



## **1H24 TECHCOMBANK (TCB - VN) RESULTS**

### **Robust results across all key business lines**

#### **1H24 HIGHLIGHTS**

- Pre-tax Profit (PBT) of VND 15.6 trillion – up 38.6% YoY
- Total Operating Income (TOI) of VND 25.7 trillion – up 37.9% YoY
- 37.4% CASA ratio, vs. 40.5% at 1Q24, or 34.9% one year earlier; CASA balance remained at all time high level of over VND 180 trillion
- Industry-leading capital adequacy and profitability with 14.5% CAR (Basel II) and 2.6% ROA (LTM)

**Hanoi, 22 Jul 2024** - Vietnam Technological and Commercial Joint Stock Bank (“Techcombank” or the “Bank”) today announced its financial results for the first half of the year, ended 30 June 2024.

*“In 2Q24 Techcombank’s momentum continued as we delivered another quarter of robust broad-based financial performance with both TOI and PBT YoY growth exceeding 30% for the second quarter in succession. Non-performing loans stayed below 1.3%, while our CAR improved to 14.5%. The Bank’s sustained financial performance and growth trajectory enabled us to pay a cash dividend of VND1,500/share in the quarter.*

*Our first Techcombank Keynote event was a success and showcased how we are leveraging our digital platforms, data and AI capabilities to create meaningful experiences for customers and deliver faster, more profitable growth for Techcombank. In another first, Techcombank is now the only bank in Vietnam to ever be named “The Best bank” by Euromoney, FinanceAsia and Global Finance, all in the same year.”*

**- Jens Lottner – Techcombank CEO**

## Income statement

- In 1H24, net interest income (NII) amounted to VND 18.0 trillion, up 40.2% YoY, in which 2Q24 saw a record high level of VND 9.5 trillion, marking a robust growth of 50.6% YoY. The increase was driven by the continued expansion of credit books and further cooling of cost of funds to 3.2%. Quarterly NIM improved to 4.6%.
- **Net fee income (NFI)<sup>2</sup>** grew 32.0% YoY to VND 5.8 trillion. Individual performance by product for 1H24 was as follows:
  - ✓ **Letters of Credit (LC), Remittance and Other cash & settlement (VND 2,193 billion, up 5.9% YoY):** single-digit growth in 1H reflected strong comparison base as these services had been growing rapidly since 2H22.
  - ✓ **IB fees (VND 1,792 billion, up 199.0% YoY).** 2Q24 saw IB fees *reaching new heights*, at VND 1.0 trillion, exceeding the levels recorded in 2021-1H22, before the downturn of the corporate bond market. This reflected both increased activity in the stock market, as well as TCBS' continued market share expansion, reaching 7.5% and 7.9% respectively for equity brokerage on the HOSE and HNX during 2Q24.
  - ✓ **Cards (VND 1,022 billion, up 2.7% YoY):** single-digit growth also reflected high base, being coupled with promotion activities such as cashback and other reward programs.
  - ✓ **Banca fees (VND 384.5 billion, up 32.5% YoY):** NFI from banca showed positive signs of recovery, albeit from a low base in 1H23. Focused efforts on 'need-based selling' philosophy allowed Techcombank to re-gain #2 position in terms of APE in 2Q24 and #3 in the first 06 months despite persistent challenges in the sector.
  - ✓ **FX sales (VND 370.4 billion, down 23.1% YoY):** while transaction volumes were relatively stable, margins contracted because the VND-USD exchange rate remained near the central bank's ceiling rate for most of the period.
- **Net income from other activities**, excluding recoveries, reached in 1H24 VND 1,420 billion, up 33.8% YoY, largely driven by robust gains from bond trading income.
- **Recoveries** reached VND294.1 billion in 2Q24, up 52.5% YoY, and VND 437.8 billion in 1H24, up 40.3% YoY.
- **Operating expenses** increased by 19.7% YoY to VND 7.2 trillion. Marketing expenses increased 108.3%, in line with the higher sales volumes and the increased focus on retail customers, especially tiered brand offerings and promotion. Overall, robust top

line growth and cost discipline allowed the Bank to maintain the Cost-to-Income Ratio (CIR) at 28.0% in 1H24, compared to that of 32.3% in 1H23.

