

BE GREATER 

TECHCOMBANK 

UNBOX
THE POWER OF
TECH



2021 ANNUAL REPORT

HARNESSING THE POWER OF
DATA, DIGITAL AND TALENT

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THE VISION OF **TECH**

We are shaping the
banking industry in
Vietnam.

What's next?





THE VISION OF **TECH**

Here's how our
Chairman and CEO
put it into perspective.

We are ready every day for new and superior challenges; fulfilling our mission to lead the digitalisation of the financial industry; providing unique solutions for the best customer experiences; and motivating individuals, businesses and organisations to succeed sustainably.

Ho Hung Anh

Chairman of Board of Directors



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THE VISION OF TECH

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CHAIRMAN'S LETTER

Dear valued shareholders, customers, partners and Techcomers,

The COVID-19 pandemic continued in 2021 with a new, lasting mutation impacting Vietnam's socio-economic development.

Many experts agree that 2021 challenged our domestic economy more than at any point during this pandemic. However, in concert with efforts to tackle the virus and keep people safe, Vietnam's financial system saw various positive spots.

Vietnam continues to be seen as a stable, developing economy, recording a GDP growth rate of 2.6% in 2021, following a 2.9% GDP growth in 2020. This intact growth was driven by efforts across many sectors, especially banking. Techcombank is proud to have played a very important role – working with the government, businesses and the Vietnamese people to mitigate impacts of disease and fuel economic recovery, while continuing to develop under 'new normal' conditions.

As one of Vietnam's leading banks, Techcombank worked hard to create a favourable environment for customers and businesses, implementing policies to support the community and aid economic recovery. The Bank restructured nearly VND 11.8 trillion in loans in 2020–21 and assisted with interest rate reductions of VND 540 billion. To support the most pandemic-affected individuals and communities, Techcombank contributed around VND 400 billion towards the vaccine fund and medical equipment, including a donation of VND 100 billion to build a hospital to treat COVID-19, as well as providing direct help to the community, patients and their families.

During 2021, more than 12,000 Techcombank employees shared a determination for excellence to overcome the

Techcombank is proud to have played a very important role – working with the government, businesses and the Vietnamese people to mitigate impacts of disease and fuel economic recovery, while continuing to develop under 'new normal' conditions.

year's many difficulties. Business continued, quality products and services were supplied and the customer experience was improved. Our people's commitment validates our many years of operating with a customer-centric strategy.

Thanks to this consensus and drive, and the trust of customers and shareholders, Techcombank continued to grow – approaching the standard and size of leading regional banks – achieving pre-tax profit of USD 1 billion (VND 23,238 billion) for the first time. The Bank not only exceeded 2021 plan but also performed well, continuing to lead the industry with a current and



We attracted over 1.2 million new customers, bringing our total to more than 9.6 million.

PRE-TAX PROFIT

VND 23,238 BILLION

savings accounts (CASA) ratio of 50.5% and return on assets of 3.7%. We attracted over 1.2 million new customers, bringing our total to more than 9.6 million. Customers made 652 million electronic transactions, up 70.0% from 2020, with a total value of VND 9.1 quadrillion, up 80.5%. We also maintained our leading market position for sales payments via Visa card.

All these achievements saw *Brand Finance* pronounce Techcombank one of the top 200 most valuable global banking brands. Our brand value (up 80% to USD 945 million) rose 74 places – from 270 to 196 – recognising our serious investment in cloud infrastructure among others, as part of our digital strategy to nurture long-term customer relationships. Techcombank was also one of only two Vietnamese banks mentioned by *Brand Finance* for rapid growth.

We have taken the initial steps towards being a top 10 regional bank by 2025 and are ready every day for:

- New and superior challenges
- Fulfilling our mission to lead the digitalisation of the financial industry
- Providing unique solutions for the best customer experiences
- Motivating individuals, businesses and organisations to succeed sustainably.

In the 'new normal' period expected for 2022, Vietnam's economy will see prosperity expand as it flexibly and safely adapts to the pandemic paradigm. With our vision of *Change banking, change lives*, combined with the trust and companionship of our shareholders, customers and partners, I firmly believe Techcombank is set to achieve great things. We remain committed to continuous improvement and ongoing development that maximises benefits to shareholders, creates sustainable value for customers and the country, and allows Techcombank to proudly hold a worthy regional position.

Warmest regards,

Ho Hung Anh

Chairman of Board of Directors

CEO REPORT

Favourable self-built catalysts drove profitability and gave us the space to invest in data and technology, empowering digital customer acquisition and engagement, and enabling us to gain a higher share of the primary banking relationship.

Jens Lottner
Chief Executive Officer



Dear valued shareholders,

As 2021 unfolded, the COVID-19 pandemic continued to impact industries, regions, and customer segments. Stringent measures were required in response to the 4th wave of infections including extended lockdowns in Ho Chi Minh City and the surrounding neighbourhood.

However, government vaccinations were rolled-out in record time, seeing 100% of adults double vaccinated in just over 6 months and helping domestic activities resume safely from Q4. This, alongside other government support like manufacturing and export assistance, enabled Vietnam to still record positive annual GDP growth of 2.6%.

