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**REPORT**  
**BUSINESS PERFORMANCE IN 2024, BUSINESS PLAN FOR 2025**

**PART I**  
**REPORT ON THE BANK'S BUSINESS PERFORMANCE IN 2024**  
**AND BUSINESS PLAN FOR 2025**

Below is the report from the Bank's executive team for the Annual General Meeting of shareholders on *"Bank's business performance in 2024 and business plan for 2025"*:

**I. BUSINESS PERFORMANCE IN 2024**

**A. Key performance indicators (FY2024, EOP)**

Techcombank delivered strong financial performance in 2024 and achieved all components of the Bank's full-year financial guidance:

*Unit: VND billion*

Items	2023	2024		% Versus	
		Plan	Actual	2023	Plan
Credit balance <sup>(1)</sup>	530,148	616,031	640,668	+20.85%	+4.0%
Total deposits from customers <sup>(2)</sup>	507,157		631,173	+24.5%	
Total assets	849,482		978,799	+15.2%	
Profit before tax	22,888	27,100	27,538	+20.3%	+1.6%
Non-performing loans, post-CIC	1.19%		1.17%	-2 bps	
Non-performing loans, pre-CIC	0.96%	<1.5%	1.00%	+4 bps	

<sup>(1)</sup> The Bank's credit balance and growth are calculated according to SBV regulations

<sup>(2)</sup> Including Certificates of Deposit issued to customers

- (i) Total assets increased to VND 978,799 billion (up 15.2% year-on-year (YoY)) and total deposits (including Certificates of Deposit) rose to VND 631,173 billion (up 24.5% YoY)
- (ii) Consolidated profit before tax (PBT) increased by 20.3% YoY to VND 27,538 billion, exceeding the target of VND 27,100 billion. The increase was primarily driven by NII with a strong credit growth of 20.85% and a 20bps NIM improvement over the year. Net fee income (NFI), on the other hand, grew 4.4% YoY thanks to a very strong performance

in investment banking, partially offsetting the one-off impact of terminating our banca distribution agreement with Manulife, and lower fees from Letters of Credit (LC) due to regulatory changes and unfavorable market conditions.

- (iii) Total credit exposure<sup>1</sup> increased to VND 640,668 billion, up 20.85% YoY, in line with the credit quota granted by the State Bank of Vietnam (SBV).
- (iv) The capital adequacy ratio (CAR) under Circular 41 was maintained at a healthy level of 15.3% at year-end, significantly above the 8.0% regulatory requirement.
- (v) The non-performing loans (NPL) ratio (loans in Group 3-5) was well under control and declined to 1.17% from 1.19%. The Bank did see a rise in NPLs for the first three quarters of the year, followed by an encouraging downward trend in 4Q2024.

## **B. Overall business performance in 2024**

Techcombank reached new heights in 2024, delivering strong growth and profitability. We maintained sector-leading balance sheet strength and asset quality, solidifying our position at the top of the industry.

While the global economic environment remained volatile, Vietnam achieved positive economic momentum with GDP growth accelerating as the year went on, reaching 7.6% in Q4 and 7.1% for the full year. Under the direction of the Government and with the consensus of the entire system, Vietnam has achieved top growth rates in the region and the world, with robust contribution from manufacturing and exports (with trade surplus reaching USD 24.8 billion), and rising inbound foreign direct investments (FDI).

A stable and lower interest rate environment improved access to credit for both businesses and households, and we also saw a steady improvement in the real-estate market during the year. However, domestic consumption, although increasing towards the end of the year, remained more subdued with retail sales in real terms expanding by 5.9%. Digital transformation, high value-added production and sustainable developments are expected to be key growth drivers in the coming time.

Against this improving backdrop, our investments in our key strategic pillars of excellence – data, digital and talent – being coupled with customer-centric strategy across our unique ecosystem, meant we were well-placed to compete and win, creating more value for our customers, shareholders, and the community.

These unique capabilities enable us to serve more customers, deliver more innovative digital-led offerings and hyper-personalized experience, and improve our credit decisioning, all while controlling our cost-to-serve and credit costs.

On asset quality, we ended the year with an NPL ratio of 1.17% and credit costs of 0.8%, among the lowest in the industry. Meanwhile, our capital adequacy ratio (CAR) was maintained at a very healthy 15.3%, one of the highest of all Vietnamese banks.

The acknowledgement that Techcombank had reached a new level in terms of strength, resilience and profitability enabled us to pay our first cash dividend in ten years of VND1,500 per share, reinforcing our commitment to delivering superior long-term value to shareholders.

