



VietinBank to announce PG Bank merger plan soon

VietinBank Chairman Nguyen Van Thang revealed the bank's intention to news website BizLive, adding that the merger will be the shortest way for the bank to increase charter capital and assets, and expand its networks.

Thang said that the equity and asset scales of major banks in Viet Nam are much smaller than those of their peers in the region. Merging to grow stronger is among the measures that VietinBank has taken into account to stay relevant among the leading financial institutions nationwide, and to foster regional integration. This year will bring opportunities for the bank to boost growth and expand markets, he added.



In January, State Bank of Viet Nam Governor Nguyen Van Binh urged Vietinbank, along with Vietcombank, to actively take part in the national banking reform process by handling weak lenders in the country. This is in line with general schemes to consolidate the two banks' positions in the market in the future, he said.

VietinBank currently has nearly VND661 trillion (US\$31.48 billion) in total assets, second to the State-run Agribank. Its charter capital reached more than VND37 trillion (\$1.76 billion) at the end of last year, the largest equity value in the domestic banking system.

In 2014, its pre-tax profits hit about VND7.3 trillion (\$347.62 million), down six per cent over the previous year. Outstanding loans grew 17 per cent year-on-year, to touch VND440 trillion (\$20.95 billion).

In 2015, the bank has projected asset growth of at least 15 per cent, deposit and loan growth of 13 to 15 per cent, and control of the bad debt ratio at below three per cent.

Thang said that VietinBank will drastically restructure financial resources, operational modes, management ability and distribution networks. It will also step up the reorganisation of information technology infrastructure and human resources.

PG Bank has more than 80 branches and transaction offices nationwide. The Viet Nam National Petroleum Group (Petrolimex) is the largest shareholder of the bank, holding 40 per cent of its equity.

Source: VNS