiscal year 2010, while budget deficits, despite being lowered as compared to 2009, was still at high level of 8.9% GDP. However, in contrast to the world's trend, US inflation tended to decrease in 2010 with the rate of only 1.5%.

The Euro-zone's economy saw a growth of 1.7% with positive records over the quarters thanks to the recovery of Germany's economy and the resurgence in exports. Yet, the unemployment rate remained at a high level of 9.98%; and high and complicated budget deficits and higher public debt resulted in governments tightening their monetary policy, which in turn has adversely affected the economic recovery of the region, and prompted ECB to constantly adopt liquidity supportive measures.

In 2010, thanks to the recovery of export and the Government's demand stimulus package, Japan's economy growed by 3.9% and recovered from the economic downturn, thus contributing to reducing the deflationary pressure. However, high unemployment rate (5,07%) and prolonged deflation rate (inflation rate stood at 0% in December, 2010), together with the appreciation of the Yen, high budget deficits and public debts have slowed down the recovery of Japan.

Developing countries, especially China, Singapore, the Philippines, Malaysia, Thailand and South Korea continued to be the main engine of the world economic growth. However, the rates of growth have reduced over the quarters as centrals banks tightened their monetary policy to control inflation and economic growth of major economies slowed down. Yet, the strong increase in domestic demand and the recovery of external demand put high pressure on inflation.

Monetary policy

In 2010, central banks conducted their monetary policy in different directions where most developed countries loosened their monetary policy to stimulate economic growth while those of developing and emerging markets were tightened to control inflation.

For developed countries: Most major central banks such as FED, ECB, BOE, BOJ maintained low policy interest rate and restarted stimulus packages, in particular: (i) FED adopted quantitative easing measure for the second time by buying USD 600 billion of Treasury bond during

[1]*According to IMF record*
[2]*Trade balance is the difference between commodity exports turnovers and commodity import turnovers, all*

November 2010 June 2011; (ii) Japan approved the additional budget plan of USD 53 billion for fiscal year 2010, while BOJ launched the new stimulus package of Yen 5 trillion or USD 60 bn through buying government and corporate bonds starting from November 2010; and (iii) ECB restarted liquidity support during December 2010 April 2011 to promote domestic consumption and investment.

By contrast, other developed countries witnessing stable recovery thanks to the strong growth in export have started to tighten their monetary policy from the beginning of 2010, including Australia, Sweden (raising policy interest rates for 4 times) and Canada (raising policy interest rates for 3 times) to control inflation.

Emerging and developing countries have also tightened their monetary policies to control inflation, including China (raising policy interest rate once and required reserves for 5 times; and selling short-term bonds to constraint credit boom and real estate bubble); India (raising policy interest raise for 6 times and required reserve once); and Thailand (raising policy interest rate for 3 times).

In addition, although maintaining interest rate cut in the first half of 2010 to promote economic growth, some Eastern European countries stopped this policy in the second half of the year due to the concerns of the negative impacts from debt crisis in Euro zone, which may result in the assets price hike and real estate bubble in these countries.

In 2010, GDP grew by 6.78%, much higher than that of 5.32% in 2009 and surpassed the target of 6.5% set by the National Assembly. This was a relatively high growth rate as compared to those of other countries worldwide and in the region thanks to the recovery of domestic demand and export. In 2010, Vietnam's export increased at the rate of 25.5%; and foreign investment disbursement reached USD 11bn, an increase of 10% as compared to 2009. However, there were such challenges facing Vietnam's economy as inflation, increased trade deficit, and the relatively high budget deficit.

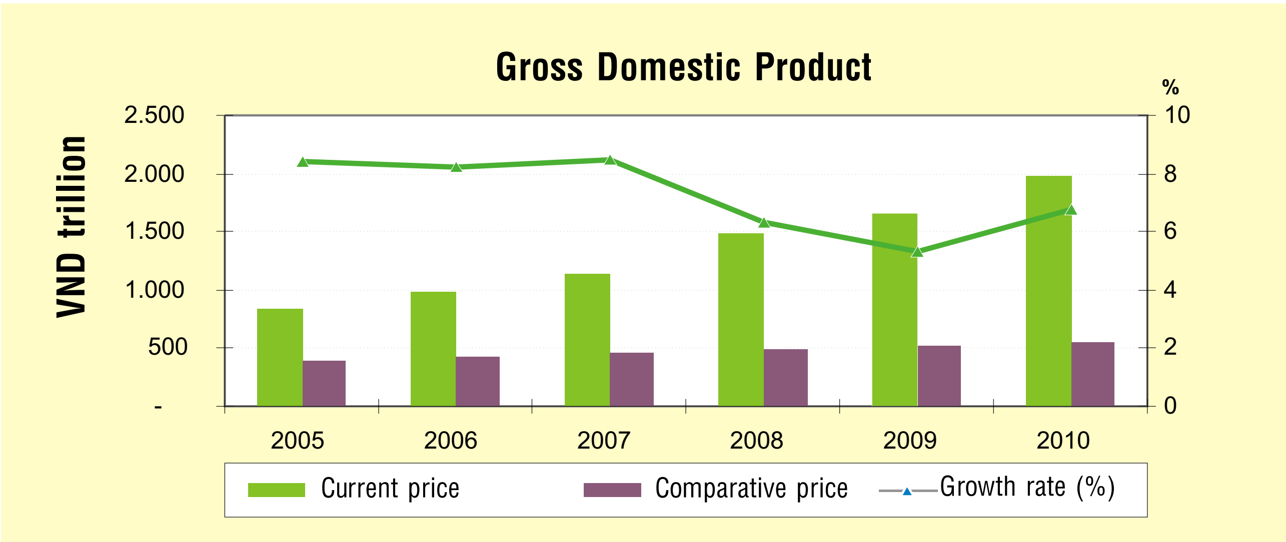
Economic growth

On supply side: In 2010, the economy grew at the rate of 6.78% with all the three economic sectors namely agriculture-forestry-fishery, industry-construction, and service registered higher growth; of which, industry-constrution made the greatest contribution to GDP growth instead of services as seen in 2008 and 2009.

Agriculture-forestry-fishery sector went up at the rate of 2.78%, much higher than that of 1.83% in 2009 mostly thanks to the strong growth of agriculture (by 2.43%, almost doubled that in 2009), while fishery and forestry grew modestly. Of the three sub-sectors, agriculture made the biggest contribution to the growth rate of the sector as a whole (agriculture alone took 1.99 percentage point (p.p) of the overall growth rate of 2.78% of the whole sector, while.fishery accounted for 0.66 p.p only).

Industry-construction sector registerd a higher rate of growth than 2009 mainly because of the strong growth of the industry. Of the total GDP growth rate of 6.78%, industry and construction sector accounted for 3.2 p.p, with industry and construction sub-sectors making up 2.27 p.p and 0.93 p.p, respectively.

Service sector grew at a higher rate as compared to 2009 and made the second biggest contribution to the total GDP growth of the country, only after the industry-construction



sector after two consecutive years being at the first rank. The difference between the two sectors' shares, however, was not large. The growth of the service sector was mostly attributed to the significant recovery of domestic consumption following the recovery of economic growth, and the buoyant activities of the real economy as seen in higher growth paces quarter after quarter. Besides, there was a soar in the number of foreign tourists visiting Vietnam with the growth rate of 34.8% as compared to the decrease of 10.9% in 2009.

On demand side: All the indicators namely private consumption, public consumption, investment and net export saw an increase as compared to 2009.

In 2010, total retail sellings and social services consumption increased by 24.5%, or 17.9% if excluding inflation, reflecting the significant recovery of consumption.

Final public consumption, including salary payment and goods and services consumption took the biggest proportion in current expenditures. In 2010, current expenditures increased by 23.3%, almost 1.4 times that of 2009; and excluding inflation, the increase was 14.11%.

Investment: In 2010, total social investment grew at the rate of 17.14%, almost 1.17 times that of 2009, mainly attributed to the contribution of private and foreign investments, while public investment was considerably narrowed as the Government concluded the stimulus packages implemented during 2009. In particular, public investment increased by 10% only, one-third of that in 2009; private investment went up by 24.7%, more than double the rate of 10.6% in 2009; and foreign investment grew at 18.4% as compared to the decrease of 4.98% in 2009, reflecting in the improvement of FDI disbursement (USD 11bn in 2010, up by 10% y-o-y). In terms of investment structure, public investment continued to take the biggest proportion (38%), followed by private investment (36%), and foreign investment (below 30%, which was similar to the average shares in previous years, except for 2008 (over 30%).

Net export: Net foreign demand at current price continued to go up but at lower rate than that of 2009, as a result, the value of net commodity export in 2010 was minus USD 12.6bn, an increase of 1.96% as compared to 2009.

Employment and income

Over the years, there was a downward trend in the unemployment rate. For 2010, the general unemployment rate was 2.88%, a decrease of 0.02% as compared to 2009, with that of urban and rural areas stood at 4.43% and 2.27%, respectively as compared to 4.6% and 2.25% of 2009. GDP per capita in 2010 reached USD 1,160. In contrast

Urban unemployment rate and the number of labors sent abroad 2005-2010

	2005	2006	2007	2008	2009	2010
Urban unemployment rate (%)	5.3	4.82	4.64	4.65	4.66	4.43
Number of labors sent abroad	70.000	70.000	85.000	85.000	73.400	85.500

Source: General Office of Statistics

with the negative situation in the first half of 2010, foreign demand for Vietnam's labors showed signs of improvement in the second half, raising the number of labors sent abroad to approximately 85,500, an increase of 16.4% as compared to 2009 and equivalent to 100.64% of the whole year's target.

State budget revenues and expenditures

In 2010, fiscal deficit was equivalent to 5.6% of GDP, lower than that of 6.9% of GDP in 2009; of which, State Budget revenues grew by 26.4% thanks to the recovery of the economy, and budget expenditures registered a low increase of 13%.

The increase of total budget revenues as compared to 2009 was mainly attributed to (i) the increase by 9.6% of crude oil revenue owing to the rise of global crude oil prices (in 2010, crude oil export prices jumped by 20.1% as compared to 2009); (ii) the significantly higher tax yield from all forms of tarrifs as compared to 2009 thanks to the recovery of the domestic economy, the improvement of businesses' performance, the termination of Government's policies of tax deferral and exemption, and the aggressive implementation of tax collection enforcement, examination and supervision measures; and (iii) the improvement of export and import revenues.

The lower growth rate of total budget expenditures as compared to 2009 was mostly a result of the 5% decrease of development expenditure. In its turn, development expenditure reduced sharply because in 2009, this item was strongly expanded in consistent with the demand stimulus policy; and in 2010, under the Government's instruction, the list of the State's investment projects was revised and rearranged in the direction of giving priority only to targeted projects and avoiding extensive investment.

