

FY24 TECHCOMBANK (TCB - VN) RESULTS

Ready to lead the banking sector in the AI era

FY24 HIGHLIGHTS

- PBT of VND 27.5 trillion – up 20.3% YoY
- TOI of VND 47.0 trillion – up 17.3% YoY
- Highest CASA ratio in the industry at 40.9%. CASA balance, including Auto-earning accounts, reached all time high level of nearly VND 231 trillion
- Industry-leading capital adequacy and profitability with 15.3% CAR (Basel II) and 2.4% ROA (LTM)

Hanoi, 20 January 2025 – Vietnam Technological and Commercial Joint Stock Bank (“Techcombank” or the “Bank”) today announced its financial results for the year ending 31 December 2024.

“Techcombank achieved TOI and PBT growth of 17.3% and 20.3% YoY respectively in 2024, delivering on our full year guidance. Today, Techcombank serves over 15 million customers, our credit book has grown by 20.85%, with our NPL ratio improving to 1.17%. Various successful data-led offerings, such as Auto-earning, Techcombank Rewards, and new solutions for merchants have positively driven our CASA balance by 27% in 2024 and resulted in CASA ratio of 40.9% by the end of the year.

While the global economic landscape looks uncertain, Vietnam’s growth is robust, and our forecast is upbeat. In 2025 we will continue to expand our ecosystem with a revamped insurance proposition and increase our commitment to sustainability and risk diversification. This strategy, enabled by our advanced technology capabilities and unparalleled customer centricity, means we are ready to seize new opportunities and deliver superior value to shareholders in the years ahead.”

- Jens Lottner – Techcombank CEO

Income statement

- **In 2024, net interest income (NII)** reached VND 35.5 trillion, recording a robust growth of 28.2% YoY. NIM (LTM) slightly decreased QoQ to 4.2% in 4Q24, while improving about 20bps YoY. Quarterly NIM (two-point average) lowered to 3.7%, from 4.0% in 4Q23 and 4.1% in 3Q24 mostly due to continuing pressure on asset yields as well as the impact of the rapid credit growth in the last weeks of the year. When calculated more accurately on the basis of average daily asset balances, then the actual quarterly NIM for 4Q24 stood at 3.9%. On the funding side, the Bank was able to keep Cost of Funds (CoF) flat QoQ at 3.4% and down 76 bps YoY, largely thanks to robust CASA growth.
- **Net fee income (NFI)²** grew 4.4% YoY to VND 10.6 trillion. The very strong performance in investment banking activities was partly offset by the one-off impact of the termination of the banca distribution agreement and by lower fees from the LC business in a context of regulatory changes. Individual performance by product type for FY24 was as follows:
 - ✓ **Letters of Credit (LC), Remittance and Other cash & settlement (VND 3,526 billion, down 21.8% YoY):** lower fee collection were mostly due to headwinds in Letters of Credit (LC) business, which in turn was driven by regulatory changes and adverse interest rate conditions affecting a specific category of credit-linked LCs (“UPAS LC”), mostly in the second half of 2024.
 - ✓ **IB fees (VND 3,461 billion, up 88.2%YoY):** 4Q24 IB fees amounted to VND 914.6 billion, up 44.6% YoY, reflecting the Bank’s leadership in wealth activities. This fee generation was close to the 2Q24 record (VND 1,042 billion) as the Bank increased margin lending balances and accelerated other wealth offerings.
 - ✓ **Cards (VND 1,970 billion, down 8.3%YoY):** the decrease was mainly due to the high level achieved last year, as well as the adjustments made to the Bank’s card propositions in 2024, to make them more attractive to customers and drive future growth. For the record, Techcombank’s net card fees had jumped 34% in FY23, after an impressive expansion of 172% in FY22.
 - ✓ **Banca fees (VND 605.7 billion, down 9.2% YoY):** after the Bank and Manulife mutually agreed to terminate the bancassurance distribution agreement with Manulife in October, banca sales were channelled through TC Advisors (TCA) and AIA. Whilst this change of distribution model had a temporary impact on the amount of fees recorded, which were down to VND 11.6 billion only in 4Q24, the profitability of the banca business is now back to normal and has the potential to improve further

in the future, as the Bank looks for a new long-term strategic partner. Techcombank remained #3 in market share in terms of 2024 overall annual premium equivalent (APE).