The pandemic has not changed the favourable macro trends that are providing tailwinds for Vietnam's economic growth. In 2022, strong GDP growth of 5.5–6.5% is forecast, and I continue to be optimistic about Vietnam's immense economic potential.

This year, growth is being driven by the reopening of the economy as we enter the 'new normal'.

Tourism and related services are increasing, there has been a pickup in domestic demand, and foreign direct investment (FDI) is also rising as investors return. However, despite these positive signs, I still believe a degree of caution is necessary given the potential economic effects of global issues such as US-China tensions and the Russia-Ukraine conflict.

During 2021, the impact of lockdowns on customer behaviours was significant and is likely to be long term. These challenging times led to an accelerated shift

towards digital banking and strong demand for simpler, more intuitive, wealth management products.

A YouGov survey conducted in late 2021 found that the top financial priorities of customers in Vietnam are:

- **Saving money for unexpected hardship**
- **Adequate protection for emergencies**
- **Making money through investing**
- **Paying bills on time.**

The shift toward a cashless economy, which was already underway in Vietnam, got a serious boost as many people tried e-banking and mobile banking for the first time and discovered that it is instant, convenient, and safe. Techcombank had anticipated this shift and has been relentlessly striving to meet the ever-changing needs of our customers by providing digital paths to enable them to achieve their goals and by investing to continuously improve our offerings.

As a result, our performance has proven resilient and we have fared better than expected in the second year of the pandemic. Favourable self-built catalysts drove profitability and gave us the space to invest in data and technology, empowering digital customer acquisition and engagement, and enabling us to gain a higher share of the primary banking relationship.



CEO REPORT

2021: Another Year Of Exceptional Results

Our customer-centric policy and calculated risk framework made us the most profitable by ROA and operationally efficient bank in Vietnam.

Our return ratios – return on equity (ROE), return on assets (ROA), and current and savings accounts (CASA) ratio – are also among the highest in the market.

Reflecting on the success of the past year, I would like to highlight three points:

1

We continued to enjoy a fast-growing customer base as we quickly adapted to refining business models, funding options and opportunity pools.

2

We recruited 4,300+ new employees with a shift towards digital and data under our comprehensive HR plan to attract and retain talent.

3

The Bank stood alongside our community and people – supporting government pandemic initiatives, driving vaccination for our employees and their families, and offering customer and employee care programs.

CHANGE BANKING,
CHANGE LIVES

2021-2025 STRATEGY

Techcombank embarked on the first year of our *Change banking, change lives 2021–25* strategy for a customer-centric, data and digital-first transformation.



CEO REPORT

2021: Another Year Of Exceptional Results (continued)

Change banking, change lives 2021–25 strategy

We:

- Introduced new customer interaction platforms
- Built better credit decision models
- Invested in technology and data infrastructure and development.

We adapted to changing customer behaviours and needs by innovating to make digital experiences simple, safe, and seamless, while empowering staff to offer personalised advice. Transforming our customer engagement platform meant:

- Developing better products
- Scaling our digital services
- Creating a seamless banking experience for customers.

As COVID-19 spread across Vietnam, Techcombank supported customers, employees, the government and broader community through:

- Provision of early vaccination for all 12,000+ employees to help ensure their safety during the pandemic
- VND 11.8 trillion rescheduled loans, and VND 540 billion waived and/or reduced interest to help businesses and retail customers
- Contributing approximately VND 400 billion to COVID-19 vaccine programs, test kits, hospital construction, and donations to support impacted people and families.

Performance highlights

2021 was another year of robust financial and non-financial performance for Techcombank, reaffirming our position as Vietnam's most profitable and operationally efficient bank.

<p>Enhanced customer satisfaction and loyalty, as measured by the Net Promoter Score (NPS) and customer satisfaction (CSAT)</p>	<p>Being Ranked No. 6</p> <p>in Asia's Top 10 most recommended retail banks by BankQuality Consumer Survey and Ranking – the only Vietnamese bank to make Top 10</p>	<p>Strong profit before tax</p> <p>↑ 47.1% YoY</p> <p>VND 23.2 trillion</p> <p>the first non-state-owned commercial bank to join the USD 1 billion club</p>
<p>TOI</p> <p>↑ 35.4% YoY</p> <p>VND 37.1 trillion</p>	<p>CASA</p> <p>50.5%</p> <p>the industry's highest CASA ratio</p>	<p>NIM</p> <p>5.6%</p> <p>Fee Income Growth</p> <p>↑ 42.4% YoY</p>
<p>Strong Balance Sheet and Capital Adequacy Ratio (CAR)</p> <p>15.0%</p>	<p>Market Capitalisation</p> <p>↑ 58.7%</p> <p>VND 175 trillion (USD 7.6 billion)</p>	

Notably, Techcombank also completed a record USD 800 million syndicated loan, reaffirming international lenders' trust and confidence in the Bank and supplementing our working capital so we can meet ever-growing demand for medium and long-term loans.