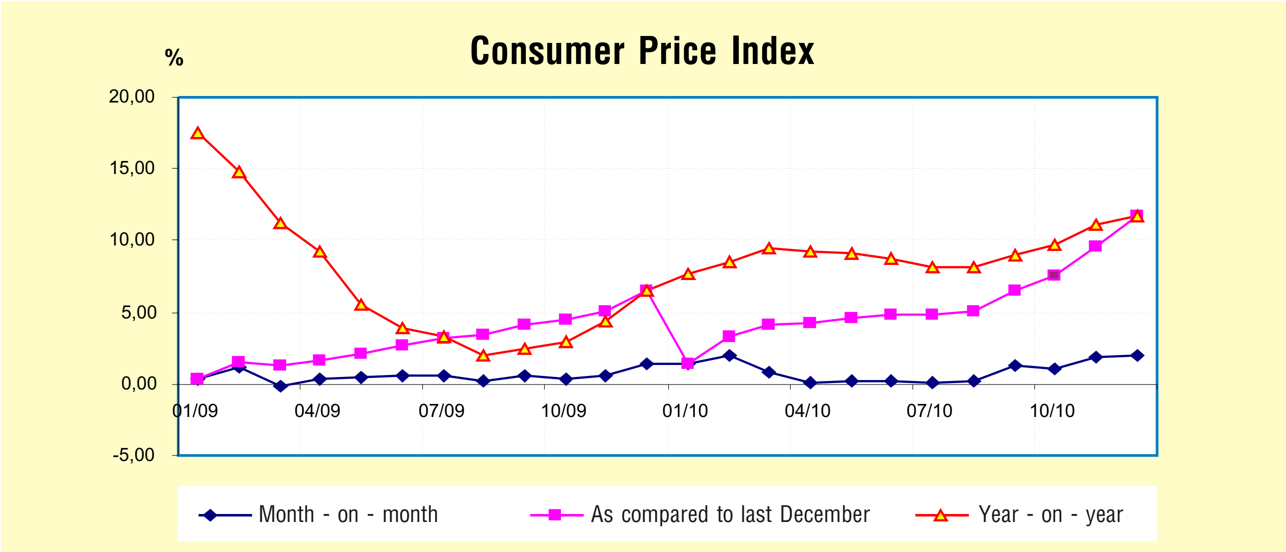
Inflation

Headline inflation rate in 2010 as a whole was much higher than that in 2009, as seen in all the three following indicators: CPI (up by 11.75% as compared to 6.25% of 2009); food price inflation (up by 16.18% from 5.78% of 2009); and average inflation (up by 9.19% as compared 6.88% of 2009) due to the pressures from both supply (essential commodities prices, especially foods') and demand sides (investment, consumption). Of the 11 commodities included in the CPI basket, 9 registered stronger price increases than in 2009, except for transportation (3.75%) and post and telecommunication (-5.9%). Of the 9 commodities, prices of eating and restaurant services experienced the strongest hike (by 16.18%, and accounted for 56.8%), followed by education (by 19.38%, and made up 8.52%), housing and bulding materials (15.74% and 12.8%), other commodities and services (11.83% and 3.54%), drinks and tobaco (9.57% and 3.54%), and the rest increased at the rates ranging from 3.57% to 8.38%.

After staying within low and stable levels for 8 months with the growth rate averaged 0.7%/month, starting from September, CPI was up again (1.4%/month on average), pushing inflation rate of 2010 as a whole up to the double-digit level; especially, inflation rate in Q4 alone accounted for 40% of the whole year's. Main reasons for the high inflation rate included: (i) On supply side, the increasing prices of many essential commodities globally resulted in higher import prices, thus raising the domestic price level (petroleum price was raised 3 times by 6.5% in total; gas price increased by 20%; that of iron and steel was up by 10%; school fees went up from VND 180,000/month to VND 240,000/month; and food price increased by 16.5%); prices of some of the state-managed commodities were revised upward (on average, electricity and coal prices increased by 6.8% and 28% - 47%, respectively); natural disasters and epidemics together with expectation factors caused price to increase in affected areas. (ii) On demand side, both income and income expectation went up amid the improvement of economic growth, the rise of minimum salary and higher property prices as reflected in the 24.5% increase of total commodities and services retail (as compared to 20.58% of 2009), and the on-going high level of Government's consumption (current budget expenditures increased by 25%). (iii) Psychology factor: people's inflationary expectation, the roadmap of raising prices of certain state-mananged commodities to be in line with market prices, and the psychological impact from news and reports on prices and macro-economic developments.

Securities markets

In 2010, securities markets moved within a narrow band. In comparision with 2009, securities markets experienced a slump in both indexes and liquidity: as compared to the beginning of the year, VN-Index slightly decreased by 2% to the point of 484.66. It peaked at 549.51 on May 6th and dropped to the trough point of 423.89 on August 25. HNX-Index fell by 32.1% as compared to end-2009 to 114.24. Average transaction value per session in 2010 was VND 2,510bn, a decline of 10.14% as compared to VND 2,790bn/session in 2009. As of December 31st, 2010, market capitalization stood at VND 660tn, roughly equivalent to 33.4% of GDP. The number of accounts held at the Securities Depository totaled 879,000, an increase of 11% as compared to end-2009.



In 2010, there was a clear improvement in Vietnam's balance of payments, the recovery of the global economy boosted Vietnam's export and incomes from private transfers as well as from foreign investment. In 2010, the overall balance of payments' deficit fell to USD 1.77bn.

Current account

In 2010, current account deficit was considerably narrowed down to USD 3.51bn, or 3.37% of GDP, mainly as a result of the improvement of trade balance and the high level of transfer account surplus.

Trade balance deficit registered a decline of USD 5.15bn, of which, commodity export and import volumes reached USD 72.19bn and USD 77.34bn, respectively, up by 26.4% and 18.3% as compared to 2009.

Services account deficit was went up to USD 2.46bn. Total services incomes increased to USD 7.46bn, up by 29.4% as compared to 2009. Tourism, transportation and post and telecommunication registered high growth rates (up by 45.9%, 11.8% and 10.5%, respectively as compared to 2009) and made the biggest contribution to the overall growth rate of services incomes item in 2010. Total services payments stood at USD 9.92bn, an increase of 33% as compared to 2009 because of the rise in transportation services and import insurance payments (USD 5.97bn, up by 42.2% as compared to 2009 and accounted for 60% of the total services payments).

Investment income experienced the deficit of USD 4.56bn, an increase of 50.7% as compared to 2009; of which, incomes stood at USD 0.46bn, down by 39.4%, and payments reached USD 5.02bn, up by 32.8% as compared to 2009.

Transfer was in surplus of USD 8.66bn, an increase of 34.3% as compared to 2009. In particular, net private transfers got the surplus of USD 8.34bn, up by 38.6% as compared to 2009, and became an important foreign exchange sources to offset current account deficit. Remittances reached USD 8.7bn, an increase of 36.3% as compared to 2009. Public transfers (mostly in the form of grants) were in surplus of USD 0.32bn, down by 25.8% as compared to 2009 due to difficulties facing foreign governments and sponsors as a result of the global economic slowdown.

Capital and financial account

Capital and financial account was in surplus of USD 5.54bn, down by 17.9% as compared to 2009. Despite difficulties facing both Vietnam and global economies, most of the items of the account remained in surplus; especially, there was a significant improvement in foreign portfolio investment.

Net foreign direct investment was in surplus of USD 7.1bn, a slight increase of 2.9% as compared to 2009.

FDI implementation by non-residents in Vietnam reached USD 8bn and accounted for 64% of total FDI implementation in Vietnam. In 2010, FDI inflows increased by 5.3%, lower than that of 2009 because of the following reasons: (i) Foreign investors pushed up their using of domestic fund for FDI projects, especially in the

[2]Trade balance is the difference between commodity exports turnovers and commodity import turnovers, all calculated at FOB price.

real-estate area; (ii) capital contribution of the domestic partners in FDI projects was raised, from 24% in 2009 to 36% in 2010.

Vietnam's FDI outflows reached USD 0.9bn, up by 28.6% as compared to 2009. FDI outflows continued to aim at areas of Vietnam's advantages and the country's targeted markets such as mineral exploitation (USD 700mn), agriculture-forestry-fishery (USD 70mn), retail and wholesale distribution (USD 53mn), post and telecommunication (USD 33mn), and electricity production (USD 25mn).

Medium and long term external borrowings and payments were in surplus of USD 2.75bn in 2010, a decline of 38.5% as compared to 2009. *In terms of the Government's medium and long term external borrowings and payments:* ODA and loans from international financial institutions continued to account for large proportions of the total medium and long term loans of apporximately 71%. *Medium and long term borrowing disbursement of enterprises* stood at USD 1.32 bn (excluding loans of FDI sector), a decrease of 42.7% as compared to USD 2.3bn in 2009.

Short term external borrowings and payments of enterprises showed positive developments as reflected in the surplus of USD 1.04bn, four times higher than that in 2009. In particular, short term external borrowing disbursement by enterprises reached USD 8.39bn, an increase of 50.1% as compared to 2009. As a source of import financing, the increase in short-term borrowings was one of the reasons for trade deficit and pressures on foreign exchange demand and supply. Short-term debt service increased by 37.7% as compared to 2009 to USD 7.34bn.

Foreign portfolio investment gained the surplus of USD 2.37bn, about 18.6 times higher than that in 2009 as a result of (i) the Government's successful issuance of USD 1bn international bond in Q1 2010; and (ii) the recovery of the economy to a relatively high growth rate, which gave international investors an image of a potential market, leading to their net buying of USD 1.37bn.

Investment in the form of deposit experienced a deficit of USD 7.72bn, an increase of 61% as compared to 2009. In particular, banking system's money and deposit was in the deficit of USD 503mn, 4.7 times higher than that in 2009; money and deposit in other sectors (mostly in the form of gold held by individuals) experienced the deficit of USD 7.2bn, an increase of 53.7% as compared to 2009.

Import - export

Total commodity import-export turnovers in 2010 reached USD 157bn, up by 23.6% as compared to 2009. Trade deficit stood at USD 12,6bn, equivalent to 17.5% of export value (in comparision to 22.5% of 2009). Vietnam's commodity exports were expanded from 130.8% of GDP to 142.5 % of GDP; of which, the ratio between export turnover and GDP increased from 58.8% to 67.9%; and commodity import turnover share in GDP increased from 67.3% to 74.6%, reflecting the increasing openness of Vietnam's economy.

- Export: In line with the recovery of the global economy, there was an increase in the average export price of most commodities as

[3] *Trade deficit is the difference between export turnover at FOB price and import turnovers at CIF price.*

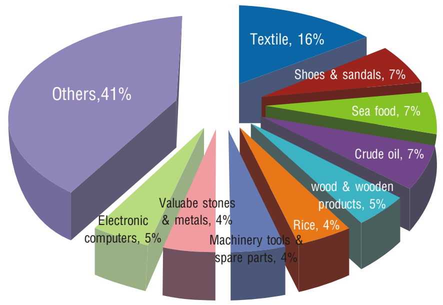
compared to 2009. Also, export volume of many of them was in a good raise. The number of commodities having the export turnover of above USD 1bn was 18, an increase of 5 commodities as compared to 2009. In terms of export turnover composition, processing products continued to keep the biggest share (67.6%), followed by agricultural, forestry and maritime products (21.2%) and materials and minerals (11.2%).

- *Import:* there were 18 commodities having the import turnover of above USD 1bn. Main imported commodities in 2010 included machinery equipments, fuels, and manufacturing materials. Import turnover went up as a result of the increase of the average import price of most commodities (rubber, cotton, liquefied gases, other normal metals, petroleum, and steel and iron was up by 63.1%, 45.8%, 35.6%, 29.9%, 29.6% and 29.6%, respectively).

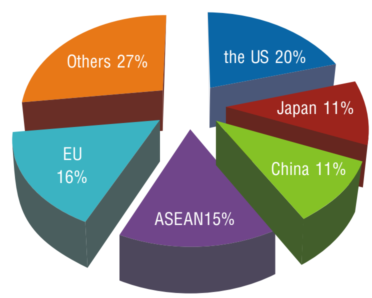
In terms of import volume, there was a relatively high increase in such commodities as wheat, metals, cotton, and fibre (up by 59.9%, 19.5%, 17.9%, and 15.9%, respectively).

- *Export and import markets:* Asia remained the biggest market of Vietnam's export and import, accounting for 52% of total export turnover and 80.3% of total import turnover of the country. In 2010, trade deficit with China kept increasing and reached USD 12.7bn (higher than the overall trade deficit of USD 12.6bn of the country as a whole), mostly because of the import of machines, equipments and spare parts (USD 4.5bn, accounted for 22.4%); textiles (USD 2.2bn, accounted for 11%); and computers, electronic products, and components (USD 1.5bn, accounted for 7.5%).