Operationally, 2024 saw us solidify our leadership position in the sector by building on our traditional strengths:

- #1 CASA ratio of 40.9% by the end of the year, supported by an increase in CASA balance of 27.2% to a record high of VND 231 trillion
- #1 real-estate franchise, further strengthened through our ecosystem partnership with One Mount Group, and Masterise Homes, providing customers with unrivaled housing products
- #1 wealth management bank by total assets under management (VND 590 trillion) with a dominant position among affluent customers
- #1 in cards with c.28% market share of total nation-wide card payment volume of Visa
- #1 in net fee income (NFI) accounting for c.17% of net fees generated by 27 listed banks
- #1 in bond issuance advisory market share with c.50% of the market (excluding bank bonds)
- #1 equity brokerage among banks on Hochiminh Stock Exchange (HoSE) with c.8% market share

Meanwhile, we made impressive breakthroughs in several highly strategic areas including:

- #1 transaction bank – increasing our market share of nation-wide 24/7 digital transactions to c.15% for both in-bound and out-bound transactions, continuously maintaining the #1 position through all months in the period from July to the end of 2024, according to NAPAS.
- #1 in Brand Equity Index (BEI) according to Brand Health Track report by NielsenIQ - and one of only two banks that achieved “established brand” status, an extremely proud achievement for a 31-year established bank.

- #2 in merchant banking – ending the year with 1.5 million merchant customers, enabled by a suite of new digital-led solutions.
- First Vietnamese bank to launch Techcombank Visa Eco Card – enabling users to track their carbon footprint against spending and to offset emissions by supporting green projects.

As we move into 2025, the global economic landscape continues to look uncertain, and we anticipate some lingering pressure on the net interest margin of the sector. Despite these headwinds we expect Vietnam's growth to remain strong, supported by the continued rebound in domestic demand, accelerated public spending especially in infrastructure and further strengthening of the real-estate market.

Rising affluence, increasing digitalization and the large potential for more product penetration across mortgages, bonds, stocks and insurance all mean Vietnam's banking industry still has huge potential for growth. Techcombank's digital lead, balance sheet strength, and unique ecosystem mean that we are well-positioned for Vietnam's 'Era of Growth' and ready to seize the exciting new opportunities that it creates.

## **1. Improved balance sheet strength**

The Bank's total balance sheet grew 15.2% YoY, reaching VND 978,799 billion at December 31, 2024:

- Customer lending and corporate bonds increased by 21.7% YoY to VND 683,028 billion
- Customer deposits and Certificates of Deposit issuance increased by 24.5% YoY to VND 631,173 billion
- Total equity expanded by 12.4% YoY to VND 147,940 billion.

### ***Robust funding position and positive CASA momentum***

Techcombank successfully expanded total deposits from customers by 24.3% to VND 565.1 trillion, while maintaining the cost of funds among the lowest levels in Vietnam's banking sector.

Various successful data-led offerings for individual customers, as well as new solutions for merchants and corporate customers helped to drive our CASA balance by 27.2% to a record high in 2024 and resulted in CASA ratio of 40.9% at the end of the year, which in turn was more than two times that of industry median.

A big contributor to our CASA momentum was the increase in e-banking transaction volume, which was up 51.0% YoY, giving us c.15% market share of in-bound and out-bound transactions nationwide, according to data from the National Payment Corporation of Vietnam (NAPAS), as already noted. This was highly significant as analyses show that CASA ticket-size of customers increases with the number of transactions they perform. In

2024, the number of customers using Techcombank as their main transacting bank (generally defined as averaging 100 transaction per month) increased by around 60%, a significant driver of our CASA balance.

The deepening of our relationships with our customers to be their main transaction bank was supported by hyper-personalized engagement strategies and data-driven offerings. For example, our Auto-earning product leverages our data and technology capabilities to enable users (individuals and small businesses) to earn higher interest on their idle cash, while retaining the liquidity of their current account. Launched in 2024, Auto-earning already had more than 2 million users by the end of the year and is leading the market in terms of flexibility, liquidity optimization and user convenience.

We also introduced new solutions and enhanced our credit risk assessment for merchants and micro-SMEs, driving up our CASA balance. For our corporate clients we continued to accelerate our sector-based strategy and introduced new industry-based offerings, such as C-Cash, a new holistic treasury management solution.

### ***Diversifying our credit portfolio***

At the bank-only level, customer credit grew by 20.85% YoY to VND 640.7 trillion, in-line with the quota granted by the State Bank of Vietnam.

Corporate credit (i.e., loans & bonds to customers of our Corporate and Institutional Banking Group) grew by 17.3% YoY to VND 398.6 trillion. We made further progress on our diversification strategy, with the share of loans to the real estate sector reducing to 57.0%, from 60.8% in 2023. As a percentage of our total credit exposure, our corporate real-estate portfolio accounted for 33.2% at 31 December 2024, compared to 36.8% a year earlier.

Within our corporate credit book, our loans to the real estate sector grew by 10% YoY, while our lending to other sectors including Construction (+47%), and Construction Materials (+25%), FMCG +(39%) and Utilities (+66%) grew much faster. We strengthened our capabilities and expertise in these sectors, as an enabler to accelerate the execution of our diversification strategy.

Our retail loans (including margin lending) showed solid growth momentum, increasing 28.4% YoY to a record high of VND 284 trillion, further supporting our credit diversification efforts. Among retail credit growth drivers, mortgage lending continued to gain momentum, expanding 22.2% YoY to VND 208.9 trillion. Strong growth was also achieved in margin lending, up 55.9% YoY, as well as loans to merchants and micro-SMEs, up 97.3% YoY.