Techcombank is tracking well towards our 2025 goals of:

<p>55%</p> <p>CASA ratio</p>	<p>USD 20 BILLION</p> <p>Market Cap <i>(making us one of the region's most valuable banks)</i></p>
<p>20%</p> <p>ROE</p>	<p>>30%</p> <p>Net Fee Income/TOI</p>



CEO REPORT

2021: Another Year Of Exceptional Results (continued)

Talent, Digital and Data form the three integrated core pillars of Techcombank’s competitive strategy. In 2021, we focused on building on this foundation, and enhancing our existing compliance and risk management capabilities to set new standards for the industry.



Building on our foundation

Talent

Our deep-rooted belief is that the success of our employees is the bedrock for Techcombank’s success. In 2021, the Bank focused on talent strategies enabling employee success. We started with a refreshed employee value proposition (EVP) to increase attraction, retention, and engagement of the best possible staff.

The refreshed EVP helped us secure high-quality regional and international talent, while we also retained and developed existing employees with various learning initiatives. The Bank successfully recruited 4,375 employees, including 32 expatriates, 201 senior leaders and three executive members. More than 17% of these staff work in technology as the Bank focused on building data and digital enablers for 2021–25. In 2021, we provided 2,871 training programs via virtual classroom, e-learning, and in-class sessions. Aligned with the transformation strategy, the key focus of development was on data and digital training, in close cooperation with our strategic partner Amazon Web Services (AWS).

Our effort was acknowledged and reflected in our effective employee focus score. Conducted bi-annually by Korn Ferry, we have seen a steady improvement over the last three cycles, with our score rising to 78 in 2021, up from 74 in 2019 and 66 in 2017.

Effective Employee Focus (EES) Survey



In 2021 the Bank recruited

4,375 Employees including 32 expatriates, 201 senior leaders and 3 executive members

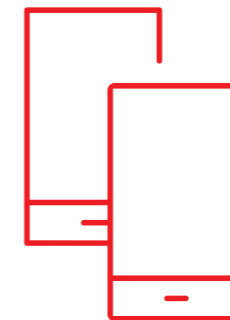
>17% of these staff work in technology

2,871 Training programs via virtual classroom, e-learning, and in-class sessions



CEO REPORT

2021: Another Year Of Exceptional Results (continued)



In terms of new platforms, our focus was on launching our new transaction banking mobile app and credit underwriting models, which included:

Mobile app for retail customers: We launched our new mobile platform to enable fast and intuitive payments, and significantly reduce customer pain points in everyday banking.

Mobile app for corporate customers: As part of digitalising banking services and making them accessible anytime through multiple channels for better customer experience, we successfully piloted a new mobile banking app for corporate customers in Q4 2021. The full roll-out is expected to start in Q2 2022.

Next generation of loan origination platforms: We launched ‘Smart Credit’, a cloud-based lending platform for retail customers that has enabled our most critical underwriting processes to be fully operated on the cloud, increasing efficiency and scalability. We also made significant further advancements for our business credit platform (BCDE), following its launch in the second half of 2020. BCDE was designed to effectively automate and manage the credit management value chain for our non-retail portfolio. This platform incorporates refreshed credit models that have been annually reviewed with the goal to streamline the entire credit lifecycle from onboarding to post disbursement performance monitoring, including covenant compliance. The new technology was a major step in upgrading our digital, data and decisioning frameworks.

Market leading fraud management platforms: Including a powerful two-factor customer and card authentication (Visa 3D secure 2.0) that enables customers to ‘shop safe’ in the ever-expanding e-commerce ecosystem.

Anti-money laundering (AML) platform: We completed preparation for launching a new, leading AML cloud-based system that ensured strict regulatory compliance, aligned with the highest global standards.

The Bank adopted a ‘Cloud First’ strategy for technology infrastructure.

Building on our foundation (continued)

Digital

In 2021, Techcombank focused on strengthening our core infrastructure, as well as improving our transaction banking and credit platforms, both for retail and corporates. The objective was to make everyday banking as simple, intuitive and easy as possible, while reducing time-to-yes (TTY) through enhanced underwriting capabilities.

The Bank adopted a ‘Cloud First’ strategy for technology infrastructure. The vast majority of our old applications will migrate to the cloud, while all new ones will be established there. To that end, Techcombank entered a strategic partnership with Amazon Web Services (AWS), the global leader in cloud services, to complete this move over the next two to three years.



CEO REPORT

2021: Another Year Of Exceptional Results (continued)

Building on our foundation (continued)

Data

Data is essential to informed decision making and personalised customer solutions.

To this effect, in 2021 we focused on:

Building a hybrid data lake on the cloud with AWS

Using data and analytics capabilities to improve propensity models, better predict customer behaviour and raise lead generation conversion rates

Revamping data governance to implement new policies and standards, identifying target-state architecture and technologies



The newly founded Data and Analytics unit (DnA) was charged with delivering these priorities. A key achievement was building the foundation of a next-generation data lake, now integrating over 60% of critical business systems. This has been instrumental in:

- Several value-creating credit card initiatives and mortgage risk decisioning
- Reducing approval times from days to hours
- Improving customers' digital experience.