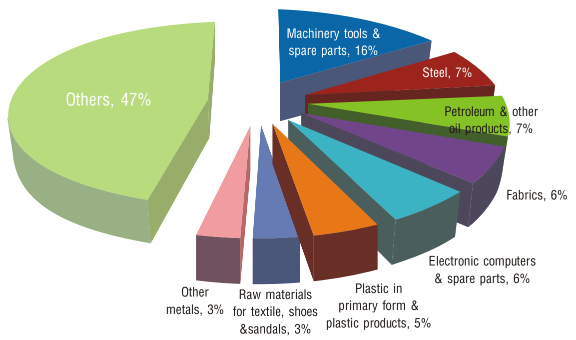
Exports of Vietnam



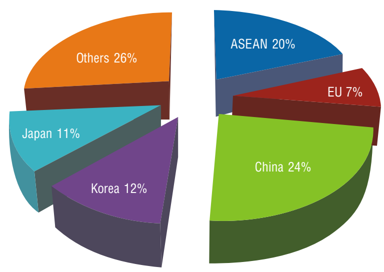
Exports of goods by country



Imports of Vietnam



Imports of goods by country



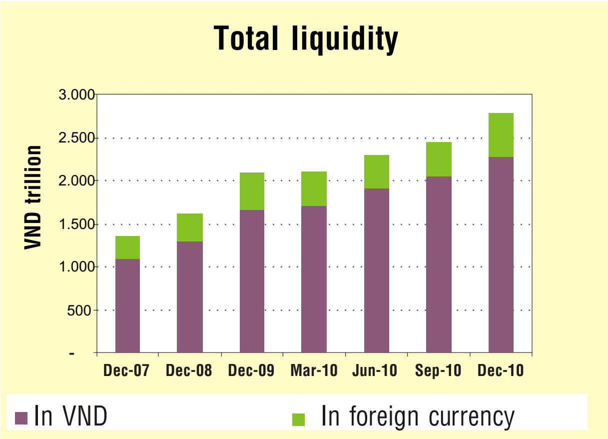
Total liquidity

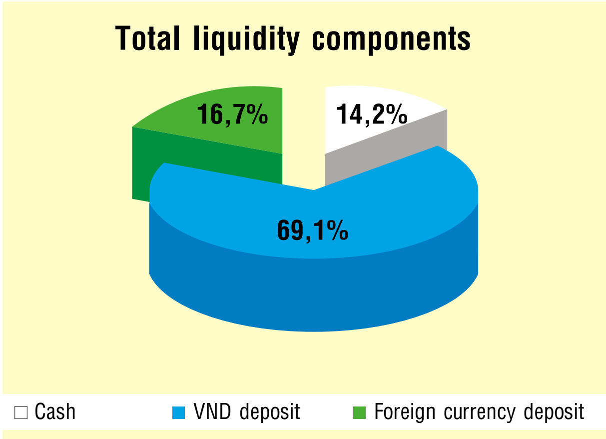
Total liquidity (M2) experienced a continuous increase over months in consistent with developments of credit growth and capital mobilization. As of end December 2010, M2 rose by 33.3% y-o-y, higher than the rate of 28.99% y-o-y in 2009, of which, money in circulation outside the banking system increased by 15.25% and capital mobilization from the economy was up by 36.24%. M2 increased at higher rate as compared to 2009 as a result of the higher Net Domestic Assets of the banking system (up by 41.7%); whereas, Net Foreign Assets of the system as a whole fell by 14.63% as compared to end-2009, mostly due to the 20.33% decline of the SBV's Net Foreign Assets; while credit institution's Net Foreign Assets rose by 37.0%.

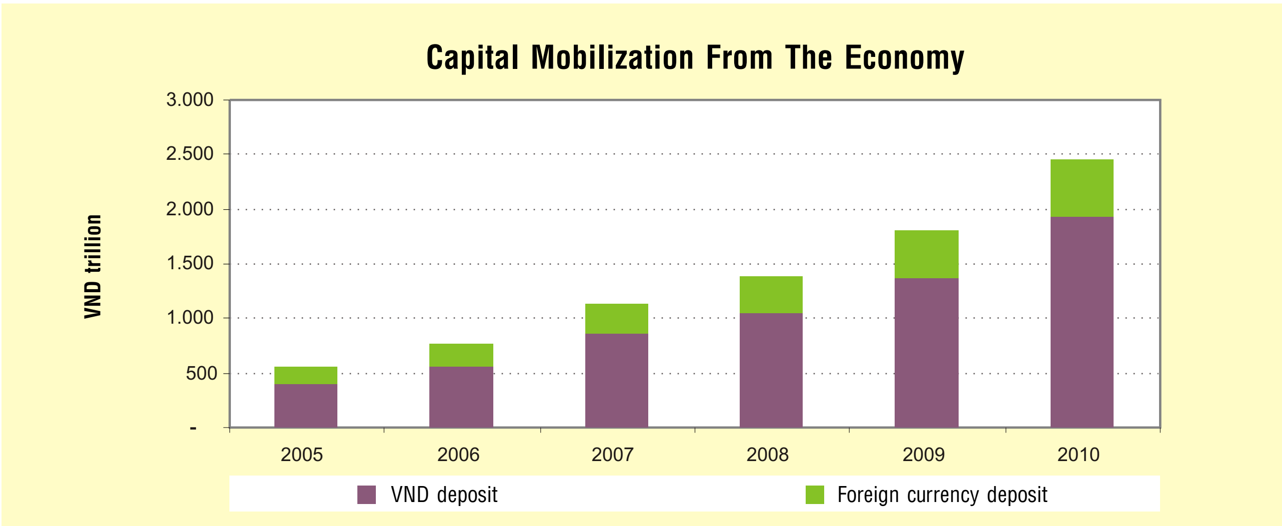
Capital mobilization

Capital mobilization by credit institutions saw a steady growth over months and in 2010 as a whole, increased faster than the rate of credit growth.

As of end-2010, total capital mobilization by the banking system increased by 36.24% y-o-y (or by 3.02%/month on average), higher than the rate of 29.88% y-o-y in 2009 (equivalent to an average growth rate of 2.49%/month).







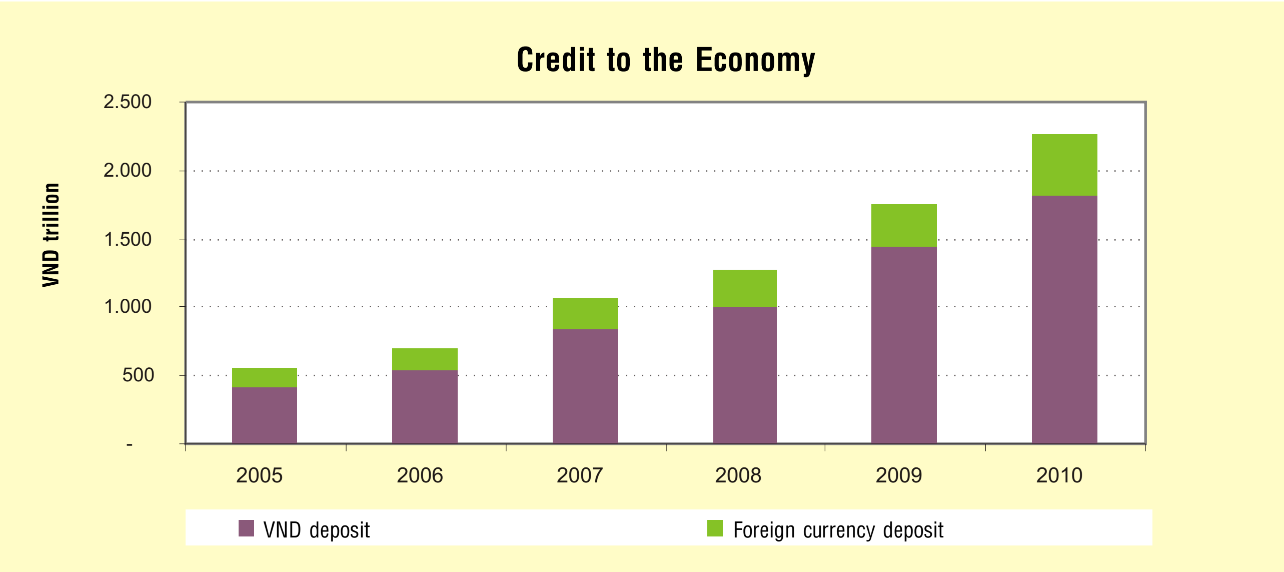
In terms of currency composition: In 2010, capital mobilization in VND and in foreign currencies increased by 41% and 20.95%, respectively. VND mobilization started to grow steadily since Febuary 2010, to the rate of 6.47% in June 2010 and peaked at 6.89% at year-end. Meanwhile, during the first 8 months of the year, foreign currencies mobilization declined on monthly-basis. Not until September did it begin to have a fair growth (up by 3.49% m-o-m in October, 5.67% m-o-m in November and 4.7% m-o-m in December 2010) thanks to the strong increase of foreign currencies revenues, especially from export.

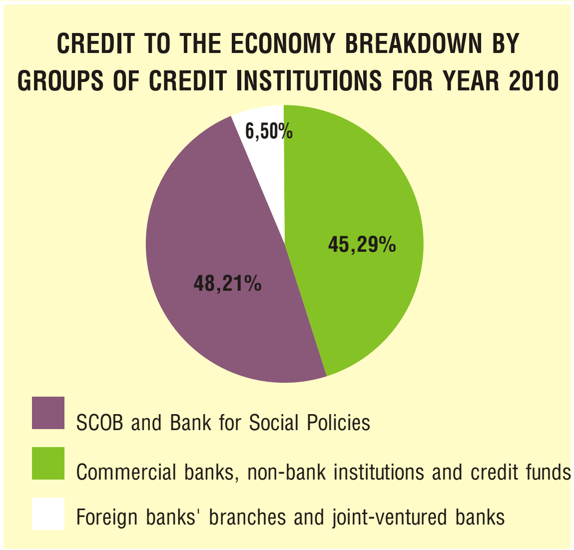
In terms of groups of credit institutions: there was a clear difference in capital mobilization by different groups of credit institution. In particluar, mobilization by joint-stock commercial banks, finance companies and leasing companies experienced a strong growth; while that by state-owned commercial banks, joint-ventured banks and foreign banks' branches had a more modest growth. As of end-2010, fund mobilization growth of joint-stock commercial banks, finance and leasing companies, state owned commercial banks, and joint-ventured banks and foreign banks' branches stood at 53.98%, 36.61%, 24.12%, and 17.66%, respectively.

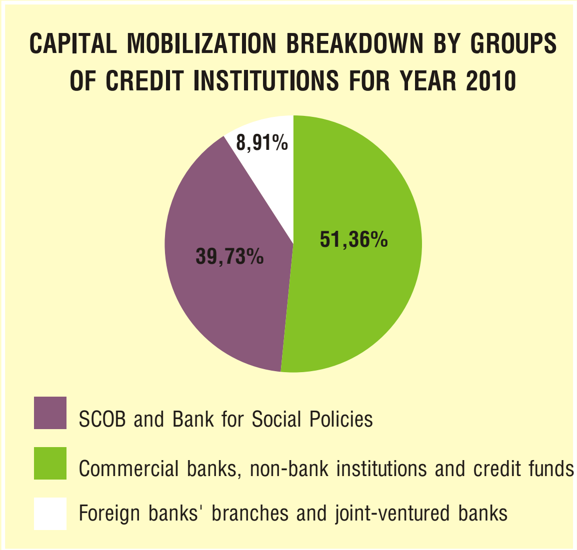
Credit

During the first 4 months of 2010, total credit increased at a slow pace. However, since May 2010, it showed signs of hike, with the average growth rate of above 2.0%/month, following the SBV's efforts to lower the interest level in implementation of Resolution 18/NQ-CP. As of end-2010, total credit by the banking system increased by 31.19% y-o-y (or 2.6%/month on average), lower than the rate of 37.53% y-o-y in 2009.

In terms of currency composition, there was a reversed trend in banks' credit extension as compared to 2009. In 2010, VND credit outstanding increased by 27.24%, much lower than that of 43.51% in 2009, whereas, foreign currency credit outstanding went up rapidly (by 48.45% in 2010), more than 3.2 times higher than the growth rate in 2009.