- ✓ **FX sales (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.
- **Net expenses from other activities** excluding recoveries totaled VND 291.7 billion. The Bank incurred a one-off expense of VND 1.8 trillion in 4Q24 from the termination of the bancassurance distribution agreement with Manulife, which was partially offset by gains on selling a part of Le Duan head office.
- **Recoveries** extended robust collection, resulting VND 1,138 billion in FY24, up 36.8% YoY, of which VND 309.1 billion incurred in 4Q24, flat YoY.
- **Operating expenses** increased by 16.0% YoY to VND 15.4 trillion. In 4Q24 OPEX increased by 31.3% YoY and 38.2% QoQ to VND 4.7 trillion, driven by the usual seasonality and acceleration of marketing initiatives (e.g., sponsorship of the highly successful Anh Trai Vuot Ngan Chong Gai concerts, exclusive activities for Private and Priority customers etc.). FY24 cost-to-income ratio (CIR) stood at 32.7%, which compares to 33.1% in FY23.
- **Provision expenses** amounted to VND 4,082 billion, a modest increase of 4.1% from FY23, which compares to a credit growth of 21.7% during the period. As a result, the Bank's credit cost (LTM) ended 2024 at 0.8%, broadly flat YoY and in line with management guidance. Net of recoveries, the Bank's credit cost in FY24 stood at 0.6%. In addition, loan loss coverage ratio improved to 113.8 % at the end of 2024.

Balance sheet

By the end of 2024, Techcombank's total assets reached **VND 978.8 trillion**, up 15.2% YoY. At the Bank-only level, customer credit posted 20.85% YoY growth to VND 640.7 trillion – aligned with SBV approval.

- **On a consolidated basis, 4Q24 retail credit continued robust growth momentum** of 7.5% QoQ, far exceeding the pace of corporate credit growth.
 - Among **retail credit** growth drivers, mortgage lending continued to gain momentum, expanding 7.9% QoQ and 22.2% YoY to VND 208.9 trillion. Notably,

disbursement volume surged to VND 35.5 trillion, the second highest level in the Bank's history.

- **Corporate credit** remained broadly flat QoQ and increased 17.3% YoY to VND 398.6 trillion. This quarter showed further progress on the Bank's diversification effort, with the share of real estate exposures reducing to 57% of corporate credit.
- **Customer deposits** reached VND 565.1 trillion, up 9.8% QoQ and 24.3% YoY. Thanks to the success of the new Auto-earning proposition, which has no equivalent in the market, CASA balance reached a record high level of VND 230.9 trillion, driving up the Bank's CASA ratio to 40.9%.

Liquidity and capital

- The Bank's funding position remained robust, with a regulatory **loan-to-deposit ratio** (LDR) of 77.1% at 31 December 2024, improving QoQ and remaining well below the 85% cap imposed by the State Bank of Vietnam. At 31 December 2024, **short-term funding to medium and long-term loan ratio** stood at 26.5%, up from 24.2% in the last quarter.
- **The Bank's capital adequacy ratio (CAR) improved to 15.3%** at 31 December 2024, which is well above the Basel II, Pillar I minimum requirement of 8.0%.

Asset quality

- **4Q24 saw commendable improvement in the Bank's asset quality. Special mention loans** (B2) decreased sharply by 14.0% QoQ to VND 4,441 billion, translating into 0.73% B2 ratio (vs. 0.86% in the preceeding quarter). Pre-CIC B2 ratio was 0.56%.
- **Non-performing loans** (NPL) lowered to 1.17%, from 1.35% at the end of 3Q24. Including bonds, the share of non-performing credit was 1.09% only. Organic NPL, i.e. before CIC impacts, was just 1.0%.