Building on our foundation (continued)

Awards/Recognition

Techcombank continues to be recognised as the largest private bank in Vietnam and one of the leading banks in Asia Pacific.

- Best Bank in Vietnam – *Euromoney Awards for Excellence 2021*
- Best Bank in Vietnam – *FinanceAsia Country Awards 2021*
- Asia Pacific Best Treasurer – *Corporate Treasurer*
- Most Recommended Retail Bank in Vietnam in the Asia Pacific – *The Asian Banker BankQuality Consumer Survey and Ranking of Retail Banks 2021*
- 'Bank of the Year 2021' based on highest number of domestic transaction volume and value – *Vietnam National Payment Corporation (Napas)*
- Best Investment Product and Best Mortgage/Home Loan Product – *The Asian Banker Vietnam Country Awards 2021*
- Best in Treasury and Working Capital (small to medium enterprises, SMEs) – *The Asset*



Asia Pacific Best Treasurer



Best in Treasury and Working Capital (SMEs)



Bank of the Year 2021



Most Recommended Retail Bank in Vietnam in the Asia Pacific



Best Bank in Vietnam



Best Bank in Vietnam

Best Investment Product and Best Mortgage/Home Loan Product



CEO REPORT

2022 Priorities And Focus Areas

As we move into the second year of our five-year transformation journey, we will take all necessary measures to identify and safeguard stakeholders' interests – positioning the bank for another year of healthy growth and considerable progress in our digital transformation.

We will continue to strengthen our foundation across talent, digital, and data. The Bank will step up our focus on acquiring and engaging customers on digital platforms; analysing their spending data and learning to better predict spending behaviour. Data will improve how we personalise customer offerings and nudges; engaging customers with appropriate content, advice and solutions tailored to their needs and preferences.

We will continuously enhance our retail and corporate transaction platforms – adding new features and functionalities to make them simpler and more intuitive. Customers will use our platform for their everyday banking, investment, financial planning, credit, and service-related needs. Powered by data, the platform will also provide insights and suggestions for our customers, guiding them through their financial decisions.

We will also roll-out a rewards and recognition program that increases engagement and interactions, not only for banking services, but also across our ecosystem partners to expand customer reach and offer a compelling proposition.

We remain committed to investing in lending transformation to achieve our vision of being the most profitable, yet relevant and sustainable lender through economic cycles. These business initiatives will improve risk management – both credit and non-credit risks – helping us enhance customer confidence in Techcombank, optimise returns, comply with regulations, and achieve sustainable growth.

We will refine our credit life cycle models with specific emphasis on improving solutions offered to SMEs. These models will use traditional and non-traditional data to improve their accuracy and enable prudent risk management. In line with our vision to be a leader in enterprise risk management (ERM) and to sustain the Bank's long-term growth, other focus areas in 2022 will be strengthening our capabilities in:

- Environmental, social and governance (ESG) risks
- Technology, operations, and financial crime risks (TOFC)
- Model risk management (MRM).



Continuing our well-defined and established approach, Techcombank will further build capabilities with the aim of serving all our customers' daily banking needs.

At the same time, Techcombank will accelerate the process of diversifying into new areas, including building transaction, liquidity and investment capabilities and implementing supply chain solutions. We will also extend digital transformation to new parts of customer journeys, improving efficiency and making Techcombank our customers' primary banking relationship.

Finally, as talent is critical to any organisation's success, we are determined to invest in attracting, developing, and retaining the best employees. We are working with leading institutions to develop training programs for employees to continuously develop themselves, which is also one of our core values.

To close, I want to express my gratitude to our talented and dedicated staff who have delivered another year of outstanding financial performance, to our resilient shareholders for standing by us during the challenging times, and to regulators – valuable partners who supported us regardless of the difficulties that COVID-19 brought. Most importantly, I want to thank our rapidly growing customer base for their loyalty and support as we work to achieve our mission – to lead the digital transformation of Vietnam's financial industry.

Kindest regards,

Jens Lottner
CEO



THE STORY OF **TECH**

We have achieved 28 years
of constant growth.

What's next?





THE STORY OF **TECH**

We will continue
introducing international
thinkers to build on our
success.

02

THE STORY OF TECH

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ABOUT US

Trading Name

Name in Vietnamese	NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN KỸ THƯƠNG VIỆT NAM
Name in English	VIETNAM TECHNOLOGICAL AND COMMERCIAL JOINT-STOCK BANK
Trading name	TECHCOMBANK
Abbreviated name	TECHCOMBANK

The Bank's Banking Licence No. 0038/GP-NHNN dated 6 March 2018 was issued by the State Bank of Vietnam (SBV), replacing the Licence No. 0040/NH-GP dated 6 August 1993.

Certificate of Business Registration No.

0100230800

First registration	7 September 1993
The 52 nd amendment	19 January 2021

Charter capital VND 35,109,147,980,000

Charter capital expressed in words	Thirty five trillion, one hundred and nine billion, one hundred and forty seven million, nine hundred and eighty thousand Vietnamese dong.
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General information

Address	Techcombank Tower – 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam.
Phone number	(+84) (243) 944 6368
Fax	(+84) (243) 944 6395
Website	http://www.techcombank.com.vn
Stock code	TCB

Techcombank's mission is to lead the digital transformation of the financial industry, enabling individuals, businesses and corporations to progress and thrive sustainably.