- **Provision expenses** amounted to VND 2,855 billion, up 112.8% from 1H23. The cost of risk (LTM) stayed moderate at 1.1% and the loan loss coverage ratio remained healthy at 101% by 30 June 2024.

### **Balance sheet**

**By the end of 1H24, Techcombank's total assets** reached **VND 908.3 trillion**, up 6.9% YTD and 24.0% YoY. At the bank-only level, customer credit grew 11.6% YTD to VND 591.6 trillion, tracking well against the credit quota granted by the State Bank of Vietnam.

- **On a consolidated basis, credit demand in the first 6 months of 2024 was broadly balanced between corporate and retail customers, with the latter posting some stronger pick-up in 2Q.** Credit to corporate customers expanded by 4.3% QoQ and credit to retail customers by 7.0% QoQ in 2Q24. Within retail loan book, mortgage balance rebounded to VND 181.7 trillion, up 6.3% YTD and 9.1% YoY. Mortgage disbursements continued their positive momentum, totalling VND 31.2 trillion in the reporting quarter, a level equivalent to the one seen before the market downturn of 2H22-3Q23.
- **Customer deposits** reached VND 481.9 trillion, up 6.0% YTD and 26.2% YoY. CASA balance, despite a slight decrease QoQ, remained at an all-time high level of over VND 180 trillion. CASA ratio lowered to 37.4%, from 40.5% in 1Q24 due to sustained growth from term deposits as well as our new Auto-earning proposition.

### **Liquidity and capital**

The total balances in Auto-earning accounts amounted approx. VND 14.1 trillion at 30 June 2024. This, together with current account balances provided the Bank with very competitive costs, resulting in overall further lowered cost of funds.

- The Bank's funding position remained robust, with a regulatory **loan-to-deposit ratio** (LDR) of 79.6% at 30 June 2024, below 80% cap imposed by the State Bank of Vietnam. At 30 June 2024, **short-term funding to medium and long-term loan ratio** stood at 24.2%, vs. that of 25.1% at 31 March 2024.

- **Capital adequacy ratio (CAR) improved to 14.5%** at 30 June 2024, despite the payment of over VND 5.0 trillion in cash dividend. This level is consistent with the Bank's target range of 14% to 15% and reflects the Bank's strong organic capital generation capacity.

### **Asset quality**

- Total Special Mention (SM or B2) & Non-performing loans (NPL) moderately declined to VND **12.1 trillion** from VND **12.4 trillion** at the end of 1Q24 thanks to slower B2 formation and successful work-out while ~VND **2 trillion** migration from SM to NPL was in line with expectation.
- **Special mention loans (B2)** declined to VND 4,855 billion, vs. VND 6,088 billion at the end of 1Q24, with this B2 ratio fell to 0.8%, from 1.1% one quarter ago.
- **Non-performing loans (NPL)** moderately inched up to **1.28%**, from **1.17%** at the end of 1Q24. Organic NPL, i.e., pre-CIC, was **1.08%**. New NPL formation rate remained at relatively high level but in line with expectation while recovery is progressing per plan.