Subsidiaries

- In 4Q24, TCBS achieved a **profit before tax (PBT) of VND 933 billion** (up 6.0% YoY and down 15.0% QoQ), bringing the accumulated PBT of 2024 to VND 4,802 billion, recording an impressive 58.6% YoY growth and **reaching ~130% of the full-year target**.
- TCBS maintained its position as the #3 largest brokerage by market share on the Ho Chi Minh Stock Exchange (HOSE) and #2 position on the Hanoi Stock Exchange (HNX).

However, market share saw strong improvements vs. the previous quarter (7.7% on the HOSE, from 7.1% in 3Q24, and 8.35% on the HNX, up from 7.89% in 3Q24). This continued expansion shows TCBS' strong momentum with investors, thanks to its service quality and "Zero Fee" offerings.

- Regarding the bond business, TCBS provided underwriting services for a total issuance volume of approximately VND 75 trillion in 2024, accounting for a nearly 50% share of the market excluding bank bonds. TCBS's bond distribution volume also saw great momentum, reaching over VND 87.3 trillion, posting a 44.4% YoY increase.
- TCBS continues to affirm its leading position in the financial industry by strongly applying Artificial Intelligence (AI) and especially Generative AI (GenAI) to its core business activities, bringing outstanding benefits to customers and organizations. The company applies AI to the automated programming and testing process by using AI tools such as Co-pilot and AWS Q to help automate programming and testing process, reducing the time required by the programmer team by 40-50% and delivering breakthroughs in performance and cost optimization. Notably, TCBS has also developed an Automated Machine Learning (AutoML) platform to search for potential customers, recommend suitable products, forecast business metrics, and detect abnormal transactions.

CUSTOMER AND OTHER HIGHLIGHTS

New customers & E-banking transactions

Techcombank ended 2024 with ~15.4 million customers, adding over 1.9 million new customers in 2024. Of these, 55.1% were acquired digitally and 43.6% were acquired through branches. The Bank accelerated merchant acquisition through such as Auto-earning, Soft POS and other compelling propositions that met their individual and business needs.

The number of retail customer transactions through e-banking channels reached 956.4 million during 4Q24, up 12.5% QoQ and 45.3% YoY. Total transaction value in 4Q24 reached VND 3.1 quadrillion, up 16.6% QoQ and up 19.2% YoY. Overall, in 2024, e-banking transaction volume and value totalled 3.3 billion and VND 11.3 quadrillion, up 51.1% and 20.0% YoY, respectively. This performance meant Techcombank was the

number one position in the market for both inbound and outbound transactions in FY24, and was the number one every month consecutively from July to the end of the year.

The increase in transaction volumes is particularly important to drive CASA growth as analyses show that the CASA ticket-size of customers increases with the number of transactions they perform, reaching a maximum at around 100 transactions per month – a threshold which we define as Main Transaction Bank status. In order to increase the number of customers reaching MTB, the Bank is deploying hyper-personalised engagement strategies, enabled by Adobe’s cutting-edge Digital Marketing platform. Thanks to this strategy, the percentage of New to Bank (NTB) customers reaching MTB status after one month on board has gradually increased from 8% in January 2023 to 23% in December 2024.

Techcombank unveils Auto-earning 2.0: Revolutionary solution to optimize customer’s idle cash

Building on the overwhelming success of the original Auto-earning feature, Techcombank proudly announced the rollout of Auto-earning 2.0 in November 2024. This new version is designed to provide ungraded features to deliver unparalleled convenience and enhanced earning potential for customers.