Techcombank was established in 1993, as Vietnam began its transition from a centrally-planned to more market-oriented economy. Techcombank has come a long way since our modest beginnings 28 years ago, when we started with charter capital of only VND 20 billion. Today we are Vietnam's third largest bank by charter capital – a success driven by our strategy of focusing on customers and meeting their evolving needs.

We provide a broad range of products and services to over 9.6 million retail and corporate customers in Vietnam. Our extensive network – including one head office, two representative offices and 307 transaction offices across 46 cities and provinces – satisfies both traditional banking requirements and our emphasis on security and wealth management.

With the vision of *Change banking, change lives* that uplifts everyone to reach their full potential, Techcombank commits to continuously bringing greater value to customers and shareholders, focusing on pioneering solutions to meet their needs. Techcombank's mission is to lead the digital transformation of the financial industry, enabling individuals, businesses and corporations to progress and thrive sustainably.

Banking services

Core banking services include:



Conducting SBV approved settlement, cash and other banking services



Collecting short, medium and long-term deposits from organisations and individuals



Investments in associates, joint-ventures, companies and bonds



Granting short, medium and long-term loans



Foreign exchange (FX)



OUR VISION AND MISSION

VISION

Change banking, change lives.
Uplifting everyone to reach their full potential.

MISSION

Lead the digital transformation of the financial industry,
enabling individuals, businesses, and corporations to
progress and thrive sustainably.