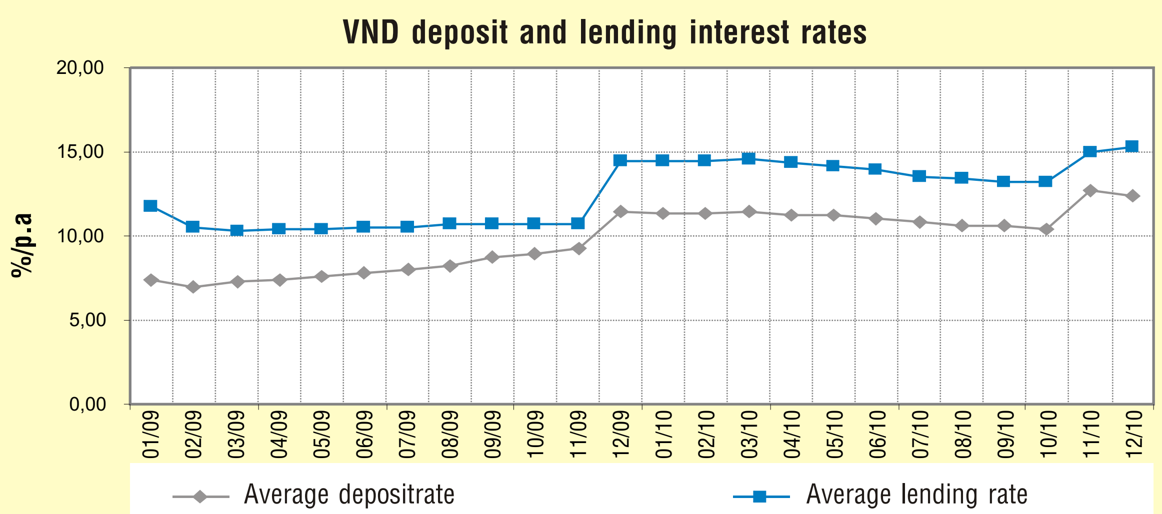
The fairly high credit growth took place in all credit institution groups, of which, joint-stock commercial banks reached the highest level of 44.12%, followed by state-owned commercial bank (27.85%), joint-ventured banks and foreign banks' branches (24.47%), and finance and leasing companies (20.91%).

In terms of economic industries, credit structure saw a big change as compared to 2009, reflecting the steady increase in the proportions of industry and services and the reduction in the share of agriculture in GDP. Of the total credit outstanding to the economy, credit to agriculture development (agriculture-forestry-fishery) accounted for 9.6%, while that to industry-construction took 39.1%.

Interest rate

During the first 10 months, both deposit and lending interest rate levels trended to go down. As of end-October, VND deposit and lending interest rates declined by approximately 1 percentage point p.a and 1.3 p.p p.a, respectively as compared to end-2009.

Since early-November, after the 1 p.p



increase in policy interest rates by the SBV for the purpose of curbing inflation, both VND deposit and lending rates increased by nearly 2.0 p.p p.a. As of December 31st, 2010, the average interest rate stood at 12.44% p.a (demand deposits was 3.0% p.a, and term deposits moved in the range of 13.0-14.0% p.a); average lending rate stood at 15.27% p.a; interbank market rate at overnight and 1 2 week terms were 9.0-10.0% p.a and 11.0 - 13.5% p.a, respectively.

Interbank money market

Transaction scale: In 2010, the total amount of VND lending and deposit on the interbank market reached VND 5.036tn, up by VND 1.498tn, or equivalent to the growth of 42% as compared to 2009. Total value of USD lending and deposit reached USD 114.036mn, up by USD 9.453mn, or 9.0% as compared to 2009.

By terms, most of interbank transactions were at the term of below 1 month, and mainly overnignt. The overnignt transactions' value was VND 1.899tn (accounted for 37.7% of the total transaction value) and USD 60.069mn (or 52.7% of the total value). Interbank market deposit and lending made an important contribution to supplying and ensuring liquidity of credit institutions, thus strengthening the liquidity of the banking system as a whole.

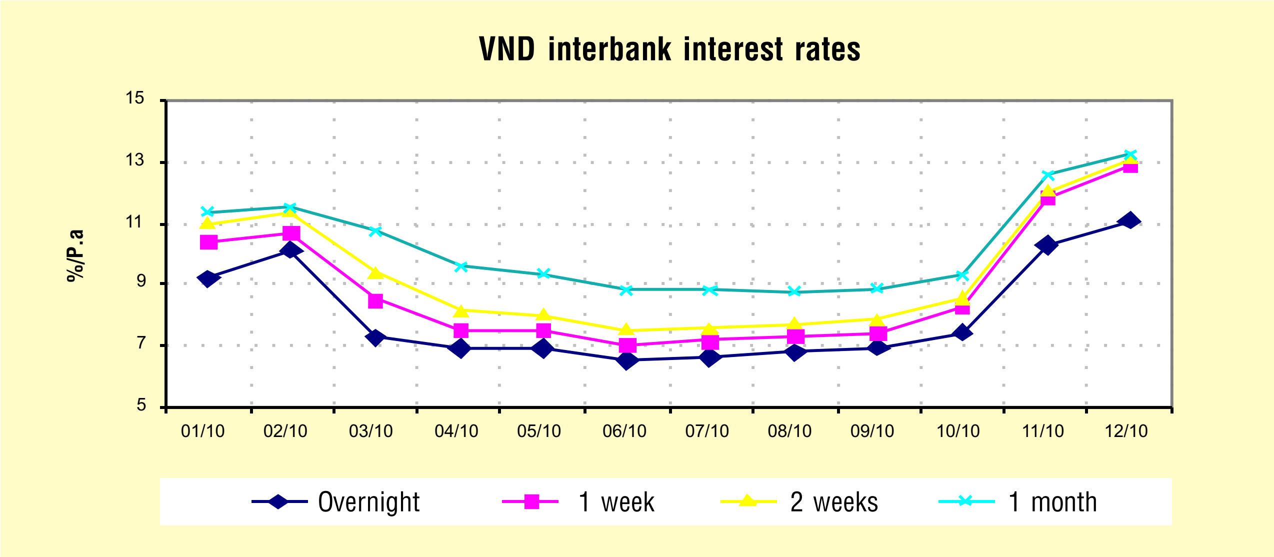
Interest rate developments

In gerenal, interbank market interest rate level was kept stable as compared to 2009. However, there were fluctuations in monthly average interest rate following the changes in capital demand of credit institutions.

At early-2010, interest rate level was generally brought down as compared to end-2009. In particular: in January 2010, the average overnight interest rate was 9.15% p.a, down by 1.57 p.p p.a from 10.72% p.a in December 2009; interest rate of other terms also decreased by between 0.06 and 1.08 p.p p.a. On the contrary, the average 6-month interest rate went up from 10.98% p.a to 11.77% p.a.

In February, because of the banks' increasing demand for liquidity during Tet holidays, the interet rate level trended to go up slightly at most terms, especially overnight and short terms. In February, the average overnight interest rate stood at 10.09% p.a, an increase of 0.94 percentage point y-t-d; interest rates at terms from 2-week to 12-month were kept at levels of 11.35% p.a and above.

During the period between March and September 2010, interbank market rates were kept stable. Overnight intererst rate moved within the range of 6.54% p.a to 7.29% p.a; and interest rates of other short terms (one week to one month) were below 10.0% p.a. However, since October, there were signs of a slight increase in interest rate level, and especially during the last two months, because of the higher banks' demand for capital for consumption and manufacturing lending together with the increase of interest rate paid on individuals' deposits, the average deposit and lending interest rates on interbank market went up rapidly. The average overnight interest rate rose from 10.27% in November to 11.10% in December; while interest rates of other terms also jumped up. In December only, the average interest rate at some terms soared to 13.0% p.a, nearly equal to 150.0% of base interest rate. Meanwhile, USD



interest rates generally went down as compared to 2009 and were kept relatively stable. Interest rates at most terms moved within the range of 0.31% p.a - 3.48% p.a. Average overnight interest rate was in the range between 0.31% p.a and 0.73% p.a.

Foreign exchange markets

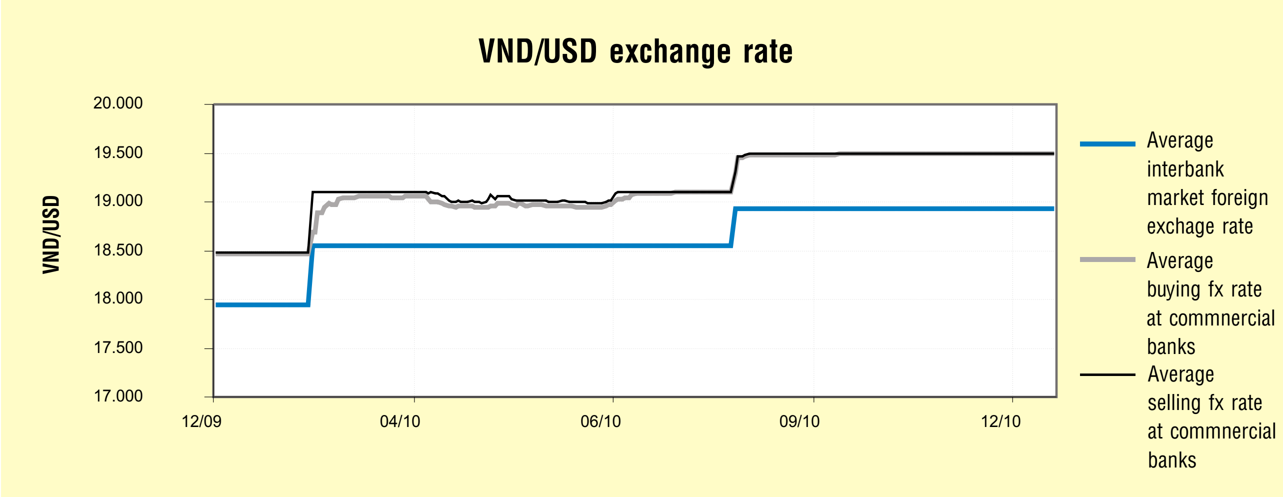
In 2010, due to the adverse impacts of trade deficit and inflation, foreign exchange markets at certain times showed signs of stress, and VND was under devaluation pressure. However, thanks to the SBV's adjustment of exchange rates and solutions to stabilize gold and foreign exchange markets, FX markets were back to relatively stable conditions. Nevertheless, because of the high import demand, VND/USD exchange rate trended to go up again since August. After the SBV's intervention in FX marketz under the Government's instruction to stabilize the markets and exchange rates, and to narrow down trade deficit, FX markets moved in a more positive manner.

As of December 31, 2010, the average FX rate on interbank market was 18,932 VND/USD, an increase of 5.52% as compared to early-2010; and the buying and selling FX rates announced by commercial banks were 19,495/19,500 VND/USD, up by 5,53% as compared to early-2010.

Gold prices

In 2010, domestic gold prices increased by 34.91% as compared to end-2009 mostly because of the rise of global gold price. Besides, individuals' holding of gold as a reserve asset against the volatile domestic economic developments and inflationary pressure played an important role in causing gold prices to surge.

During the first months of the year, domestic gold prices went up at lower rate than in international markets because of investors' cautiousness after the gold prices volatility at end-2009, and the issuance of the Government's decision to shut down domestic gold transaction floors and gold transaction accounts held overseas by economic entities which played an important role in preventing gold speculation and market instability. During the last monts, the market moved in the reversed direction where gold prices in domestic market increased at a higher rate than in international markets, and



peaked at VND 38.2mn/tael on November 9, 2010 because of the surgence in global gold prices and domestic inflation rate, which pushed up the demand for gold accumulation. However, after the SBV's permission of gold import by certain importers together with the decline of international gold prices, domestic gold prices decreased and moved within a reasonable range until end-2010.

In 2010, the SBV managed the monetary policy in an active, prudent and flexible manner under market principles in order to stabilize money market and ensure the liquidity of credit institutions and the banking system.

Open market operations (OMOs)

In 2010, OMOs were managed in a flexible manner and in conformity with the demand for and supply of capital of credit institutions, thus contributing to stabilizing market interests. OMOs were conducted on a daily basis and were mainly in the forms of short-term purchasing of valuable papers (7, 14, 28 days) to support VND liquidity of credit institutions, to stabilize money markets, and to help credit institutions lower mobilizing interest rates as directed by the Government to tighten monetary control in the last months of 2010 in face of high inflationary pressures.

During the first nine months of 2010, OMOs were conducted to support VND liquidity of credit institutions, stabilize money market and help reduce fund mobilization interest rates, in particular: SBV offered to purchase valuable papers for the maturities of 7, 14 and 28 days with the interest rate being reduced gradually from 7.8% to 7.5% and to 7.0% p.a for 7-day term; from 8.0% to 7.5% p.a for 14-day term and 8% p.a for 28-day term. The average volume of bids offered was 5.4 trillion/session and the average winning volume was VND 3.2 trillion/session.

