

INCOMBANK EQUITIZATION PROCESS

In the implementation of guidelines set by the State Bank of Vietnam, Incombank made a plan for charter capital addition and secured sources for its equitization. To implement the policy of the Government on completing the equitization of state owned commercial banks before 2008, Incombank established a committee responsible for studying and making plans for equitization. The Bank has reviewed and restructured lending and investment portfolio aiming at sound credit growth, proportion of loans to SOEs and uncollateralized loans was reduced, the plan for restructuring its overall activities was implemented and encouraging results for key targets were obtained. The achievements during 6 years of the implementation of Incombank Restructuring Plan (2001-2006) created favourable conditions for the next stage of equitization: prolonged existing NPLs were completely resolved, financial capacity was improved; business was develop both in quality and quantity; modernization of banking technology was accelerated and new products were developed; organizational structure was reformed and reinforced with emphasis on human resource, management capacity was also improved.

Equitization is a prerequisite for Incombank's continuous development and integration to renovate its management mechanism, attract more resources which include capital, management experience and advanced banking technology, and gradually to be in accordance with international standards. In addition, supervision of shareholders, customers and the public on the Bank will be strengthened, its business operation will be more transparent and efficient. Incombank strives for launching IPO in the local and international stock exchanges early 2008.