### **SUBSIDIARIES**

- TCBS delivered upbeat results in 1H24. The securities firm posted VND 2,772 billion in pre-tax profit (PBT) for 1H24, a robust increase of 177.3% YoY, and completing 75% of the full year guidance.
- For equity brokerage, TCBS maintained the #3 largest market share (7.5%) on the Ho Chi Minh Stock Exchange (HOSE) and #2 (with 7.9% market share) on the Hanoi Stock Exchange (HNX). This performance is a testament to the company's business model, which is based on the application of technology to create superior investment platforms and experiences for customers vs. the more traditional brokerage-led model of most securities companies. In 1H24, TCBS attracted nearly 60,000 new customers, in addition to a 91% YoY equity transaction volume increase per customer.
- With regards to bond business, TCBS provided underwriting services for a total issuance volume of approximately VND 10 trillion in 2Q, accounting for about 35% market share excluding bank bonds. In 1H24, TCBS's underwriting volume reached nearly VND 25 trillion, 14% higher than in 1H23.

- At the end of June 2024, TCBS' assets stood at over VND 52 trillion, up 10% QoQ, driven by record high margin lending balance of nearly VND 25 trillion. In the reporting quarter, TCBS successfully completed USD 175 million syndicated loans from international lenders. This was the largest unsecured amount that a Vietnam securities firm ever raised, further fortifying the company's leading position in the industry.

## **CUSTOMER AND OTHER HIGHLIGHTS**

### **New customers & E-banking transactions**

Techcombank ended 2Q24 with ~14.4 million customers, adding nearly 1.0 million new customers in the quarter. 55% of retail customers were acquired digitally and 44% were through branches, which in turn was largely driven by merchant initiative.

The number of retail customer transactions through e-banking channels was 780.8 million in 2Q24, up 14.6% QoQ and 56.3% YoY. For 1H24, retail e-banking transactions totalled 1.5 billion, up 57.4% YoY. Total e-banking transaction value in 2Q24 reached VND 2.9 quadrillion, up 12.4% QoQ and up 28.6% YoY. Overall, in 1H24, total e-banking transaction value reached over VND 5.5 quadrillion, up 25.5% YoY.

### **Corporate actions: cash dividend and charter capital increase**

Techcombank has reached a major milestone in its commitment to delivering exceptional value to its shareholders. The bank has successfully paid a cash dividend of VND 1,500 per share, the highest payment per share in the industry, while also making swift progress on its charter capital increase. The new charter capital stands at VND 70.5 trillion, the highest among private joint-stock commercial banks.

### **Techcombank opens up a new era of AI-powered banking at its first ever**

#### **Techcombank Keynote**

In June 2024, Techcombank held its first ever Keynote event, titled '*Pioneering Innovation: Reaching for New Heights*'.

The event showcased Techcombank's most innovative new solutions for individual, business, and corporate customers and highlighted how the bank is harnessing the power of data and AI to create meaningful experiences for customers and deliver unprecedented growth, especially through:

- Hyper-personalised experiences for all customers
- Innovative digital-led solutions to address business customers' pain-points
- Pioneering differentiated wealth solutions
- Driving up productivity and customer understanding, with the power of data and AI.

### **Progressive Merchant propositions**

After 12 months launching persona-based propositions for merchants in the country Techcombank has obtained positive feedback from over 600,000 merchants nation-wide with stronger results in 2024. Outstanding CASA balances per customer improved 20% (vs. pre-merchant offerings) and customers used 17.5 million QR merchant on average per month, which was 80% higher than at the beginning of the year. On month-on-month basis in 1H24 the Bank onboarded +45% new merchant accounts. In the period, Techcombank launched ShopCash which is 100% digital pre-approved unsecured lending and is conveniently accessible by merchant customers.

### **Techcombank and 9Pay to elevate digital payment experience for SMEs**

In June 2024, Techcombank and 9Pay – a reputable payment intermediary – have signed a comprehensive cooperation agreement to enhance digital payment for small and medium enterprises (SMEs). Per this partnership, the two parties agree to provide a technology platform to support 9Pay's e-wallet service, deploy collection services via virtual accounts; support disbursement via direct API connection; and corporate treasury management solutions. This collaboration aims to offer seamless payment transactions with near real-time processing, automatic reconciliation, and reduced operational costs. The partnership is expected to bring superior values to customers and drive sustainable growth for both parties.