### ***Liquidity management***

Techcombank has demonstrated robust liquidity throughout 2024, consistently maintaining liquidity ratios well above the SBV compliance limits. Beyond these limits, as

part of our risk appetite, we set minimum liquidity requirements based on Basel III international standards. We regularly run internal stress tests with varying severity levels and perform liquidity drills to evaluate the effectiveness of our Liquidity Contingency Plan (LCP).

Overall, we sustain a diversified funding base from a variety of customers, counterparties, product types, and channels. Our liquidity and funding profiles are continuously evaluated, with proactive measures to ensure their stability.

### ***Capital management***

At the end of 2024 our CAR improved to 15.3%, up from 14.4% a year earlier, and significantly exceeding the SBV compliance limit of 8.0%. This improvement was driven by robust retained earnings and the benefits of asset diversification on risk-weighted assets.

Our annual ICAAP exercise ensures comprehensive assessment and management of capital adequacy, aligned with our strategic objectives and risk appetite. Overall, Techcombank remains one of Vietnam's best-capitalized banks.

### ***Asset quality management***

The Bank saw a rise in non-performing loans (NPL) for the first three quarters of the year, followed by an encouraging downward trend in 4Q24. Special mention loans (B2) balance decreased sharply from 0.86% in Q3 to 0.73% in Q4, while NPLs lowered to 1.17%.

By the end of the year our cost of credit (Last Twelve Months basis) was at the very low level of 0.8%, and 0.6% post recoveries. The NPL coverage ratio stood at 113.8%, reflecting prudent provisioning.

When looked at holistically across capital adequacy ratio (CAR), liquidity, funding and non-performing loans (NPL), Techcombank stands out as one of the banks with the strongest risk profile in the industry. This was achieved thanks to robust and consistent risk management policies and underwriting standards, which form part of a comprehensive and independent risk structure, aligned with global best practices.

## **2. Operating results:**

### ***Income drivers:***

Total operating income (TOI) was VND 47.0 trillion, up 17.3% YoY, driven primarily by strong growth in credit assets and improving net interest margin.

### **Net interest income**

In 2024, net interest income (NII) increased by 28.2% YoY to VND 35.5 trillion, driven by credit growth that outpaced the industry at 20.85%, and a net interest margin (NIM) that was on average 20bps higher than in 2023. Our FY24 NIM was 4.2%, which is one of the

highest levels in the market. Better NIM was attributable to reduced funding costs (-153 bps YoY, largely thanks to robust CASA growth, a distinctive area of strength for Techcombank which we further consolidated in 2024. On the flipside, we saw continuing pressure on asset yields throughout the year. Key drivers were the intense loan pricing competition between banks, as well as the slow recovery of the real estate market in the South, which forced us to further moderate the amount of interest charged on some parts of our corporate credit books, in line with our flexible pricing strategy.

### **Net fee income**

Net fee income (NFI) grew 4.4% YoY to VND 10.6 trillion. A very strong performance in investment banking activities was partly offset by temporary impacts coming from the termination of our banca distribution agreement, as well as regulatory changes in the Letters of Credit (LC) market.

In terms of individual performance by product type for FY24:

- *Investment Banking (IB)* fees reached VND 3,461 billion, up 88.2% YoY: the Bank, together with our specialised subsidiary TCBS, has built a dominant position in corporate bond origination and distribution, and these two lines of business registered impressive volume growths in 2024, of c.7% and 45% respectively. Meanwhile, equity transaction volumes through the TCBS platform increased by 29.0% YoY, allowing TCBS to expand market share to 7.7% in 4Q24. This performance reflects the increased appetite of our customers for risk in the context of lower interest rates and a positive economic outlook. It also recognizes our efforts to constantly innovate and elevate the experience of our customers through the use of cutting-edge technology.
- *Letters of Credit, Remittance and Other cash and Settlement* generated VND 3,526 billion, down 21.8% YoY: Lower fee collections were mostly due to headwinds in the LC business, driven by regulatory changes and adverse interest rates affecting a specific category of LCs with funding component called Usance Payable at Sight (or UPAS LC), mostly in the second half of 2024.
- *Cards* generated VND 1,970 billion, down 8.3% YoY: Cards performed exceptionally well for the Bank in 2022 (up 172% YoY) and 2023 (up 34% YoY) and our 2024 results should be viewed in this light. The decrease in profitability was primarily driven by improvements made to customer value propositions (CVPs) in 2024, to make them more attractive to customers and drive future growth.

- *FX sales* stood at VND 884.8 billion, down 11.1% YoY: The decline was driven by lower FX derivative demand as well as tighter margins, in a context where the VND/USD exchange rate remained close to the SBV's ceiling rate during most of the reporting period.
- *Banca fees* stood at VND 605.7 billion, down 9.2% YoY: The banca market is still far from having recovered the level it had reached before the events which shocked the industry in 2022 and customer sentiment remains subdued. Moreover, in the specific case of Techcombank, the mutually agreed conclusion of the Bank's bancassurance distribution agreement with Manulife on October 2024 had a temporary impact on the amount of fees recorded in the fourth quarter of 2024. By the end of the year, however, new distribution agreements were in place and profitability was back to normal. Despite these challenges, the Bank continued to outperform the industry and remained #3 in market share in 2024 in terms of overall annual premium equivalent (APE). For 2025 and beyond, the perspective of the creation of specific insurance subsidiaries dedicated to general and life insurance activities represents an exciting opportunity for Techcombank's banca business.