In the last three months of 2010, amid high inflationary pressure and given the fact that credit and total liquidity growth rate surpassed the set target, OMOs were conducted more strictly while ensuring the stability of money market. The maturity of purchases offered was reduced from 28 to 7 days starting from 10 November 2010; 7-day purchasing rate offered was increased from 7.0 to 8.75%, 9.0% and 10% p.a; the average volume of purchasing offers was around 7.16 trillion/session; and the average winning bids was about 6.97 trillion/session.

Together with the prudent and flexible utilization of other monetary instruments, the conducting of OMOs contributed positively to stabilizing the money market, and ensuring the smooth operation of the payment and settlement system. At the same time, it was observed that the inter-bank interest rates tended to move around the interest rates offered via OMOs.

Refinancing

In 2010, the SBV continued to use refinancing as a means of supplementing guaranteed short-term lending and liquidity supports to credit institutions. Credit institutions could use valuable papers and high quality credit documents as collaterals for refinancing. The SBV provided mainly 1- to 2-month refinancing to ensure liquidity of the economy. At the later time of 2010, the SBV conducted refinancing in order to promptly meet the demand for deposit withdrawals of economic organizations and individuals during the Lunar New Year. Besides, the SBV also refinanced with maturities of 3 and 6 months to support banks' lending for agricultural and rural development pursuant to Decree 41/2010/ND-CP dated April 4, 2010 on agricultural and rural credit policy and Circular

20/2010/TT-NHNN dated September 29, 2010 guiding the utilization of monetary policy instruments to support credit institutions' lending for agricultural and rural development.

Refinancing interest rate was maintained at 8% p.a from the beginning of the year to early-November. From November 5th on, the rate was raised to 9% p.a as policy interest rate was adjusted to 9% p.a.

Foreign currency swaps

SBV entered into foreign currency swaps (FCS) with credit institutions with maturity from 1 to 3 months to support VND liquidity and short-term funding, thus allowing them to lend to agricultural and rural sector, and at the same time providing the SBV with additional foreign currency resources to intervene in the FX market.

From early-2010 to mid April, the SBV carried out 1 month FCS transactions with interest rates being cut down from 8.5% to 7.5% p.a to pave the way for credit institutions to conduct lending at negotiable interest rates. From mid April to 10 October 2010, the 3-month FCS was transacted at the rate of 8.0% p.a. From October, pursuant to the instruction of the Prime Minister at Directive 1875/CT-TTg dated October 11th, 2010 on strengthened measures to stabilize price and the market in the year-end, the SBV temporarily ceased conducting swap with credit institutions.

Reserve requirements

In 2010, SBV maintained reserve requirement ratios for VND deposit at low levels, in particular, those on VND deposit of below 12 months was 3% and of more than 12 months was 1% following the Governement's Resolution on gradual reduction of lending interest rate. On September 29th, the SBV issued Circular 20/2010/TT/NHNN to guide the realization of monetary policy management measures to support credit institutions in their lending to agricultural and rural development. Accordingly, credit institutions having credit outstanding share to agricultural and rural development of 70% and more of total credit outstanding would make required reserve of only 1/20 of the ordinary ratios, and those having from 40% to 70% would make only 1/5 of the normal ratios. In 2010, 4 credit institutions were allowed to make deducted required reserves pursuant to Circular 20/2010/TT-NHNN with total deducted value was around VND 2.2tn.

As for foreign curency reserve requirements, in early-2010, the SBV adjusted the reserve ratios for foreign currency deposits of below 12 months from 7% down to 4%, and for deposits of above 12 months from 3% down to 2% to help credit institutions increase foreign currency funding, thus reducing foreign currency mobilizing and lending interest rates.

Interest rate management

In 2010, SBV managed its policy interest rates in a flexible manner to control market rates in accordance with macroeconomic conditions and targets.

Acccordingly, in the first 10 months, base rates, refinancing rates, discount rates, and overnight rates in electronic inter-bank payment were kept stable. In addition, the SBV also issued Circular 07/2010/TT-NHNN dated February 16th, 2010 and Circular 12/2010/TT-NHNN dated April

14th, 2010 instructing credit insitutions on lending to customers at negotiable rates.

In November 2010,the SBV increased policy interest rates by 1 percentage point, namely base rate from 8% to 9%; refinancing rate from 8% to 9%; discount rate from 6% to 7% and overnight rate in electronic inter-bank payment from 8% to 9% in order to control inflation and balance the VND and USD interest rates to prevent the switching from VND to USD deposits. Besides, credit institutions were required to keep VND mobilizing rate at no more than 14% p.a. The supervision over lending activities and mobilizing interest rates offered by credit institutions were also strengthened to prevent turbulances in money market.

Credit monitoring

SBV conducted management measures over credit activities in accordance with the management of monetary policy to control and help credit institutions extend credit in an effective manner, and to support enterprises' and individuals' access to credit for their production and business at reasonable interest rates to ensure the safety of the system.

Furthermore, credit structure was adjusted to focus on business and manufacturing, and high risk credit was closely monitored to enhance the effectiveness of credit to the economy and limit risks to the banking system in particular and to the economy in general.

In 2010, the SBV flexibly took exchange rate and FX management measures so as to prevent the reduction of state foreign reserves, follow market signals, control trade deficit, and limit potential risk on liquidity and exchange rate.

Exchange rate management

In 2010, the SBV adjusted VND/USD interbank exchange rate twice (by 3.36% to 18,544 VND/USD on February 11th, 2010 and by 2.1% to 18,932 VND/USD on 18 August, 2010); exchange rate trading band was maintained at ±3%. The exchange rate adjustment was implemented in synchornization with other measures such as applying maximum interest rate of 1% to USD deposit of economic entities; regular trading of foreign currency to regulate the supply and demand of foreign currency, to increase the market's liquidity and to meet foreign currency demand for import of essential goods to support domestic production; guiding credit institutions to accelerate the purchase of foreign currency of certain state corporations and companies to increase the supply for the market; concentrating foreign currency supply to import of important inputs for domestic production; enhancing the supervision and surveillance over the credit institutions' observance of regulations on FX management; and strengthening the operations of foreign exchange agents.

Foreign exchange reserves management

State foreign exchange reserves were managed in a manner that ensured the safety, liquidity and profitability of reserves. The size of the state foreign exchange reserves was narrowed down just marginally. At times when foreign exchange market experienced supply-demand imbalances, state foreign exchange reserves were used in a flexible manner to stabilize the market and the macroeconomy.

Management of gold trading

The SBV enhanced the market regulation measures, required credit institutions to close gold trading floors and clear their gold trading positions on accounts held abroad; and allowed gold export and import to regulate the market. At the same time, the SBV issued a Circular to narrow down gold mobilizing and lending activities, thus stablizing domestic gold market and minimizing gold speculation. Accordingly, in 2010, domestic gold price generally moved in tandem with international gold price.

In 2010, the SBV continued to effectively perform its function on banking supervision and inspection, policy development, licensing, anti-money laundering, and resolution of complaints and denunciations. The SBV, at the same time conducted irregular inspection and supervision given the negative impacts of the global financial crisis and economic downturn on domestic banking and monetary operations.

On-site supervision

In 2010, the SBV conducted over 1,500 on-site inspections, focusing on the followings: (1) Inspection of credit institutions' interest - subsidied lending; (2) Inspection on applying negotiable interest rates on consumption and credit card lending; (3) Inspection of foreign currency exchange and trading activities, the posting of prices of goods and services in foreign currency, and gold trading floors' activities; (4) Credit and guarantee inspection, internal control, governance and administration inspection; (5) Inspection of capital mobilization, VND deposits promotion and VND lending fees. (6) Inspection of the development of investment funds, postal savings service, local People's Credit Funds, and credit cooperatives' internal activities; (7) Inspection of the implementation of the foreign exchange management regime; inspection of the Central People's Credit Fund and the rating of local People's Credit Funds; and (8) Administrative inspection, and guiding, checking and inspecting banking units' implementation of regulations on resolution of complaints and denunciations, anti-corruption and criminal actions, organizing public communications, receiving, processing and verifying complaint and denunciation in accordance with relevant laws.

In addition to the on-site inspection, the SBV established working groups or organized meetings with credit institutions to promptly discuss their issues in organization and operation as well as other issues identified through off-site supervision in order to make warnings and recommendations to the credit institutions to prevent and minimize potential risks in their operations.

As a result, the SBV's inspection not only pointed out the shortcomings, violations and potential risks in the operation of credit institutions and the money market to make proper recommendation, warning and solutions in accordance with its competence but also discovered loopholes in the relating regulations and policies to be reported to relevant authorities for their consideration and adjustment, including policies and mechanisms for interest subsidied lending, and foreign exchange management. These problems were also reported to the Governor for prompt reaction.

Off-site supervision

In 2010, the "Development of Information systems supporting off-site supervision” project was actively carried out. Report forms and analysis and evaluation criteria were studied, then to amended and supplemented to improve the quality of off-site supervision toward developing an early warning tool for credit institutions. Information processing plan for the management of People's Credit Funds system and the "Development of Information systems supporting off-site supervision" project was carried out for fundamental reform of banking supervision activities.

In order to improve operational efficiency and safety of the banking system, the SBV has focused on: (1) Amending existing legal documents, as well as developing new legal documents in order to improve the legal framework for the activities of credit institutions, namely the Circular on prudential ratios, Circular on loan classification and loan loss provision, Circular on special control of credit institutions, and Circular on minimum requirements for risk management in banking activities; (2) Requiring credit institutions to continue improving their financial strength in which to focus on increasing charter capital as stipulated in Decree 141/2006/ND-CP dated November 22th, 2006 on issuing the list of credit institutions' legal capital; (3) Strengthening inspection and supervision of credit institutions showing signs of unsafe operations and serious violations, requiring credit institutions to resolve the shortcomings and violations identified through inspection, requiring credit institutions to improve the issuance of operational procedures, strengthen internal inspection, and strictly implement prudential regulations to minimize risk; (4) Besides observance supervision, gradually applying international standards and practices of risk inspection and supervision to ensure the safe operations and law obeyance of credit institutions, following the rules of comprehensive inspection of credit institutions' activities; (5) Coordinating with the SBV's provincial branches in the inspection, supervision, and postinspection activities to ensure safety and stability of the credit institutions system; and (6) Performing the function of managing and licensing credit institutions and banking activity in accordance with the laws and the policies of the Party and the State, making sure that the newly-licensed institutions have good financial capacity, modern technology, and at the same time facilitating credit institutions to diversify products and services in order to better serve customers and the economy, and reduce business risks.

Preventing and combating money laundering

In 2010, the SBV fulfilled the role and mandates of the Focal Agency of the Steering Committee on preventing and combating money laundering, as well as the focal point of Vietnam in the Asia/Pacific working group on money laundering. In 2010, the SBV focused on drafting Law on Preventing and combating money laundering, operating the information technology systems, receiving and processing reports as prescribed by the law, and ensuring the realization of Vietnam's obligations under international regulations on anti-money laundering and anti-terrorism financing.