### **AWARDS AND RECOGNITION**

In 2Q24, Techcombank was granted “Best Bank in Vietnam” by Euromoney for unprecedented fifth time since 2008, more than any other bank in the country. With this the Bank has been awarded three most prestigious accolades in the industry with the others being Global Finance and FinanceAsia. The award recognised Techcombank's strong financial performance and profitability, together with its robust asset quality and

balance sheet strength, which have enabled it to pay a cash dividend of VND1,500 per share to its shareholders for the first time in Q2 2024.

The award also acknowledged Techcombank's focus on customer-centricity and its role as an industry pioneer through the launch of innovative digital and data-led solutions for individual, business and corporate customers. For example, Techcombank's new Auto-earning solution enables individual customers to generate profit from their idle cash, Techcombank Merchant is empowering Vietnamese many merchants to run and grow their businesses, while Techcombank's new C-Cash solution helps Vietnam's largest corporates uplift their treasury management to a world-class level. The quality of Techcombank's suite of cash, treasury and FX solutions for SME and corporate customers was given special recognition with the award for 'Vietnam's Best Bank for Corporates' in 2024.

Other industry accolades that the Bank received in 2Q24 include:

- Being included in the first ever Fortune 500 South East Asia list.
- Best Liquidity & Investment solution and Best Payments and Collections Solution by The Asset Triple A Treasurise Awards 2024
- Innovation in Brand development and Most Innovative Marketing team in the 2023 Asia-Pacific Stevie® Awards
- Best Cloud Implementation in The Asian Banker Financial Technology Innovation Awards
- Best cash management bank in VN and Best Transaction Bank in The Asian Banker Transaction Finance Awards
- Vietnam Domestic Cash Management Bank of the Year, Vietnam Domestic Trade Finance Bank of the Year, and Vietnam Domestic Retail Bank of the Year by Asian Banking & Finance.

**Learn more about Techcombank's results:** Techcombank will present 1H24 as below:

1. Institutional investors and analysts can join us at 2:45PM on 22 July 2024

- English: <https://youtube.com/live/nqPSNkHi0vU?feature=share>
- Vietnamese: <https://youtube.com/live/mCpOSygaKi4?feature=share>

2. Retail investors (in Vietnamese only) can join us at 2:45PM on 23 July 2024

- Youtube: [https://youtube.com/live/FI\\_TimmVzIE?feature=share](https://youtube.com/live/FI_TimmVzIE?feature=share)
- Facebook: <https://www.facebook.com/events/3803564676631352/>

View the webcast and presentation slides at any time via [Techcombank Investor Presentation](#).

<b><u>Public relations contact:</u></b> Nguyen Thi Bich Thuy Email: <a href="mailto:thuyntb5@techcombank.com.vn">thuyntb5@techcombank.com.vn</a>	<b><u>Investor relations contact:</u></b> Investor Relations Department Email: <a href="mailto:ir@techcombank.com.vn">ir@techcombank.com.vn</a>
--------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------

### **About Techcombank (Ticker: TCB VN, HOSE)**

Vietnam Technological and Commercial Joint Stock Bank (Techcombank) is one of the largest joint stock banks in Vietnam, and a leading bank in Asia, with a vision to Change Banking, Change Lives. The Bank pursues a proven customer-centric strategy in providing a broad range of retail and corporate banking solutions and services to help financially empower its customers. Techcombank has ~14.4 million retail and corporate customers, which it serves through a market-leading digital banking platform and mobile app, and an extensive network of transaction service outlets at locations across Vietnam. The Bank's ecosystem approach, co-created through partnerships in multiple key economic sectors, adds further scale and differentiation in one of the fastest growing markets in the world. Techcombank is the only Vietnamese bank to ever win all three most prestigious prizes in the same year by Euromoney, Global Finance and FinanceAsia.