### ***Cost efficiency***

Operating expenses increased by 16% YoY to VND 15.4 trillion, reflecting our continued investment in our strategic pillars of data, digital and talent. Our cost-to-income ratio for 2024 was robust at 32.7%, compared to 33.1% in 2023.

### **Data and Digital expenses**

We continued to invest in 2024 to strengthen our data and AI capabilities and enhance our digital banking platforms in line with our five-year transformation strategy.

Our market-leading technology capabilities enabled us to accelerate the introduction of first-in-kind data-led offerings, including Auto-earning 2.0 (“Sinh lời tự động”) and Techcombank Rewards. Meanwhile, our ‘data brain’, AI capabilities and technology marketing stack enabled us to precisely define individual customers and create more hyper-personalised experiences, including highly relevant money management advice and product recommendations.

By the end of 2024, the Bank had successfully scaled digital banking platforms to serve over 15.4 million customers. Of the 1.9 million new customers acquired in 2024, 55.1% were acquired digitally. Techcombank also moved our front-end digital banking platform for retail and SME customers to the cloud, further enhancing scalability and stability, making us ready



for accelerated growth. Overall, our technology and infrastructure spend reached VND 2.9 trillion in 2024, up 28.5% compared to the prior year.

## **Talent**

Talent is one of the three core pillars of Techcombank's transformation strategy, and Techcombank continued to invest in high-quality training programs for employees so they gain new skills and can reach their full potential. Our TechcomAcademy became fully operational in 2024 and was the central hub for 'upskilling employees for impact'. The overall Bank's headcount as at 31 December 2024 slightly increased to 11,848, from 11,614 a year earlier, while staff costs increased by 4.9% YoY in 2024, a lower pace than both TOI and PBT generation.

## **Marketing and promotion expenses**

Marketing investments increased by 53.9% YoY in 2024, reflecting the improving operating environment and introduction of successful data-led offerings, such as Techcombank Sinh lời tự động ("Techcombank Auto-earning"), Techcombank Rewards, and new solutions for merchants that were supported by marketing campaigns. We increasingly leveraged our cutting-edge technology marketing stack to create digital marketing campaigns with a very high degree of customer personalisation.

Corporate branding activities also expanded in 2024. The Bank continued to build on our Run for a Greater Vietnam activity with support for the 7th edition of the Techcombank Ho Chi Minh City International Marathon and the 3rd edition of the Techcombank Hanoi Marathon. We introduced Vietnam's first ever AI song generator to spread our 'Be Greater' brand promise in an innovative new way and took the customer experience to a new level through our sponsorship of very successful events like "Anh Trai Vuot Ngan Chong Gai" TV show and concerts. The Bank's inaugural Techcombank Keynote in June 2024 showcased how our investments in data, digital and talent are now delivering real value for customers. While our first ever Vietnam Investment Summit, hosted in December 2024 in partnership with Bloomberg Businessweek Vietnam, shone a spotlight on the potential of Vietnam's economy.

Supported by these activities, Techcombank's Brand Equity Index increased by 61% to become the highest of any Vietnamese bank. The Bank ended the year with a Net Promoter Score of 91, ranking number two among banking peers, according to a global leading Market research firm - IPSOS. Techcombank's 'Top of Mind' score for brand awareness, jumped to 22% from 19% in 2023, also the second highest in the market. These scores demonstrate the high awareness of Techcombank's "Be Greater" spirit among customers, the deep loyalty they feel towards the brand, and their willingness to recommend the brand to others. Just

recently, Brand Finance - a global brand valuation and consulting firm released the annual Brand Value report. Accordingly, Techcombank's brand value in 2025 is c.USD 1.7 billion, 3<sup>rd</sup> most valuable banking brand in Vietnam (an one rank increase compared to 2024).

### 3. Investment status of fixed assets in 2024

The investment amount for newly acquired fixed assets formed in 2024 by the bank is VND 1,634 billion, and the investment in assets under completion is VND 667 billion. Particularly:

- In 2024, Techcombank completed the headquarters buildings in Hanoi and Ho Chi Minh City providing a safe, efficient working environment that meets ESG standards.

Investment in information technology systems and machinery was VND 1,531 billion in order to scale up, improve operational efficiency, and provide personalized services and experiences to customers. Specifically, investments were made on Techcombank mobile software, Online banking, iDO, Corporate Omni Channel, the customer relationship management (CRM) system, Datalake software, MarTech Stack Platform, Capital Management Solution (C-Cash) Software, etc.

- In addition, Techcombank also invested in other information technology systems to an amount of VND 607 billion in 2024.