BANKING TECHNONOLY AND PAYMENT ACTIVITIES

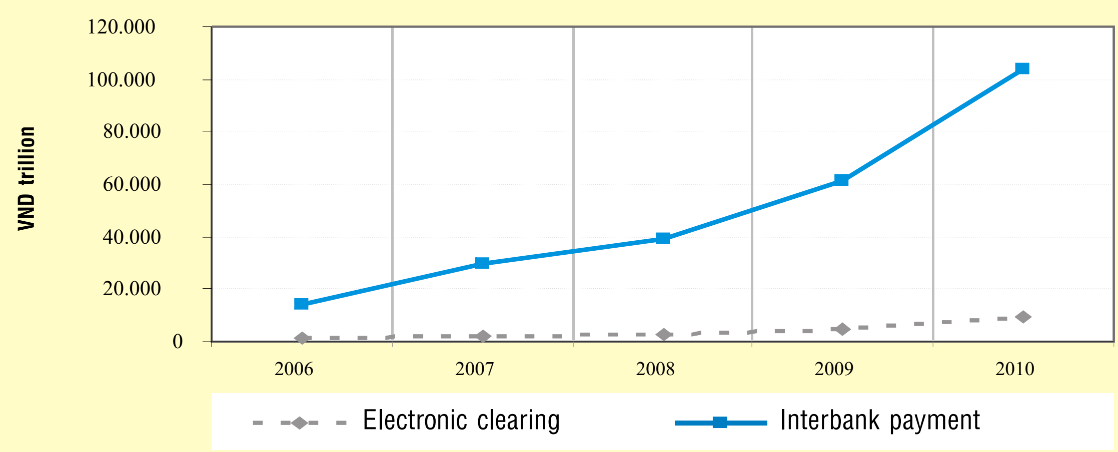
In 2010, Vietnam's payment systems in general have made significant progress toward modernization. Important payment systems organized, managed and operated by the SBV have functioned in a stable, safe and efficient manner, effectively meeting the payment demands of the economy, contributing to accelerating payment speed and developing non-cash payment.

The development and modernization of payment systems

Phase 2 of the Interbank Electronic Payment system (IEP) has been completed, extending to 63 branches of the SBV in provinces and cities, and 03 SBV's subordinates, and connecting 97 credit institutions with nearly 800 direct member units (nationwide branches). On average, the system processed about 70,000 transactions per day with daily revenue of over VND 100,000bn. Total transaction value through the system in 2010 reached over VND 26bn with more than 17 million transactions, increasing by 70% as compared with the total value of transactions through the system in 2009. The system established an advanced and modern technology infrastructure, and standardized business processes, which helped to capture information on funding flows of the whole economy thus supporting the state instruction, administration and management.

The SBV's branches in provinces and cities were in charge of organizing, managing and operating the electronic clearing and settlement system. As of end 2010, the system was launched widely across the country (except for five provinces and cities which had already operated IEP system, namely: Hanoi, Hai Phong, Ho Chi Minh City, Can Tho and Da Nang, where the paper-based clearing form was applied). The entire system was a host of 900 members (in addition to 230 members using paper-based clearing system in the five areas mentioned above). Transaction volume in 2010 reached 9.5mn, of approximately VND 2,000tn, increasing by more than 90% as compared to total

Average daily trasaction value on payment systems



transaction value in 2009.

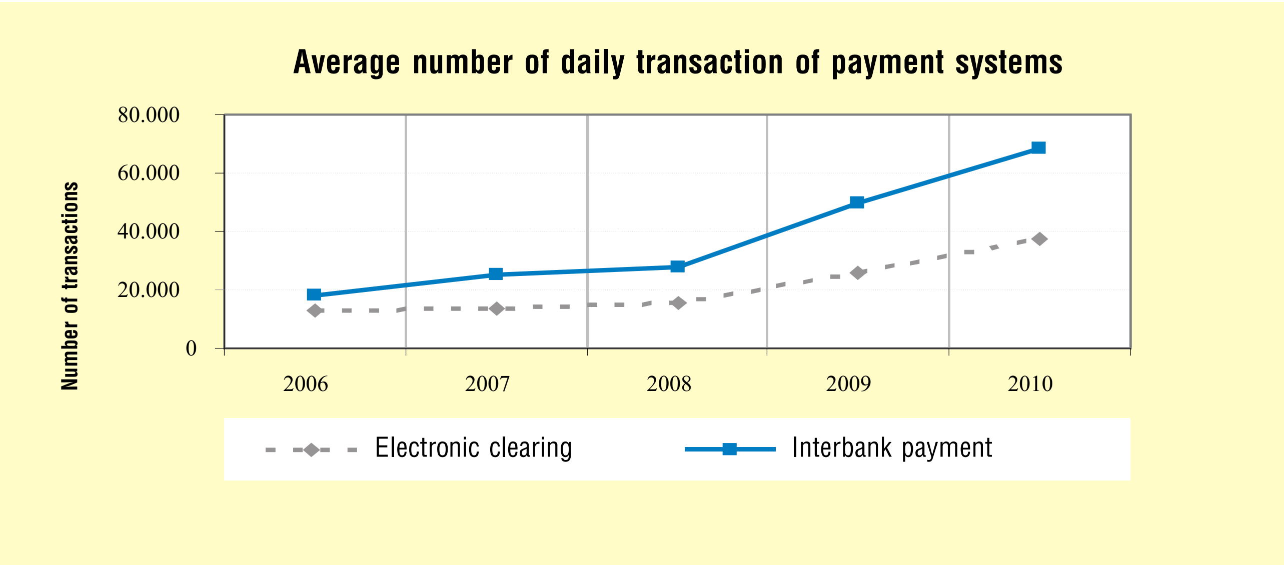
Three card alliances namely Banknetvn, Smartlink and VNBC have completed connecting the ATM systems across the country, allowing cardholders of the 3 alliances to perform card transactions on each other's ATM systems. Switching companies and commercial banks have built the inter-connection points of the POS systems of 8 commercial banks in Hanoi (September 2010) and 15 commercial banks in Ho Chi Minh City (December 2010), through which, these banks' cardholders could use cards for payment at the POS of the other banks in the selected card-accepting units in Hanoi and Ho Chi Minh city.

Development of modern services and means of payment

Electronic clearing and settlement

New modern means of payment applying high technology such as bank card, Internet Banking, Mobile Banking, SMS Banking, Home Banking, E-Wallets ... have been gradually used in payment transactions. By end 2010, there were 49 institutions issuing cards of over 230 card brands; the number of cards issued in the country reached more than 30.7mn; over 11,000 ATMs and nearly 52,000 POS/EDC were installed (up by 1.4 times, 1.2 times and 1.5 times as compared to 2009, respectively); 1 commercial bank was allowed to introduce Mobile Banking services; and 01 commercial bank and 08 non-bank institutions were allowed to provide e-wallet intermediary payment service on a pilot basis.

After 3 years implementing the Prime Minister's Directive 20/2007/CT-TTg dated 24/08/2007 on paying salaries through bank accounts to the State Budget's salary receiver, positive results have been shown. By the end of 2010, there were 43,953 entities/agencies using State Budget that pay salary through bank accounts (accounting for over 54% of total entities/agencies using State Budget all over the country), an increase of 11,822 entities as compared to end of 2009.



In 2010, credit information activity in Vietnam experienced impressive changes as seen at the upgrade of VN's ranking in terms of the level of ease in credit access to 15/183, up by 15 grades since the 2010 report, thus contributing to upgrading Vietnam's rank to 78/183 in term of the favorability in business environment, up by 10 grades from 2010, according to the World Bank' 2011 Business Environment Report (WB).

Public Credit Information Activity

In recent years, the operations of the SBV's Credit Information Center (CIC) have become increasingly effectiveness, contributing to information transparency and risk prevention in credit and banking activities.

Database: the current data storage of CIC contained 19 million borrower profiles, including more than 300,000 corporate borrowers and more than 18 million individual borrowers. These profiles have been updated and supplemented on a regular basis, aiming to reach approximately 30mn borrower profiles by 2015 to meet the information needs of credit institutions.

Information Quality: Credit information of customers and changes in the credit outstanding have been updated directly from the credit institutions and usually within one working day, therefore, quality and timeliness of information provided by CIC have always been ensured.

Product diversification: CIC provided nearly 30 credit information products which have been classified into four categories: domestic credit information bulletin; foreign business credit information bulletin; credit rating bulletin; and credit warning information bulletin. CIC provided about 5,000 to 6,000 credit information reports daily thus meeting the increasingly diversified and demanding needs for information.

In the near future, CIC would continue to focus on measures to improve the information collection criteria system and diversify products not only for the usage of credit officers, but also to serve many other purposes of credit institutions such as: credit risk management, internal control, bank governance, etc, thus meeting the requirements of accurate, timely and comprehensive information about borrowers.

Private Credit Information

In 2010, Vietnam completed the legal basis for Private Credit Information by issuing the Government's Decree No. 10/2010/NĐ-CP dated 12/2/2010 on the Credit Information Activity and Circular No. 16/2010/TT-NHNN of the State Bank dated 24/06/2010 guiding the implementation of the Decree.

The Decree and the Circular stipulated detailed conditions for the operation of private credit information, operation principles to meet the requirements on information transparency, regulations on borrower rights protection and credit information supervision. According to the above regulations, besides CIC, the public credit information agency of the State, in the near future, some private credit information companies would be established.

The establishment of private credit information companies would contribute to the improvement of national credit information. Although the CIC database has been very large, the information has mostly been about credit outstanding and credit relation history, status of collaterals, and borrowers' financial statements… Information about commercial credit, deferred payment, installments, the status of paying such debt obligations as utility bills, or other transactions conditional on interest rates, term, rental ... has been quite limited. Decree No. 10/2010/ND-CP created an important legal basis to solve this shortcoming.

World Bank and other international organizations have made good remarks of credit information activities in Vietnam. It is believed that in the coming time, the reforms of CIC's credit information activities and the participation of private credit information companies would contribute to information transparency, and risk prevention, thus creating favorable business conditions for credit and banking activities in particular and Vietnam's economy in general.

WB's Business Environment Report on Credit Information Activity Indicators in Vietnam during 2009-2011

Criteria	2009	2010	2011
Strength of legal rights index (grades from 0-10)	6	8	8
Adequacy of credit information (grades from 0-6)	**3**	**4**	**5**
Public credit registry coverage (percentage of the number of people older than 15)	9,2	19,0	26,4
Private credit bureau coverage (percentage of the number of people older than 15)	0,0	0,0	0,0

The reform of credit information activity is assessed based on the following indicators:

- Strength of legal rights index (grades from 0-10)
- Adequacy of credit information (grades from 0-6)
- Public credit registry coverage(percentage of the number of people older than 15)
- Private credit bureau coverage (percentage of the number of people older than 15)

INTERNAL CONTROL AND AUDIT

The SBV internal control and audit in 2010 were implemented quite comprehensively on all operational aspects, contributing to increasing the legislation compliance awareness and limiting risks in operational activities of the SBV.

In 2010, the SBV conducted financial statement audit at 13 SBV units (one administrative unit and 12 branches); compliance and operation audit at 16 SBV units (05 Departments and 11 branches); audit of 10 construction investment projects; IT audits at 10 SBV units; combined financial statement, compliance, and operation audit at all SBV branches; and audits of treasury activities at 12 SBV units having money and vault management activities. In addition, computer-based monitoring has been carried out over operational accounting program at the SBV Banking Operation Center and treasury activities of the whole system.

For 2010, audit plan was centered on risk-based audit; therefore, from initial planning to detail outlining stages, focus was put on identifying high risk areas to be audited. In addition, the SBV also gradually apply audit methods and techniques in line with international auditing standards.

The outcomes of internal control and audit have supported the analyses of the strengths, weaknesses and potential risks in the SBV's activities, therefore contributing to making recommendations for: (i) corrections of shortcomings in implementing the State laws, and the SBV mechanisms on financial management, capital investment, vault safety, and other operational procedures; and (ii) adjustments of deficiencies to improve the legal document system and operational procedures. At the same time, internal audit has advised SBV units in finding solutions to a more efficient internal control system. Therefore, the quality of internal control and audit has been increasingly improved, contributing to the compliance of SBV units to the legal corridor in a safe and efficient manner.

In 2011, the SBV will take gradual steps to review and revise documents related to internal control and audit to make them conform with the 2010 Law on the State Bank of Vietnam; apply IT in auditing to shorten audit time and improve audit quality; and research to develop risk assessment criteria and propose risk management measures to develop a suitable audit plan.

In 2010, attentions were paid to improving the institutional system of monetary and banking activities towards new standards in line with international practices as well as Vietnam's conditions in order to enhance the effectiveness of the SBV's state management and facilitate credit institutions' safe and effective operations.

Legal framework development

The National Assemly adopted the Law on State Bank of Vietnam and Law on Credit Institutions with effect from January 1st, 2011, marking an important turning point in improving the legal framework for banking operations with the goal of enhancing the role, responsibilities and proactiveness of the SBV in implementing monetary policy, managing and supervising the activities of the banking system, creating a sound and level business environment for credit institutions, and enhancing governance and administration capacity of credit institutions. Immediately after two laws were enacted, the SBV quickly developed and carried out communication and propaganda plans and drafted guidance documents of the two laws.