Auto-earning 2.0 introduces three significant upgrades:

- **No constraint on Minimum Balance:** Customers can now use Auto-earning 2.0 without any constraint on minimum balance, making it easier for everyone to benefit from increased interests, of up to 3.0%, on their CASA deposit.
- **No constraint on Maximum Balance:** The upper limit on the amount that can earn interest has been set at the very high level of VND 50 billion, allowing in practice customers to maximize their earnings without restrictions.
- **Unified Account Structure:** Unlike the original Auto-earning feature, which had two separate compartments (a current account with minimal interest and an auto-earning account with higher interest), Auto-earning 2.0 consolidates these into a single, unified account, allowing customers to earn even higher interest on their idle cash.

Since its initial launch, the Auto-earning feature has been met with overwhelmingly positive feedback, and the introduction of Auto-earning 2.0 is set to establish a new benchmark for customer experience in the banking market. This product is a testament to the Bank’s

vision to Change banking, Change life through advanced technology-enabled offerings, which are both innovative and disruptive.

Techcombank - the first non-state owned bank in Vietnam to issue Green Bond Framework

In December 2024, Techcombank marked a significant milestone by becoming the first non-state owned bank in Vietnam to voluntarily issue a Green Bond Framework in compliance with the Green Bond Principles from the International Capital Market Association (ICMA). Techcombank's Green Bond Framework is a guiding document that ensures the proceeds raised from the issuance of Green Bonds will be used by Techcombank to finance projects that provide environmental benefits.

To safeguard compliance with ICMA's principles, Techcombank has chosen S&P Global Ratings, an independent and reputable external evaluator, to provide a Second Party Opinion for its Green Bond Framework. S&P Global Ratings has assessed Techcombank's Green Bond Framework as compliant with ICMA's Green Bond Principles and rated the Framework as 'Medium Green,' the second highest level on S&P Global Ratings' Shade of Green scale, and the highest rating in Vietnam provided by this agency.

Following this, Techcombank became in December 2024 the first non-stated owned commercial bank to successfully issue green bonds under ICMA principles and standards.

For more information, click [HERE](#) for Techcombank's Green Bond Framework and click [HERE](#) for S&P Second Party Opinion.

Techcombank advances ESG Initiatives with the launch of Eco Card and Winter Giving 2024

Techcombank has also accelerated its comprehensive environmental, social, and governance (ESG) strategy with the introduction of the ***Techcombank Visa Eco Card***, which was launched in November 2024. This innovative product is designed to promote sustainable living and environmental protection.

The Techcombank Visa Eco Card offers several unique features:

- **Greenhouse Gas Measurement:** Leveraging state-of-the-art technology from Visa, this is the first debit card that can track the carbon footprint of each transaction, allowing users to monitor and manage their environmental impact.

- **Environmental Project Integration:** Cardholders can connect with environmental project(s) in Vietnam, to offset their carbon emissions.
- **Sustainable Design:** Available in both physical and digital formats, the card is made from recycled PVC, and the virtual card version helps reduce even more plastic consumption.

Another testament to the Bank's commitment to creating a greener Vietnam is through its **Winter Giving 2024** initiative, which saw Techcombank engaged over 9,000 employees in various sustainability efforts, including raising over VND 2.5 billion for environmental protection and reforesting 28 hectares of land in a nature reserve in central Vietnam.

Techcombank partners with Bloomberg Businessweek Vietnam for the inaugural Vietnam Investment Summit 2024

In December 2024, Techcombank partnered with Bloomberg Business Week Vietnam to host the Vietnam Investment Summit 2024. This event, themed "The Tipping Point for New Growth," commemorated the 25th anniversary of Vietnam's stock market and brought together over 400 financial leaders, investors, and policymakers to discuss innovative financial solutions and strategies for Vietnam's economic growth.

The summit featured presentations and panel discussions by industry leaders on various topics, including:

- The potential and roadmap for Vietnam's upgrade to emerging market status
 - The impact of global economic trends on Vietnam's macroeconomy and market development
 - The role of artificial intelligence in modernizing the financial sector
- New opportunities in wealth management driven by the next generation of investors.