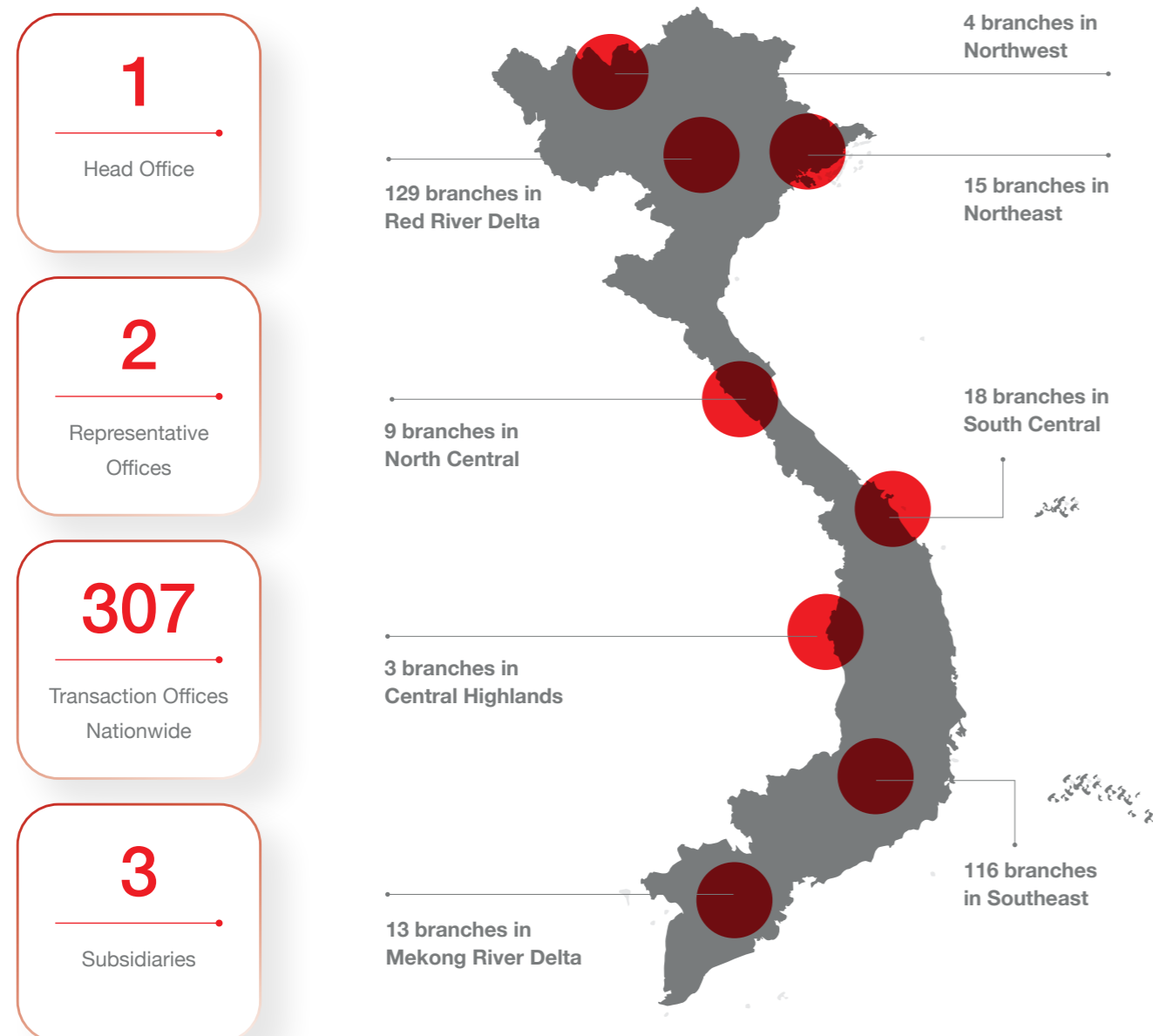


OUR BRANCH NETWORK AND SUBSIDIARIES

Our branch network

As at 31 December 2021, Techcombank had one (1) Head Office, two (2) representative offices and three hundred and seven (307) transaction offices nationwide, plus three (3) subsidiaries.

Operating in 46/63 provinces and cities across the country:



1
Head Office

2
Representative Offices

307
Transaction Offices Nationwide

3
Subsidiaries

Subsidiaries

Techcom Securites Joint Stock Company (Techcom Securities – TCBS)

Operating licence	72/GPDC-UBCK, granted by State Securities Commission on 4 November 2020
Address	Floor 10 and 12, Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi
Nature of business	Securities
Charter capital	VND 1,124,246,800,000
Percentage owned by Techcombank	89%

TCBS began our new five-year strategy for 2021–25, with the goal of becoming the orchestrator of capital flows in Vietnam.

5@5@5@5 = 2025

(5 million users @ 5 solutions per user @ VND 5000 billion profit @ USD 5 billion market capitalisation)

Despite the pandemic, TCBS's key financial indicators remained at a strong, safe level.

Total revenue was VND 5,195 billion, up 59.4% from 2020; with a pre-tax profit of VND 3,810 billion, up 41.5%. The pre-tax profit margin reached 73.3% and ROE was 39.6%.

Total revenue in 2021

VND **5.2** TRILLION ↑ 59.4% YoY

ROE **39.6%**

OUR BRANCH NETWORK AND SUBSIDIARIES

Subsidiaries (continued)

Techcom Securites Joint Stock Company (Techcom Securities – TCBS) (continued)

In 2021, for the sixth consecutive year, TCBS led bond brokerage market share on the Ho Chi Minh Stock Exchange (HoSE). We distributed VND 41,400 billion worth of iBond corporate bonds, up 20.1% from 2020.

In a pioneering first for the Vietnamese market, we allowed customers to personalise a securities account number. They can now create strings such as 105CMESS11, or 105C300888, basing them around a birth date, a special day with personal meaning or a memorable event, and use these over a lifetime. Thanks to our outstanding facilities and customer experience, the number of new TCBS accounts exceeded 348,500, an increase of 214% over the same period last year; and 22.7% of new personal accounts opened across the entire industry.

In 2021, TCBS joined the Top 6 for stock brokerage market share (4.7%) on HoSE. Our investment products, the company's core business revenue, reached VND 3,449 billion, up 124% on 2020.

With equity of VND 9,229 billion and a margin loan balance of VND 14,700 billion at the end of 2021, TCBS currently has margin lending capacity of nearly VND 3,800 billion available, at interest rates from 0.5% to 10.5% per annum.

In December 2021, we received an unsecured loan of USD 83 million (equivalent to VND 1,900 billion) from foreign financial institutions. Sumitomo Mitsui Banking Corporation, Singapore Branch and Taishin International Bank, Taiwan acted as co-arrangers and bookmakers. This was one of the largest such loans for a Vietnamese securities company. TCBS's total mobilised value in the international capital market is now nearly USD 200 million.

HoSE

#1

6 years consecutively
Bond brokerage market share

The number of
new TCBS accounts

348,500+

↑ 214% YoY

HoSE

#6

Stock brokerage market share

Awards



The Asset Triple A Awards

- Best Brokerage
- Best Deals – Best Local Currency Bond
- Best Bond Advisor (Domestic)



FinanceAsia

Best DCM House 2021

OUR BRANCH NETWORK AND SUBSIDIARIES

Subsidiaries (continued)

Techcom Capital Joint Stock Company (Techcom Capital – TCC)

Operating licence	33/GPDC-UBCK, granted by State Securities Commission on 5 June 2019
Address	Floor 10, Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi
Nature of business	Fund management
Charter capital	VND 44,943,820,000
Percentage owned by Techcombank	89%



In 2021 TCC recorded revenue of VND 482 billion and pre-tax profit of VND 276 billion, up 46.2% and 17.6%, respectively, from 2020. Total assets increased by 45.4% to VND 710 billion, with the pre-tax profit margin still high at 57.3%. TCC's domestic open-ended funds' assets under management (AUM) was VND 22,241 billion, accounting for 53.6% of market share. We continued to hold Vietnam's No. 1 position for AUM.

In 2021, TCC distributed VND 979 billion of Techcombank Bond Fund (TCBF) certificates. TCBF's total net asset value (NAV) reached VND 21,578 billion at the end of 2021, cementing TCC's position as the largest domestic bond fund, with a market share of 87.0%.