The amount of investment in fixed assets in 2024 was as follows:

*Unit: VND billion*

Item	Value at the beginning of 2024	Value of fixed assets have been formed	Value of fixed assets disposal	Value of assets are in progress of completion and investment	Total value of fixed assets that have been formed and are in the process of completion and investment
Houses, structures	6,648	93	(596)	60	6,205
IT system and machinery and equipment	8,485	1,531	(229)	607	10,394
Land use right	2,640	0	(679)	-	1,961
Others	354	10	(33)	-	330
<b>Total</b>	<b>18,127</b>	<b>1,634</b>	<b>(1,538)</b>	<b>667</b>	<b>18,891</b>

With continuous efforts in investing to upgrade infrastructure and technology, Techcombank has affirmed our strategic vision and technological capability in providing advanced financial solutions to customers, recognized and honored by domestic and international customers and organizations. In December 2024, Techcombank's C-Cash

Treasury Management Solution was honored by Corporate Treasurer magazine in two top categories: "Most Innovative Treasury Initiative" and "Best for Sustainable Treasury Solutions." In March 2025, Techcombank was named "Best Digital Bank in Vietnam" at The Asset Triple A Digital Awards 2025. Additionally, the Techcombank Mobile digital banking app was also recognized as the "Best Banking App in Vietnam," reaffirming the leading position in the digital transformation journey.

#### **4. Human resources management**

Continuing with our human-resources strategic vision to be the “home to the best talent” in 2024 Human resources programs and actions are enhanced in a holistic manner with the aim to make every Techcomer feel valued and supported by the Bank so that they may grow and develop to their fullest. We are proud to offer our people the best-in-class employee value proposition (EVP). This year we put a lot of effort into asking the people who know best – our employees – how they feel about our culture and work environment, rewards and recognition, performance management approach and training opportunities. Based on their input, we were able to create new, and tweak existing, programs and services to craft an even better employee experience. As a part of “digital to the core” across the whole bank, Techcombank continues to be a leader in HR technology with our highly integrated system. We now leverage a full-suite SaaS HR platform from providers like SuccessFactors, ensuring a holistic approach to across HR functionalities. Using the full functionality of the platform rather than adopting fragmented solutions means we benefit from smoother workflows, reduced reliance on manual processes and better overall efficiency for all employees.

One of 2024 highlights was the Bank’s milestone progress in empowering people from establishing new training centre (19 functional rooms including branch simulation rooms, for up to 200 participants), TechcomAcademy – a central hub for “upskilling and reskilling employees for impact” via programs like Product Owner, Scrum Master or People Manager Excellence. Also, in 2024 Techcomers benefited from further improved wellbeing via health series sessions and various housing loan programs and first in market rent-to-own program which have been enjoyed by nearly 1,900 Techcomers.

In the year Techcombank was recognised with various prestigious awards - Best Workplaces in Vietnam and in Asia by Great Place to Work (GPTW): 2<sup>nd</sup> year consecutively, and The Stevie Awards for Great Employers with Silver Award for Employer of the Year – Banking sector, and Bronze Award for Achievement in HR Technology.

## 5. Technology and digitalisation

In 2024, the Bank's investments in market-leading digital banking platforms for retail and business customers really began to pay off, helping the Bank to scale, improve efficiency and deliver hyper-personalized offerings and experiences to customers.

Further scaling our digital banking platform allowed the Bank to serve 15.4 million customers, of which ~4.5 million were on-boarded in the last two years. Integrating seamless digital solutions into ecosystem partner's accounting platforms doubled our SME customer base and expanded lending balances. Of which, digital acquisition has quadrupled and 75% are newly established businesses in the market.

By the end of 2024, all 10.5 million retail e-banking customers were using the Techcombank Mobile app for a simple, convenient, and intuitive banking experience. Digital customer engagement also increased, with 91% of retail transactions conducted digitally during the year, and average monthly log-ins to the Techcombank Mobile app continuing to rise to reach ~55 by the end of the year.

New innovative features continued to be added and finetuned during the year to further improve the customers' experience, including:

- **Techcombank Auto-earning:** Released in January 2024, this shining example of how digital innovation can deepen customer relationships pays competitive interest on idle cash in a primary account while remaining 100% available for payments/ use. It has been noticed by many existing customers and now forms a core part of every new customer activation. Auto-earning's success has helped grow the Bank's CASA balance by 27.2% YoY, facilitating credit book and overall balance sheet expansion. Auto-earning 2.0 came online in December 2024 with simpler enrolment, personalised rewards and visual tracking.
- **Techcombank Rewards:** In 2024, the Techcombank Rewards program achieved significant market leadership, emerging as the largest in Vietnamese banking and the second largest across all industries nationwide. About 10 million members engage with the program with 65% actively using it. Techcombank hyper charged take-ups with 80 strategically targeted and gamified campaigns that led to 720 million reward transactions. The program's robust ecosystem was joined by 300 leading brands, creating 19,000 reward acceptance points. Within just eight months, the program unleashed ~124 billion VND in merchant-funded deals for customers.
- **Expanding wealth management:** As part of the Bank's commitment to innovation, it launched several new products to help customers better manage their wealth. By strongly

integrating these products with the Bank's securities brokerage subsidiary, 99.9% of these new securities accounts are now opened digitally, and 45.4% are driven from Techcombank. The Bank also expanded investment options with proprietary and third-party funds, allowing customers to seamlessly diversify their portfolios and also enabling them to conduct research and either invest in property-related or other assets over our digital platform.