AWARDS AND RECOGNITION

In 4Q24, Techcombank became the only bank in Southeast Asia to receive the **Innovation Excellence Award** for the AML (Anti-money laundering) system from **Oracle**. This system has helped the Bank enhance the efficiency of controlling and preventing money laundering, in compliance with international standards.

For the first time ever, Techcombank reached in 4Q24 the No. 1 position among Vietnamese banks for Brand Equity Index (BEI) and is one of only two banks in Vietnam in the group of "Developed Brands", as assessed by Nielsen IQ. This achievement recognises Techcombank's outstanding development thanks to the right vision, superior technology platform, and "Customer centricity" business philosophy. Also, the Bank's NPS score reached 91 in 4Q24, ranking No.2 across industry peers.

Other prestigious accolades that Techcombank received in 4Q24 included:

- Sustainable Product Design Award- Vietnam, by ESG Business Awards 2024
- Most Innovative Treasury Initiative and Best for Sustainable Treasury Solutions, by Corporate Treasurer.

Learn more about Techcombank's results: FY24 results will be presented as below:

1. Institutional investors and analysts can join us at 2:45PM on 21 Jan 2025

- English: <https://www.youtube.com/live/ILGtgzNkBJc>
- Vietnamese: <https://www.youtube.com/live/k-NILBUS0iA>

2. Retail investors (in Vietnamese only) can join us at 2:45PM on 22 Jan 2025

- Youtube: <https://www.youtube.com/live/mETdHgpYp4Y>
- Facebook: <https://www.facebook.com/events/2009833802776151/>

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

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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 ~15.4 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 rated AA- by FiiRatings, Ba3 by Moody’s and BB- by S&P, leading among Vietnam joint stock commercial banks.

Acronyms:

<i>APE</i> – Annual premium equivalent	<i>NIM</i> – Net interest margin
<i>CAR</i> – Capital adequacy ratio	<i>NPL</i> – Non-performing loan
<i>CASA</i> – Current account savings account	<i>PBT</i> – Profit before tax
<i>CIBG</i> – Corporate and Institutional Banking Group	<i>1Q, 2Q, 3Q, 4Q</i> – Quarter 1, 2, 3, 4
<i>CIR</i> – Cost-to-income ratio	<i>RBG</i> – Retail Banking Group
<i>HOSE</i> – Ho Chi Minh Stock Exchange	<i>ROA</i> – <i>Return on assets</i>
<i>IB</i> – Investment banking	<i>ROE</i> – <i>Return on equity</i>
<i>LC</i> – Letters of Credit	<i>SME</i> – Small and medium-sized enterprise
<i>LDR</i> – Loan-to-deposit ratio	<i>ST</i> – Short-term
<i>MoM</i> – Month-on-month	<i>TCBS</i> – Techcom Securities
<i>NII</i> – Net interest income	<i>TOI</i> – Total operating income
<i>NFI</i> – Net fee and commission income	<i>VND</i> – Vietnamese dong
	<i>YoY</i> – Year-on-year