Techcombank is rated A+ by FiiRatings, Ba3 by Moody's and BB- by S&P, which is the highest among Vietnam joint stock commercial banks.



Acronyms:

<p><i>APE</i> – Annual premium equivalent</p> <p><i>LC</i> – Letter of Credit</p> <p><i>CAR</i> – Capital adequacy ratio</p> <p><i>CASA</i> – Current account savings account</p> <p><i>CIBG</i> – <i>Corporate and Institutional Banking Group</i></p> <p><i>CIR</i> – Cost-to-income ratio</p> <p><i>HOSE</i> – Ho Chi Minh Stock Exchange</p> <p><i>IB</i> – Investment banking</p> <p><i>LDR</i> – Loan-to-deposit ratio</p> <p><i>MoM</i> – Month-on-month</p> <p><i>NII</i> – Net interest income</p> <p><i>NFI</i> – Net fee and commission income</p> <p><i>NIM</i> – Net interest margin (<i>LTM</i>)</p> <p><i>NPL</i> – Non-performing loan</p> <p><i>PBT</i> – Profit before tax</p> <p><i>Q1, Q2, Q3, Q4</i> – Quarter 1,2,3,4</p> <p><i>ROA</i> – <i>Return on assets</i></p> <p><i>ROE</i> – <i>Return on equity</i></p>	<p><i>SME</i> – Small and medium-sized enterprise</p> <p><i>ST</i> – Short-term</p> <p><i>TCBS</i> – Techcom Securities</p> <p><i>TOI</i> – Total operating income</p> <p><i>VND</i> – Vietnamese dong</p> <p><i>YoY</i> – Year-on-year</p> <p><i>RBG</i> – Retail Banking Group</p> <p><i>BB</i> – Business Banking Group, servicing Middle Market (MM, annual revenues between VND 600 billion and VND 2 trillion), Upper SME (USME, annual revenues between VND 200 billion and VND 600 billion), SME (annual revenues between VND 200 billion and VND 20 billion), and Micro SME (MSME, annual revenues under VND 20 billion) customers</p> <p><i>WB</i> – Wholesale Banking Group, servicing large corporate customers</p> <p><i>CIBG</i> – Corporate and Institutional Banking Group</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Balance sheet (VND Bn)	2Q23	3Q23	4Q23	1Q24	2Q24	Q/Q	Y/Y
<b>Total Assets</b>	732,470	781,279	849,482	885,653	908,307	2.6%	24.0%
<b>Deposits from customers</b>	381,947	409,045	454,661	458,041	481,860	5.2%	26.2%
<b>Credit growth<sup>3</sup> (YTD)</b>	8.5%	11.4%	19.2%	6.4%	11.6%	+522 bps	+313 bps
<b>CASA</b>	34.9%	33.6%	39.9%	40.5%	37.4%	-309 bps	+245 bps
<b>NPL</b>	1.10%	1.40%	1.19%	1.17%	1.28%	+11 bps	+19 bps
<b>Credit costs (LTM)</b>	0.6%	0.7%	0.8%	0.9%	1.1%	+13 bps	+46 bps
<b>Coverage ratio</b>	115.6%	93.0%	102.1%	105.9%	101.0%	-491 bps	-1,455 bps
Capital and Liquidity	2Q23	3Q23	4Q23	1Q24	2Q24	Q/Q	Y/Y
<b>Basel II CAR</b>	15.1%	15.0%	14.4%	14.2%	14.5%	+31 bps	-61 bps
<b>Basel II Tier 1 ratio</b>	14.9%	14.8%	14.0%	13.8%	14.2%	+36 bps	-73 bps
<b>Short-term fundings to medium and long-term loans<sup>4</sup></b>	31.6%	30.5%	26.4%	25.1%	24.2%	-90 bps	-738 bps
<b>LDR<sup>5</sup></b>	80.4%	76.7%	77.4%	78.5%	79.6%	+110 bps	-82 bps
Profitability (VND Bn)	2Q23	2Q24	Y/Y		6M23	6M24	Y/Y
<b>Net interest income</b>	6,295	9,478	50.6%		12,822	17,977	40.2%
<b>Non-interest income</b>	3,030	3,942	30.1%		5,803	7,704	32.7%
<b>Total operating income</b>	9,325	13,420	43.9%		18,625	25,681	37.9%
<b>Operating expenses</b>	(2,869)	(3,949)	37.6%		(6,011)	(7,198)	19.7%
<b>Profit before tax</b>	5,649	7,827	38.5%		11,272	15,628	38.6%
<b>NFI/TOI<sup>6</sup></b>	24.7%	23.3%	-142 bps		24.2%	23.2%	-103 bps
<b>CIR</b>	30.8%	29.4%	-134 bps		32.3%	28.0%	-425 bps
<b>ROA (LTM)</b>	2.6%	2.6%	0 bps		2.6%	2.6%	0 bps
<b>ROE (LTM)</b>	15.8%	16.5%	+68 bps		15.8%	16.5%	+68 bps
<b>NIM (LTM)</b>	4.3%	4.3%	-1 bps		4.3%	4.3%	-1 bps
<b>Cost of funds</b>	5.4%	3.2%	-224 bps		5.3%	3.3%	-207 bps