The Bank also took steps to further enhance our mobile banking app for business. By introducing nearly 50 innovative new features – including Auto-earning, OTT SWIFT GO service, and Chinese language support on the app – the platform significantly enhanced experience for over 110,000 corporate customers.

Techcombank's retail and business apps are now among the highest rated mobile banking apps in Vietnam on the Google and Apple App stores. This excellence was recognized internationally when Techcombank won the Best Integrated Corporate Banking Platform in Asia-Pacific, Best Mobile Banking App in Vietnam, Best Corporate/Institutional Digital Bank in Vietnam, and Best Consumer Digital Bank in Vietnam from the prestigious US-based magazine, Global Finance.

Techcombank remains at the forefront of cloud efficiency, driving cost savings while ensuring scalable and high-performing digital infrastructure. Through swift and strategic execution, Techcombank saved USD 4 million in 2024, leading the market in 'Advanced Cost Optimisation' with a score of 55%, outperforming the ASEAN large-bank benchmark of 50%.

## 6. Data capabilities

Techcombank is proudly shaping the future of finance through strategic investments in data and AI, delivering transformative innovations like virtual assistants and geospatial tools, that drive market expansion and enhance customer interactions. Advanced data capabilities in 2024 resulted in significantly more visible results for customers as well as driving productivity and generating revenues for the Bank.

**AI in action:** The bank launched the first AI Agent in Vietnam – HienOi. AI-powered products like Lead Curation Tool LACE, Translation agent ZickOi and the Customer Brain, to name a few, have been rolled out to the entire bank including frontline staff to drive productivity, improve customer experience and grow the top line. AI is now an **integral part of daily workflows**, driving innovation and operational excellence.

- *HienOi:* Hien-Oi is a virtual assistant that listens and then can summarise the key points for better service quality and productivity. With this, when fully launched across the Bank each

and every Techcomer can have an assistant, allowing them to efficiently focus on more value-added works.

- *Lead Allocation and Curation Engine (LACE)*: LACE helps assign the right leads to the right RMs along with an explanation of rationale, significantly boosting conversion rates. It makes targeting customers easier and more successful.
- *Relationship managers Playbook (RMPB)*: This interactive medium provides instant access to an 800-page compendium of product offerings and customer insights, saving RMs time and giving them sharper tools to serve customers.
- *GeoSense*: Frontline staff photograph a business location and get instant insights into that business's potential as a customer. It opens doors to underserved segments like household merchants and small businesses, which remain a key focus of Techcombank in 2024 and forward.
- *ShopCash*: Through alternative data, ShopCash identifies and provides working capital to informal merchants and home entrepreneurs, unlocking new revenue streams and extending financial inclusion.

Our customer brain, which we have spent the last 2 years building, has 8,000+ customer features. This has resulted in a more effective **loan underwriting model** which enabled new customers to be offered loans within days instead of 6 months. This transformation is driven by data sources beyond traditional credit bureaus, enhancing efficiency and accessibility.

## 7. Risk management

Trust and stability are core to the Bank's success. Risk Management Division (RMD) must anticipate, identify, mitigate and offset threats – complying with regulatory requirements and considering how varying scenarios may impact operations – while protecting and maximising the funds and futures of our shareholders and customers. With risk management systems centralised and fortified, employees aware that they play an active role, and early warning signals in place, RMD can look across all divisions and recommend changes, providing reliable information about how divisions are doing, so they can take prompt actions as needed. We know that lack of planning and preparation in risk management can have dire consequences.

In 2024, RMD continued to:

- improve the Bank's risk performance and asset quality at leading market position while keeping credit growth at higher pace and seek compliance with local law and international standards

- leverage advanced data and model capabilities to improve our accuracy at predicting and preventing adverse events
- build a high-calibre risk team by attracting top local and international talent and providing specialised training
- research, plan and implement the internal liquidity adequacy assessment process (ILAAP) so the Bank always has sufficient funds available to meet demand
- invest in AI for minimising application fraud, while using technology to optimise processes and products for customers.

Specifically, RMD harnessed the power of Databricks on the AWS Cloud to develop over ten advanced machine learning models. These streamline approvals provide early risk warnings and detect fraud. The new Enterprise Feature Store developed with Data and Analytics (DnA) division is a sophisticated tool integrating 8,000+ features to improve every stage of the model lifecycle, from development to monitoring. In an industry first we collaborated with Moody's Analytics to create a comprehensive real estate project finance assessment model, aligned with international standards. This allows for objective evaluation of real estate projects, whether completed, ongoing or in planning – ensuring robust decision-making across the lifecycle.

Amid heightened market volatility, RMD also developed advanced dashboards to track daily fluctuations in real estate metrics like location, project type and category. These allow the Bank to adjust pricing and acceptance policies flexibly and efficiently, safeguarding our credit exposure to real estate assets.