Our customers can make a TInvest application to buy certificates of investment at the starting cost of VND 10,000. Currently, nearly 80,000 individual customers are investing in open-ended funds at TCC.

Techcom Top 30 Stock Fund (TCEF) invests in the HoSE and Hanoi Stock Exchange's top 30 enterprises, with an expected return of 12% per year. TCEF has attracted more than 14,000 investors. In Q4 2021, TCC distributed more than VND 227 billion in TCEF fund certificates, 2.5 times more than in Q4 2020. Throughout 2021, TCC distributed VND 979 billion in certificates, 30.6 times more than 2020.

<p>TCBF</p> <p>87%</p> <p>Domestic bond fund market share</p>	<p>TCC</p> <p>80,000</p> <p>Individual customers</p>	<p>TCC</p> <p>VND 979 BILLION</p> <p>TCEF fund certificates distributed in 2021</p>
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Investment funds managed by TCC

Techcom Bond Fund (TCBF)

Fund type: Open-ended, established in Vietnam

Total AUM: VND 21,578 billion as of 31 December 2021.

Investment strategy: Deliver long-term returns through principal and income growth – investing primarily in fixed-income assets such as corporate bonds issued by companies with high credit ratings and/or bonds guaranteed by reputable banks.

NAV unit by year

Year	2019	2020	2021
NAV Unit (VND)	13,765	14,649	15,655

Establishment date: 8 September 2015

Techcom Flexible Bond Fund (FlexiCASH)

Fund type: Open-ended, established in Vietnam

Total AUM: VND 113 billion as of 31 December 2021.

Investment strategy: Optimising profits for corporate and individual customers from their short-term cash flow. Instead of putting short-term funds in current accounts at a bank with annualised interest rates of less than 0.5%, investors can earn an expected profit of up to 6% per annum with the flexibility to withdraw after several weeks.

NAV unit by year

Year	2019	2020	2021
NAV Unit (VND)	10,678	11,163	11,792

Establishment date: 5 December 2018

OUR BRANCH NETWORK AND SUBSIDIARIES

Subsidiaries (continued)

Investment funds managed by TCC (continued)

Techcom 30 Stock Fund (TCEF)

Fund type: Open-ended, established in Vietnam

Total AUM: VND 550 billion as of 31 December 2021.

Investment strategy: Deliver long-term returns through capital growth and earnings by investing in:

- (i) securities of industry leaders or potential industry leaders, including stocks and bonds
- (ii) securities with good long-term growth potential and/or highly competitive businesses
- (iii) securities with attractive valuations
- (iv) high-yield, stable securities.

NAV Unit by year

Year	2019	2020	2021
NAV Unit (VND)	13,364	15,170	19,730

Establishment date: 8 September 2015

Techcom Vietnam Real Estate Investment Trust (TCREIT)

Fund type: Open-ended, established in Vietnam

Total AUM: VND 75 billion as of 31 December 2021.

Investment strategy: Return long-term benefits to investors via regular and stable income from real estate and its long-term capital growth, employing a dynamic and effective real estate management strategy. The fund can also invest in fixed income; good credit quality assets, including bank deposits; Vietnamese government bonds; corporate bonds; local government bonds; and top listed stocks on HoSE and the Hanoi Stock Exchange.

NAV Unit by year

Year	2019	2020	2021
NAV Unit (VND)	12,261	12,445	15,045

Establishment date: 29 June 2016

In 2021, TCC established a new investment fund, Techcom Value Investment Fund (TCVF) with charter capital of VND 50 billion.

Vietnam Technological and Commercial Joint Stock Bank – Asset Management Company Limited (AMC)

Operating licence	0102786255, granted by the Hanoi Department of Planning and Investment on 18 June 2008, 23 rd amendment on 19 October 2021
Address	Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi
Nature of business	Asset management
Charter capital	VND 410,000,000,000
Percentage owned by Techcombank	100%



Techcombank AMC's remarkable result in 2021 made significant contributions to the Bank's stellar overall performance.

Operating in the final phase of the credit cycle, Techcombank AMC takes over the Bank's bad or overdue debts. With a strong team of nearly 300 young, professional and law-savvy employees, Techcombank AMC is a market leader in debt settlement and asset management.

OUR BRANCH NETWORK AND SUBSIDIARIES

Subsidiaries (continued)

Vietnam Technological and Commercial Joint Stock Bank – Asset Management Company Limited (AMC) (continued)



Techcombank AMC has been an integral part of the Bank's aim to build the big data lake. Its models and measurement tools for data analysis to drive strategic decision making help maximise business profit, in parallel with risk management and cost optimisation. Thanks to consistent data and measurements, Techcombank AMC plays a critical role in the end-to-end credit journey.

All Techcombank AMC employees are guided by Fair Debt Collection Practices, focused on legal compliance, fairness and transparency. We seek to prioritise debt settlement and support customer interests, showing respect, professional ethics and customer-centricity in compliance with international standards.

Techcombank AMC's remarkable result in 2021 made significant contributions to the Bank's stellar overall performance. Cash collections reached VND 1,924 billion, including VND 1,121 billion in recoveries from provisioned debts and VND 803 billion in on-balance-sheet collection, ensuring the non-performing loan (NPL) ratio and CAR were well under-control according to the regulations.