**Notes:**

- All numbers are consolidated, unless otherwise noted
- NFI includes fee from bond distribution and FX sales
- Bank-only number per SBV regulations
- Bank-only number per SBV regulations; SBV limit: 30%
- Bank-only number per SBV regulations; SBV limit: 85%
- NFI includes fee from bond distribution and FX sales, TOI excludes recoveries

Indicators	Formula
NPL coverage ratio	$\frac{\text{Provision reserves for loans to customers}}{\text{NPL balance}}$
CASA ratio	$\frac{\text{Demand deposits} + \text{Margin deposits}}{\text{Total deposits from customers}}$
ROA LTM	$\frac{\text{PAT for the consecutive 4 quarters}}{\text{Average total assets (over 5 latest quarters)}}$
ROE LTM	$\frac{\text{PAT post NCI for the consecutive 4 quarters}}{\text{Average equities excl. NCI (over 5 latest quarters)}}$
NIM LTM	$\frac{\text{NII for interest earning assets for the consecutive 4 quarters}}{\text{Average interest earning assets (over 5 latest quarters)}}$
Credit cost LTM	$\frac{\text{Provision expenses for loans and corporate bonds for the consecutive 4 quarters}}{\text{Average loans and corporate bonds (opening and ending balances)}}$
Credit cost net recoveries	$\frac{\text{Provision expenses for loans and corporate bonds} - \text{recoveries for the consecutive 4 quarters}}{\text{Average loans and corporate bonds (opening and ending balances)}}$

- Excluding provision reserves for margin lending
- NPL balance excludes margin lending

- Interest earning assets comprise: Balance with SBV, Deposits and loans to other credit institutions, Loans to customers, and debt investment securities

- Provision expenses for credit losses are for loans to customers (excl. margin lending) and unlisted corporate bonds (excl. for listed corporate bonds).
- Loans to customers balance excludes margin lending

**Indicators****Formula**

Asset yield

$$\frac{\text{Interest income for the quarter} * 4}{\text{Average daily interest earning assets}}$$

- Interest earning assets comprise: Balance with SBV, Balance at credit institutions, loans to customers, and investment securities

Loan yield

$$\frac{\text{Interest income from loans for the quarter} * 4}{\text{Average daily loan balance}}$$

Cost of fund

$$\frac{\text{Interest expenses for the quarter} * 4}{\text{Average daily funding balance}}$$

Deposit yield

$$\frac{\text{Interest expenses for deposits for the quarter} * 4}{\text{Average daily deposit balance}}$$