**Credit risk:** To further improve risk management capability, the Bank invested in internal systems and tools, including infrastructure like the Risk Data Mart, and workflow management. This put relationship and risk managers together on one platform, allowing us to further refine and streamline end-to-end credit processes, with AI and machine learning (ML) greatly aiding our efficiency. We grew our customer base, while also increasing the predictive powers of our models to craft an improved banking experience. To strengthen the credit risk management platform, we expanded system capacity – continuing to optimise the appraisal and approval process for small and medium enterprises with flexible, intelligent systems to address their needs. Other improvements included:

- 12 pilot programs for unsecured individual consumer loans and two programs for business owners.
- building and standardising individual utility limits based on understanding customer asset accumulation, consumption and business.

- better use of partnership channel data to develop more than 10 new risk models based on customer behaviour.

Moreover, in view of international good practices, Techcombank manages concentration risk through collateralisation, setting exposure limits, diversification and stress testing. Also, leveraging our deep industry expertise to manage risk, we continued to profit on high return specialised business segments. Tailoring our products and services to specific customers and markets encourages loyalty and makes it easier for us to attract new customers – while keeping all parties safe.

**Model risk** – Vietnam’s first model risk management system: As the use of models in business decision-making grows rapidly under our Data-Digitalisation-Talent strategy, the Bank has taken significant strides to meet the high standards of SBV and international best practice. This year, we achieved a major milestone by becoming the first Vietnamese bank to successfully implement a comprehensive model risk management system. Key features include (i) a single source of truth for model inventory; (ii) model risk scoring and tiering; (iii) model risk workflows and (iv) visualisation and reporting tools.

**Market risk and IRRBB:** we rolled out automated construction of discount yield curves for customer loan portfolios within the KRM Asset/Liability Management system. The new Delta net interest income (NII) measurement indicator complements Delta economic value of equity (EVE), for better short-term interest rate risk management. The Bank also piloted a new market risk standard, testing calculations to better capture the trading book’s risk profile and determine the capital required for potential losses across different scenarios. This marks a significant step forward in aligning with advanced risk management practices. To refine assessments further, we introduced an advanced, stochastic modelling approach using Monte Carlo simulations for potential future exposure (PFE) estimation. This covers all derivative products and off-balance-sheet items, enhancing the precision of the PFE limit process.

**Technology and cyber risk:** The Bank’s technology and cyber risk management is guided by a ‘three lines of defence’ framework across all our governance and processes. Our information security team is involved at every stage of business and technology initiatives under the DevSecOps model. The team works with stakeholders to address risks throughout the software development lifecycle, including assessing third parties.

**Operational risk:** In 2024 we continue to save significant potential fraudulent losses. Centralised data management tools are streamlining how we identify risk and manage risk events. By synchronising and cleaning operational risk data we can manage risk faster.



Innovative tools forecast and quantify risks, connect data across the ecosystem and align risk monitoring across the Bank's units.

**Stress testing:** Regular stress testing is a core component of our risk management framework, using sensitivity and scenario analyses. The annual ICAAP exercise spans various material risk types, assessing capital adequacy against projected demand and supply under different circumstances, including severe macroeconomic stress. Stress tests are also triggered by micro and macroeconomic changes, or portfolio developments. Results are documented, reviewed and approved by senior management and the Board, and used to identify vulnerabilities, risky portfolio segments and systematic risks.

## **8. Subsidiaries**

### **8.1. Techcombank's Asset Management Company Limited (Techcombank AMC)**

Operating in the final stage of the credit cycle, Techcombank AMC takes over the Bank's overdue debts. With active, professional and law-savvy employees, it is a market leader in debt settlement and asset management. In 2024, Techcombank AMC collected VND 4,789 billion in debt, directly contributing VND 1,117 billion to the Bank's profit. At 2024-end, Techcombank AMC was entrusted with collecting debt from ~150,000 customers with outstanding principal of ~VND 30.1 trillion. AMC recorded VND 198 billion in revenue and VND 67 billion in profit before tax in 2024.

### **8.2. Techcom Securities Joint Stock Company (TCBS)**

In 2024, TCBS served over one million customers as it aimed to become 'the Orchestrator' of capital flows in Vietnam in 2025. The company strengthened its market share in equity brokerage, reaching nearly 8% on the Ho Chi Minh stock exchange, and became market leader in margin lending and corporate bond issuance and distribution advisory. TCBS recorded total assets of VND 53,244 billion, up 21.6% YoY and pre-tax profit of VND 4,802 billion, surpassing profit guidance by 29.8%. TCBS's PBT in FY24 continued to be the highest in the sector for 6 consecutive years, confirming the position as the leading wealth-tech firm in Vietnam.

### **8.3. Techcom Capital Joint Stock Company (TCC)**

In 2024, TCC recorded revenue and pre-tax profit of VND 126.7 billion and VND 120.3 billion, respectively, with total assets amounting to VND 1,045 billion by 2024-end. Total assets under management (AUM) across TCC's funds and entrusted portfolios reached VND 15,000 billion, with a growing investor base of approximately 40,000. In two recent years, TCC won Outstanding Fund Management Company from the Vietnam Securities Depository and Clearing Corporation (VSDC), and the Asset Management Award by the Vietnam Financial Advisors Summit.