In implementing Plan 307/KH-BCD dated December 23rd, 2009 of the Steering Committee on prelimiary review of Resolution 48-NQ/TW dated May 24th, 2005 of the Polibureau on strategies to develop and improve Vietnam Law system till 2020, the SBV has conducted preliminary review of its legislative development and improvement on all areas of its authority during 2005 -2009. For the past five years, it can be said that the SBV has followed the right direction and successfully completed its tasks as set out in the Resolution, including the following remarkable achievements: (i) Improving the legal framework of banking activities (developing and submitting to the National Assembly to issue the two Banking Laws); (ii) Developing and implementing important projects of the Government, such as the project of developing the banking sector by 2010 and vision toward 2020; the project of modernizing the banking and payment systems; the roadmap for improving the convertibility of VND and gradually overcoming the phenomenon of dollarization of the economy; the project of improving financial capacity of commercial banks towards international standards and practices on accounting, loan classification; the roadmap for state-owned commercial banks' equitization; the project of developing non-cash payment; the project of Financial Sector Modernization and Information Management System funded by the World Bank; as well as a large number of important decrees regulating banking activities.

Regarding the development of decrees: In 2010, the SBV submitted to the Government to issue a number of important decrees namely: (i) Decree 05/2010/ND-CP dated January 18th, 2010 of the Government guiding the implementation of the Bankruptcy Law for credit institutions; (ii) Decree 10/2010/ND-CP dated February 12th, 2010 of the Government on the credit information activities, and (iii) Decree 41/2010/ND-CP dated April 12th, 2010 on credit policy for agriculture and rural development.

Regarding the development of legal documents under the authority of the SBV's Governor: In 2010, the SBV issued 23 Circulars and 01 Inter-ministerial Circular in order to achieve objectives of the monetary policy and ensure system security. These legal documents were issued to regulate some important matters such as interest rate subsidy policies, prudential ratios in banking operations, etc. In addition, there were a number of legal documents regulating organizational structures and operations of credit institutions such as regulations on organization, governance and management, chartered capital, licensing, special control, merger, consolidation, acquisition of credit institutions, etc. These documents were issued aiming at gradually improving the organization and operation of the banking system, and enhancing the SBV's state management role in the new period.

Legal document review

In 2010, the SBV revised 28 circulars issued or jointly issued by the Governor during the period from October 1st, 2009 to September 30th, 2010 as well as revised within its authority the documents issued by Ministries, Ministerial-level Agencies, People's Committees and People's Councils. The SBV cooperated actively with the Department of Document Examination - Ministry of Justice to revise certain important documents which were current and of public attention. In addition, during 2010, in implementing the urgent instruction of the Government to ensure the achievements of macroeconomic management objectives and the safe operations of the credit institution system in Vietnam, the SBV issued certain legal documents that were unable to meet the requirement on effectiveness as prescribed in the Law on Issuance of Legal Documents, or had to be revised earlier than planned. The SBV has made a proposal to the Ministry of Justice on amending the Law on Issuance of Legal Documents to be in line with reality, with the purpose of creating favorable conditions for the State agencies in implementing their State management functions.

Legal communication

In 2010, the SBV focused its legal document communication and propaganda work on disseminating the two Banking Laws, specifically through: (i) Organizing conferences propagating two Banking Law in 3 regions for SBV's departments, units, and branches in provinces and cities, and CEO of credit institutions; (ii) Posting the full text of the two Banking Laws on the SBV's website to make them widely available, (iii) publishing bilingual (Vietnamese and English) books of the two Banking Laws, and (iv) Introducing new points of the two Banking Laws in the SBV's publications such as the Banking Times and Banking Margazine, etc.

International legal activities

The SBV has actively participated in reviewing international commitments and agreements and proposed list of WTO directly applied commitments, cooperated with international organizations such as WB, CIDA ... in the implementation of the legal system, as well as applied international standards and practices to the legal framework of the banking sector, notably the two Banking Laws.

In 2011, the SBV's legal activities would concentrate on the development and submission of draft laws and decrees of which the SBV was assigned the leading role in drafting such as the Deposit Insurance Law, and decrees and circulars guiding the implementation of the Law on State Bank of Vietnam and the Law on Credit Institutions. Also, the SBV would carry out the plans of monitoring the laws and regulations compliance in 2011, especially the implementation of the two Banking Laws and the compliance of legal-related international commitments on banking sector.

In 2010, the SBV continued to further the external relation activities to develop the cooperation with international partners and accelerate the mobilization of technical and financial support to Vietnam, contributing to the efforts of accelerating economic recovery and growth sustainability, promoting the integration process and improving Vietnam's status in the international arena.

International economic integration

2010 was the year Vietnam held the ASEAN Chairmanship. During the year, the SBV showed its prominent role in the process of financial and monetary cooperation within ASEAN and ASEAN +3. The SBV successfully hosted and chaired for the second time the ASEAN Central Bank Governors meeting (ACGM) and the ASEAN Central Bank Deputy Governors meeting (ACDM). These meetings provided opportunities for Central Banks of ASEAN countries to strengthen their cooperation in coping with external shocks and preventing future crises.

The SBV also successfully co-chaired the meeting of the Chiang Mai Initiative Multilateralisation (CMIM) Task Force, a collaborative initiative between ASEAN countries and Japan, China and South Korea to create the mechanism to support the balance of payments of participant countries facing short term difficulties. Also, the SBV continued to show its active role in such forums of the Southeast Asian Central Banks Research and Training Center (SEACEN) as the Annual Meeting of the Board of Governors, and SEACEN Executive Committee as well as other side forums.

In the framework of APEC, the SBV continued to be an active and initiative participant in building and implementing the Internal Action Plan (IAP) in the banking sector, contributing ideas for the research reports and the APEC financial cooperation initiatives and coordinating with the relevant ministries in the other activities of APEC cooperation.

Cooperation with international monetary and financial organizations

The SBV continued to successfully perform the role of the Government's representative at international monetary and financial organizations such as the International Monetary Fund (IMF), the World Bank Group (WB) and the Asia Development Bank (ADB), thereby strengthening the relationship with these organizations and exploiting effectively their support for Vietnam in general and the SBV in particular.

The relationship with the IMF continued to be well maintained through policy dialogue, technical assistance and visits of the IMF's senior leaders to Vietnam. In 2010, the SBV and the IMF successfully co-organized the international conference named “Post Crisis Growth and Poverty Reduction in Asian developing countries” with participation of nealy 150 domestic and foreign delegates to share Asian experiences in economic management and policy challenges in the context of new volatilities of the world economy.

In terms of the relationship with the World

Bank, the SBV chaired the negotiations of and successfully signed Aid/Loan Agreement for 11 programs/projects funded by IDA and IBRD totalling USD 1.263bn; as well as the Poverty Reduction Support Credit IX (PRSC IX) of USD 150mn and other 6 donors' aid commitments designated through the World Bank of about USD 290mn; carried out activities for the launching of PRSC X; and coordinated with relevant ministries and agencies to agree on the post PRSC's choices and plans.

In terms of the relationship with the ADB, the SBV chaired negotiations with the ADB of 11 projects/ programs totaling USD 960mn. Regarding policy advice, in parallel with supporting the Government's preparation of the 2011-2020 Socio-economic Development Strategy and the 2011-2015 Socio-economic Development Plan, the ADB also prepared the 2011-2015 Country Partnership Strategy with Vietnam so as to create background for the continued support of Vietnam's realization of 2020 vision. Especially, in 2010, at the 43rd Annual Meeting of the ADB's Board of Governors which was held in Tashkent, Uzbekistan, the whole Board of Governors and member countries unanomously agreed to choose Vietnam as the host country of the 44th 2011 Annual Meeting of the ADB's Board of Governors.

Bilateral Cooperation

In 2010, the SBV continued to sign cooperation documents with 6 partners including Myanmar, Thailand, Belarus, Singapore, Cambodia and Switzerland. Regarding supporting programs for the banking sector, the SBV has coordinated with relevant agencies and units to implement such cooperation agreements as the training cooperation program with Luxembourg; 2 Terms of Reference (TOR) for technical assistance signed with the US Department of Treasury; the Technical Assistance Project of Capacity Building for the SBV funded by Japan International Cooperation Agency (JICA); the Banking Reform Project funded by Canadian International Development Agency (CIDA); the Technical Assistance Program funded by the Central Bank of Sweden; the Training Cooperation Program with Bank of the Lao PDR; activities within the framework of Vietnam-Russia Working Group; and ”Developing the Banking Sector Development Strategy in 2011-2020” project financed by Swiss Federal Department of Economy.

During the year, the SBV continued to pay due attention to personnel development and training activities in order to build up for the SBV a professional workforce, that would be capable of making and implementing monetary policies and effectively fulfilling the functions of state administration over monetary and banking activities.

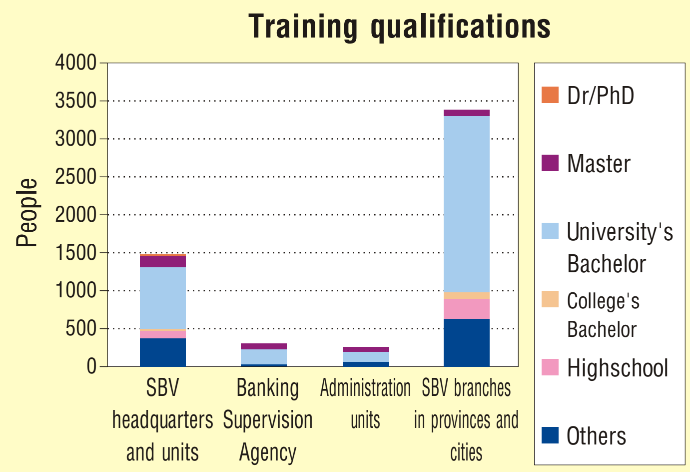
Workforce and personnel structure

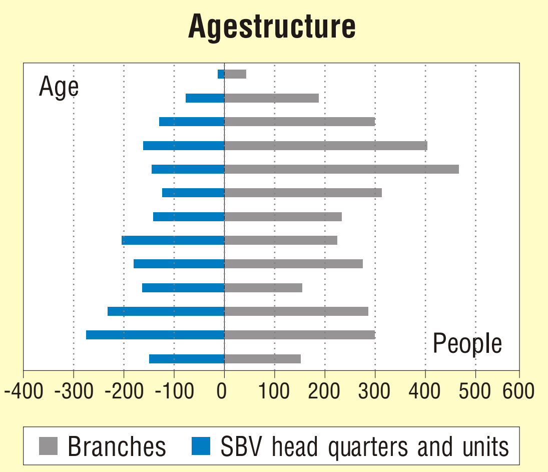
In recent years, the Governor of the SBV has continuously adjusted the official workforce of the SBV, improving both the quantity and quality of the SBV workforce in order to enhance the capacity of the SBV departments and units to ensure the effective fulfillment of the SBV roles as the State agency responsible for overseeing monetary and banking activities and as the Government's advisor on monetary policy formulation and implementation.

In term of permanent workforce, at the SBV headquarters and units, the permanent staffs (quantity, quality, training qualifications…) have been determined on the basis of functions, responsibilities, nature and structure of the departments' and units' tasks. For the SBV branches in provinces and cities, the identification of permanent staffs has been based on not only nature of their works but also other considerations such as quality of staffs, economic and social conditions, and number, scale and type of credit institutions operating in concerned areas.

Training activities

Due attention has been paid to the training activities aiming at developing a professional workforce that would be capable of formulating





and implementing monetary policy on the market principle, on the basis of using advanced technologies; complying with international standards and practices on central banking activities; integrating into the global financial community; and effectively implementing the SBV's state management function over monetary and banking activities.

Under this direction, in the year 2010, the SBV has continuously focused on improving the quality and effectiveness of training activities by closely connecting the training activities with the requirements of working positions, thus contributing to the enhancement of knowledge, capacity and skills of the SBV's staffs.