Balance sheet (VND Bn)	4Q23	1Q24	2Q24	3Q24	4Q24	Q/Q	Y/Y
Total Assets	849,482	885,653	908,307	927,053	978,799	5.6%	15.2%
Deposits from customers	454,661	467,372	496,021	514,417	565,055	9.8%	24.3%
Credit growth³ (YTD)	19.2%	6.4%	11.6%	17.4%	20.8%	+350 bps	+161 bps
CASA⁷	39.9%	41.7%	39.2%	38.9%	40.9%	+193 bps	+95 bps
NPL	1.19%	1.17%	1.28%	1.35%	1.17%	-17 bps	-2 bps
Credit costs (LTM)	0.8%	0.9%	1.1%	1.0%	0.8%	-26 bps	-5 bps
Coverage ratio	102.1%	105.9%	101.0%	103.4%	113.8%	+1,043 bps	+1,177 bps
Capital and Liquidity	4Q23	1Q24	2Q24	3Q24	4Q24	Q/Q	Y/Y
Basel II CAR	14.3%	14.2%	14.5%	15.1%	15.3%	+19 bps	+92 bps
Basel II Tier 1 ratio	13.9%	13.8%	14.2%	14.6%	14.6%	+7 bps	+69 bps
Short-term fundings to medium and long-term loans⁴	26.4%	25.1%	24.2%	24.2%	26.5%	+230 bps	+10 bps
LDR⁵	77.4%	78.5%	79.6%	82.2%	77.1%	-510 bps	-30 bps
Profitability (VND Bn)	4Q23	4Q24	Y/Y	FY23	FY24	Y/Y	
Net interest income	7,597	8,602	13.2%	27,691	35,508	28.2%	
Non-interest income	3,420	953	-72.1%	12,370	11,482	-7.2%	
Total operating income	11,017	9,555	-13.3%	40,061	46,990	17.3%	
Operating expenses	(3,610)	(4,741)	31.3%	(13,252)	(15,370)	16.0%	
Profit before tax	5,773	4,696	-18.7%	22,888	27,538	20.3%	
NFI/TOI⁶	28.7%	24.8%	-383 bps	26.0%	23.2%	-276 bps	
CIR	32.8%	49.6%	+1,685 bps	33.1%	32.7%	-37 bps	
ROA (LTM)	2.4%	2.4%	-1 bps	2.4%	2.4%	-1 bps	
ROE (LTM)	14.8%	15.5%	+70 bps	14.8%	15.5%	+70 bps	
NIM (LTM)	4.0%	4.2%	+20 bps	4.0%	4.2%	+20 bps	
Cost of funds	4.2%	3.4%	-76 bps	4.9%	3.3%	-153 bps	

Notes:

1. All numbers are consolidated, unless otherwise noted
2. NFI includes fee from bond distribution and FX sales
3. Bank-only number per SBV regulations
4. Bank-only number per SBV regulations; SBV limit: 30%
5. Bank-only number per SBV regulations; SBV limit: 85%
6. NFI includes fee from bond distribution and FX sales, TOI excludes recoveries
7. CASA balance and ratio include Auto-earning in the "SA" component computation, unless otherwise stated

Financial metrics formula

Indicators	Formula
NPL coverage ratio	$\frac{\text{Provision reserves for loans to customers}}{\text{NPL balance}}$ <ul style="list-style-type: none"> Excluding provision reserves for margin lending NPL balance excludes margin lending
CASA ratio	$\frac{\text{Demand deposits} + \text{Margin deposits} + \text{Auto - earning balance}}{\text{Total deposits from customers}}$
ROA LTM	$\frac{\text{PAT for the consecutive 4 quarters}}{\text{Average total assets (over 5 latest quarters)}}$
ROE LTM	$\frac{\text{PAT post NCI for the consecutive 4 quarters}}{\text{Average equities excl. NCI (over 5 latest quarters)}}$ <ul style="list-style-type: none"> Interest earning assets comprise: Balance with SBV, Deposits and loans to other credit institutions, Loans to customers, and debt investment securities
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	$\frac{\text{Provision expenses for loans and corporate bonds for the consecutive 4 quarters}}{\text{Average loans and corporate bonds (opening and ending balances)}}$ <ul style="list-style-type: none"> 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
Credit cost net recoveries	$\frac{\text{Provision expenses for loans and corporate bonds - recoveries for the consecutive 4 quarters}}{\text{Average loans and corporate bonds (opening and ending balances)}}$

Financial metrics formula

Indicators	Formula
Asset yields	$\frac{\text{Interest income for the quarter} * 4}{\text{Average daily interest earning assets}}$
Loan yields	$\frac{\text{Interest income from loans for the quarter} * 4}{\text{Average daily loan balance}}$
Cost of funds	$\frac{\text{Interest expenses for the quarter} * 4}{\text{Average daily funding balance}}$
Deposit yields	$\frac{\text{Interest expenses for deposits for the quarter} * 4}{\text{Average daily deposit balance}}$

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