## II. BUSINESS PLAN FOR 2025

Building upon the accomplishments of the last few years, Techcombank will continue to put customers at the center of our strategy and provide them with responsible and comprehensive financial solutions in 2025.

### 1. Key financial targets for 2025

(i) Credit balance <sup>(1)</sup> :	In line with credit quota granted by the SBV, the current approved credit balance is VND 745,738 billion, +16.4% YoY
(ii) Total deposits:	In line with actual credit growth, so as to optimise balance sheet management
(iii) Profit before tax:	VND 31,500 billion (up 14.4% YoY)
(iv) Non-performing loans:	lower than 1.5%

*(1) Bank's credit balance and growth are calculated according to SBV's regulations*

To pro-actively implement the Business Plan, Techcombank will propose to shareholders that the Board of Directors consider and approve the plan, including the abovementioned guidance, to ensure compliance with the credit growth limit approved by the SBV and other prevailing regulations from time to time.

### 2. Specific business plan

Forward-looking guidance is for Vietnam's GDP growth to remain at c.7%. Supporting factors include:

- Strong exports driven by external demand, particularly from the US (although tariffs may affect this, if they were enforced)
- Strong and resilient FDI thanks to extensive government support in AI, semiconductors and other technology products
- Continued investments in infrastructure, and competitive energy and construction costs compared to other regional markets
- Perspective of increases in public spending, and real estate recovery.

Looking at the financial sector specifically, the willingness of policy makers to welcome banks to work alongside them on Vietnam's new era of growth provides exciting opportunities. As an illustration of this approach, Techcombank is ready to be part of formulating a blockchain and digital currency strategy – helping the country reach its double-digit growth objective beyond 2026.

Our overarching aim in 2025 will be to see more results of our investments in “Change banking, Change lives”, in order to help drive Vietnam’s transformation into a leading knowledge economy with a strong sense of social and environmental responsibility.

Specifically, our credit growth will be in line with our SBV credit quota, which was 20.8% in 2024. It could rise in 2025 as the government aims to accelerate economic expansion, supported by higher industry credit growth. More importantly we expect to maintain both asset quality, and thus credit cost, while further strengthening the Bank’s low cost of fund advantage.

In order to keep creating unparalleled value for our customers and shareholders, we will focus on three areas:

- We will continue working toward being the **first fully AI-powered bank**:
  - Enabling more unique CVPs like near 24-7 service availability, hyper-personalized experiences and shorter time-to-market
  - Empowering our staff to achieve exponential productivity gains through innovations like virtual assistant, more efficient coding and marketing content creation
- We will expand our unique **‘beyond banking’ ecosystem**, with the aim of leading an integrated, diverse group providing a range of financial and non-financial products and services
- We will double-down on our commitment to becoming **fully ESG enabled** through the provision of innovative solutions:
  - Maintaining the leadership initiated with our green bond framework
  - Continuing active engagement with Vietnamese leaders and policymakers on ESG, including Net Zero transition.

The Bank has an ambitious 2025 agenda, and we are confident in our **brand strength and technology** to deliver on it. We will continue to lead the digital transformation of the financial industry, enabling individuals, businesses and corporations to progress and thrive sustainably.

### **3. Budget for remuneration of the Board of Directors and Supervisory Board**

3.1. Budget for Remuneration, operational expenses and other expenses of the Board of Directors (BOD) and Supervisory Board (BOS) in 2025 is presented below:

<b>Item</b>	<b>Actual 2024</b>	<b>Budget 2025</b>
Fixed salary	VND 30.6 billion	VND 31.8 billion
Performance bonus	BOD and Supervisory Board do not get any bonus	BOD and Supervisory Board do not get any bonus
Operational expenses, other expenses <sup>(1)</sup>	VND 8.6 billion	VND 9.0 billion

*(1) The budget includes medical allowance, voluntary social insurance and professional liability insurance.*

3.2. The BOD and BOS are responsible for managing; deciding to amend items; identifying issues related to remuneration, operational expenses and other expenses within the approved estimation plan; and overseeing principles, standards and interests of the positions of the BOD and BOS in compliance with the law, the Charter and the internal regulations of Techcombank.

## **PART II RECOMMENDATIONS**

With a solid foundation for further development and the unfailing support of our shareholders, the Bank's leadership is confident in the capacity to achieve 2025's business goals, setting the operational direction for the next phase of strategic expansion and ensuring that the Bank continues to change banking while improving customers' lives.

The Board of Directors and the Executive Team would like to propose at the General Shareholders' Meeting to:

1. Approve the business performance report of 2024, the business plan and budget for 2025, including the budget for the Board of Directors and Supervisory Board in 2025;
2. Approve the assignment to the Techcombank Board of Directors of the task of considering and making decisions to implement the business plan and budget for 2025.

**FOR AND ON BEHALF OF THE BOARD  
OF MANAGEMENT  
CHIEF EXECUTIVE OFFICER**

**FOR AND ON BEHALF OF THE BOARD  
OF DIRECTORS  
CHAIRMAN**

*(Signed)*

**Jens Lottner**

*(Signed)*

**Ho Hung Anh**