As a result, the SBV has completed the training frameworks for different groups of staffs. In terms of the professional areas, the SBV has developed and adopted training frameworks for staffs from Policies Block and Supervision Block. These were two blocks of staffs that hold key roles and responsibilities of the SBV. In term of administrative functions and management positions, the SBV has conducted the training programmes for division's directors, and training programmes on State management for regular staffs. Together with other programmes that have been carried out, including the training programmes for general-director level officials, accountants and auditors, inspectors, treasury vault staffs and personnel staffs, in general, the SBV has developed and carried out training frameworks for all types of different staffs at the SBV.

In terms of quantity, in 2010, the SBV has organized training and capacity building programmes for more than 4,000 staffs, in the forms of both short-term and long-term courses, both domestically and abroad.

Training activities at the Banking Training School

In 2010, the Banking Training School, in coordination with relevant units in the whole system, has successfully organized 83 training courses and workshops of 724 training days and with 2,713 participations, up by 9 courses, 180 training days and 349 participations as compared to 2009. These training courses were designed in scientific manner, with content varying from SBV's policies and professional operations to capacity building, knowledge and skills supplementing of information technology and foreign languages. The facilities for these training activities have been improved and expanded for all training centers in the North, the Centre and the South of the country.

In 2010, the SBV has carried out 3 main and targeted programs namely the Training programme for senior management officials of the SBV; Training programme for banking inspectors; and Training program for central bank officials in cooperation with the Luxembourg Agence de Transfert de Technologie Financiőre (ATTF). These have been important training programs, that would contribute to upgrading the operation quality of not only the central bank but also the banking system.

During the implementation of the training activities for SBV staffs, the Banking Training School has received active cooperation and supports from international organizations and project, such as the Gesellschaft fỹr Internationale Zusammenarbeit (GIZ), German International Capacity Building (InWEnt), State Secretariat for Economic Affairs (SECO), Luxembourg Agence de Transfert de Technologie Financiőre (ATTF), Canada International Development Agency (CIDA), … and a number of central banks, universities and training centers, both domestically and internationally.

APPENDIX

APPENDIX 1

INTEREST RATES ANNOUNCED BY STATE BANK OF VIETNAM

Unit: % per annum

Time	Base interest rate	Refinancing interest rate	Discount interest rate
Dec-09	8	8	6
Jan-10	8	8	6
Feb-10	8	8	6
Mar-10	8	8	6
Apr-10	8	8	6
May-10	8	8	6
Jun-10	8	8	6
Jul-10	8	8	6
Aug-10	8	8	6
Sep-10	8	8	6
Oct-10	8	8	6
Nov-10	9	9	7
Dec-10	9	9	7

Source: State Bank of Vietnam

APPENDIX 2

OPEN MARKET OPERATIONS

Purchase	2010	2009
Number of sessions	490	261
Maturities (days)	7;14;28	7;14
Number of participant time	6.017	3.085
Bid value (VND billion)	4.034.104	3.613.860
Bid winning value (VND billion	2.101.421	961.773
Interest rate (%/annum):		
Volume - base bidding	7,0-10	6,5-9,0

Source: State Bank of Vietnam

APPENDIX 3

RESERVE REQUIREMENT RATIOS

Period Effectiveness	Type of deposit	Maturity	Normal Reserve Requirement		Reserve requirement for VND deposit of credit institution receiving favourable treatment in line with circular 20/2010/TT-NHNN (* *)	
			State-owned commercial banks, urban commercial joint stock banks, foreign banks' branches, joint venture banks, finance companies	Vietnam Bank for Agriculture and rural Development, Central People's Credit Fund	For credit instititution with the proportion of agriculatural and rural lending of 70% and more	For credit instititution with the proportion of agriculatural and rural lending of 40-70%
Jan-10	VND	<12 months	3	1		
		12 months	1	1		
	Foreign currency	<12 months	7	6		
		12 months	3	2		
Feb-Nov - 2010	VND	<12 months	3	1		
		12 months	1	1		
	Foreign currency	<12 months	4	3		
		12 months	2	1		
Dec - 2010(*)	VND	<12 months	3	1	0,15	0,60
		12 months	1	1	0,05	0,20
	Foreign currency	<12 months	4	3		
		12 months	2	1		

(*) Starting Dec 2010, according to Circular 20/2010/TT-NHNN, for the purpose of calculating the required reserves, credit institutions were categorized into 2 groups: (1) credit institutions having high propotion of agricultural and rural lending apply lower reserve requirements than normal and (2) other credit institutions which would apply ordinary reserve requirements.

(**) According to Circular 20/2010/TT-NHNN dated 29/9/2010 issued by SBV on guiding the implementation of monetary policy management measures for supporting credit instituitions' agricultural and rural lending, credit institutions having agriculture and rural lending would be supposed by being subject to lower reserve requirement than normal, in particular: (1) by one twentieth of the relevant ordinary reserve requirement ratios for credit institutions having the propotion of agricultural and rural lending of 70% and more; (2) by one fifth of relevant ordinary reserve requirement ratio for credit institutions having the propotion of agricultural and rural lending of 40 - 70%.

Source: State Bank of Vietnam

APPENDIX 4

BALANCE OF PAYMENTS

Unit: million of USD

	2010
A. CURRENT ACCOUNT	**-3.511**
1. Trade balance	**-5.147**
Exports (FOB	72.192
Imports (FOB)	77.339
2. Non factor services (Net)	**-2.461**
Receipts	7.460
Payments	9.921
3. Transfers (net)	**8.661**
Private transfers (Net)	8.342
Official transfers (Net)	319
4. Investment Income (net)	**-4.564**
Receipts	456
Payments	5.020
B. FINANCIAL AND CAPITAL ACCOUN:	**5.542**
5. Foreign Direct Investment	**7.100**
FDI in Vietnam	8.000
Equity	7.101
Loan	899
Vietnam's FDI abroad	900
6. Medium and long term loans	**2.751**
Disbursments	4.671
Scheduled Amortization	1.920
(Actual payments)	1.920
7. Short term loans	**1.043**
Disbursments	8.386
Scheduled Amortization	7.343
(Actual payments)	7.343
8. Portfolio	**2.370**
9. Money and deposits	**-7.722**
C. ERRORS AND OMISSIONS	**3.796**
D. OVERALL BALANCE (=-E)	**-1.765**
E. FINANCING	**1.765**
10. Change in NFA (-;incr)	**-1.765**
Change in NIR (-;incr)	1.803
Use of IMF cred	-38
Purchases	0
Repurchases	38
11. Change in arrears and rescheduling	**0**
Change in arrears	0
Rescheduling	0

Source: State Bank of Vietnam

APPENDIX 5

VND/USD EXCHANGE RATE

Unit: VND/USD

2010	End of month rate			Monthly average		
	Interbank average exchange rate	Average exchange rate of commercial banks – Buying	Average exchange rate of commercial banks – Selling	Interbank average exchange rate	Average exchange rate of commercial banks – Buying	Average exchange rate of commercial banks – Selling
Jan	17.941	18.472	18.479	17.941	18.471	18.479
Feb	18.544	18.973	19.100	18.243	18.674	18.790
Mar	18.544	19.053	19.100	18.544	19.049	19.100
Apr	18.544	18.938	19.000	18.544	18.985	19.046
May	18.544	18.963	19.010	18.544	18.966	19.025
Jun	18.544	19.031	19.100	18.544	18.962	19.009
Jul	18.544	19.096	19.100	18.544	19.082	19.095
Aug	18,932	19.473	19.473	18.720	19.258	19.269
Sep	18,932	19.485	19.500	18.932	19.480	19.500
Oct	18,932	19.496	19.500	18.932	19.492	19.500
Nov	18,932	19.496	19.500	18.932	19.496	19.500
Dec	18,932	19.496	19.500	18.932	19.496	19.500

Source: State Bank of Vietnam

APPENDIX 6

DOMESTIC GOLD PRICE

Unit: million VND/mace

2010	End of month price	
	Buying	Selling
Jan	2,637	2,642
Feb	2,654	2,660
Mar	2,619	2,624
Apr	2,650	2,656
May	2,768	2,774
Jun	2,855	2,860
Jul	2,771	2,777
Aug	2,892	2,896
Sep	3,121	3,125
Oct	3,335	3,340
Nov	3,588	3,595
Dec	3,590	3,600

Source: State Bank of Vietnam

APPENDIX 7

CONSUMER PRICE INDEX (CPI)

Unit: %

Year	Period	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	Compared to last December	1,1	3,6	3,7	4,3	4,8	5,2	5,6	6,0	6,8	7,2	7,6	8,4
	Compared to last month	1,1	2,5	0,1	0,6	0,5	0,4	0,4	0,4	0,8	0,4	0,4	0,8
	Year on year	9,7	9,1	8,4	8,5	8,1	7,6	7,5	7,3	7,8	8,3	8,5	8,4
2006	Compared to last December	1,2	3,3	2,8	3,0	3,6	4,0	4,4	4,8	5,1	5,4	6,0	6,6
	Compared to last month	1,2	2,1	-0,5	0,2	0,6	0,4	0,4	0,4	0,3	0,2	0,6	0,5
	Year on year	8,8	8,4	7,7	7,4	7,5	7,6	7,5	7,5	6,9	6,7	6,9	6,6
2007	Compared to last December	1,1	3,2	3,0	3,5	4,3	5,2	6,2	6,8	7,3	8,1	9,5	12,6
	Compared to last month	1,1	2,2	-0,2	0,5	0,8	0,8	0,9	0,5	0,5	0,7	1,2	2,9
	Year on year	6,5	6,5	6,8	7,2	7,3	7,8	8,4	8,6	8,8	9,3	10,0	12,6
2008	Compared to last December	2,4	6,0	9,2	11,6	16,0	18,4	19,8	21,7	21,9	21,.6	20,7	19,9
	Compared to last month	2,4	3,6	3,0	2,2	3,9	2,1	1,1	1,6	0,2	-0,2	-0,8	-0,7
	Year on year	14,1	15,7	19,4	21,4	25,2	26,8	27,0	28,3	27,9	26,7	24,2	19,9
2009	Compared to last December	0,32	1,49	1,32	1,68	2,12	2,68	3,22	3,47	4,11	4,49	5,07	6,52
	Compared to last month	0,32	1,17	-0,17	0,35	0,44	0,55	0,52	0,24	0,62	0,37	0,.55	1,38
	Year on year	17,5	14,78	11,25	9,23	5,58	3,94	3,31	1,97	2,42	2,99	4,35	6,52
2010	Compared to last December	1,36	3,347	4,122	4,268	4,549	4,779	4,84	5,08	6,46	7,58	9,58	11,75
	Compared to last month	1,36	1,96	0,75	0,14	0,27	0,22	0,06	0,23	1,31	1,05	1,86	1,98
	Year on year	7,62	8,46	9,46	9,23	9,05	8,69	8,19	8,18	8,92	9,66	11,09	11,75

Source: General Statistics Office

APPENDIX 8

SELECTED MONEYTARY AND CREDIT INDICATORS

Unit: billion VNĐ

Indicators	2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
1. Total Liquidity	2,092,447	2,153,442	2,358,846	2,533,089	2,789,184
2. Capital mobilazation from the economy	1,799,222	1,871,187	2,070,588	2,232,942	2,451,236
3. Credit to the economy	1,869,255	1,935,792	2,087,384	2,251,497	2,475,535

Annualized growth rate (%)

Indicators	2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
1. Total Liquidity	28.99	23.18	23.66	27.54	33.30
2. Capital mobilazation from the economy	29.88	27.50	27.08	30.57	36.24
3. Credit to the economy	39.57	36.34	28.91	27.24	31.19

Source: State Bank of Vietnam

APPENDIX 9

GROSS DOMESTIC PRODUCT

Year	GDP at constant price (1994 - VND billion)	GDP at current price (VND billion)	GDP growth rate (%)
2000	273,666	441,646	6.79
2001	292,535	481,295	6.84
2002	313,247	535,762	7.08
2003	336,242	613,443	7.34
2004	362,435	715,307	7.79
2005	393,031	839,211	8.44
2006	425,373	974,266	8.23
2007	461,443	1,144,015	8.48
2008	490,181	1,478,695	6.18
2009	515,909	1,645,481	5.32
2010	551,609	1,980,914	6.78

Source: General Statistics Office