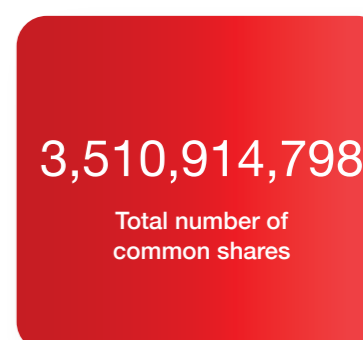
OUR SHAREHOLDER STRUCTURE AND INVESTOR RELATIONS ACTIVITIES

Shareholding structure and changes to shareholder equity as of 31 December 2021

Shares

The total number of common shares issued by Techcombank as at 31 December 2021 was 3,510,914,798 shares (equivalent to VND 35,109,147,980,000 of charter capital), where:

Number of Treasury shares	0
Number of restricted shares	632,295,026
Number of unrestricted shares	2,878,619,772
Number of outstanding shares	3,510,914,798

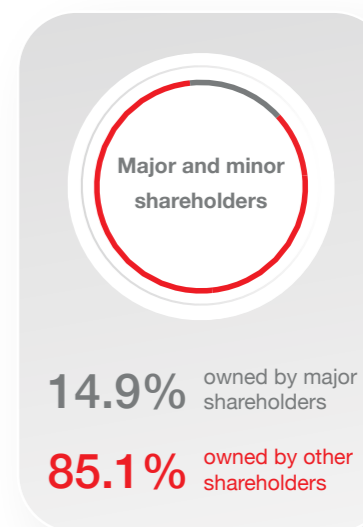


Shareholding structure

Major and minor shareholders

	Shares owned	Shareholding (%)
Major shareholders	524,315,499	14.9
Other shareholders	2,986,599,299	85.1
Total	3,510,914,798	100.0

Article 4.26 of the Law of Credit Institutions, issued in 2010, states, "major shareholders of credit institutions are those who own directly or indirectly more than 5% share capital with voting rights of the credit institution."



OUR SHAREHOLDER STRUCTURE AND INVESTOR RELATIONS ACTIVITIES

Shareholding structure and changes to shareholder equity as of 31 December 2021

Shareholding structure (continued)

Institutional and individual shareholders

	Shares owned	Shareholding (%)
Institutional shareholders	1,641,137,779	46.7
Individual shareholders	1,869,777,019	53.3
Total	3,510,914,798	100.0



Domestic and foreign shareholders

	Shares owned	Shareholding (%)
Domestic shareholders	2,721,928,061	77.5
Foreign shareholders	788,986,737	22.5
Total	3,510,914,798	100.0



Changes in shareholders' equity

In 2021, Techcombank increased share capital from VND 35,049,062,300,000 to VND 35,109,147,980,000.

Transaction of Treasury shares

In 2021, Techcombank had no Treasury share transactions and there were no such shares on book as of 31 December 2021.

Other securities

Not applicable.

OUR SHAREHOLDER STRUCTURE AND INVESTOR RELATIONS ACTIVITIES

Share information in 2021

TCB share price performance compared to indexes in 2021



Note: 1. As of 31/12/2021

Source: S&P, Bank index comprising of VCB, BID, CTG, VPB, ACB, MBB, HDB, VIB, BAB, EIB, KLB, LPB, NVB, SHB, STB, TPB

After a serious COVID-19 pandemic outbreak, the VN Index recovered in 2021 by an encouraging +36% YoY – a result of the government’s great management to boost vaccination. The market rebound saw Techcombank’s share price climb significantly as we reported more upbeat results. We upheld stronger key metrics than most competitors with better profitability, efficiency and asset quality – on top of our widely-known higher capital adequacy.

Our share price rose to VND 50,000 as at 31 December 2021, 58.7% higher YoY – the largest annual share price rise since listing. Remarkably, Techcombank’s share liquidity emerged as one of the most actively-traded bank stocks with average trading volume in Q4 2021 of nearly 15 million shares per day, equal to VND 762 billion in value.

TCB share price
at 31 December 2021

VND
50,000

↑ 58.7% YoY

OUR SHAREHOLDER STRUCTURE AND INVESTOR RELATIONS ACTIVITIES

Investor relations activities in 2021

Shareholder trust in Techcombank greatly contributes to our continued success. During the pandemic, our Investor Relations function continued to engage with investors without disruption, ensuring the highest standards of transparency were maintained, and to update investors with latest business and strategy.

Particularly, we actively offered timely updates that were highly appreciated in such an uncertain and volatile year.

Our successful 2021 Annual General Meeting (AGM) was held on 24 April 2021. We also conducted four quarterly earnings calls for institutional investors/analysts and four presentations for retail investors. In addition, we held fifty meetings and conference calls with analysts and investors around the world in 2021.

We plan to continue dedicating resources to presentations for individual and institutional investors, demonstrating our sincere care for these stakeholders. Investor and analyst opinions and suggestions are always welcomed through our formal channels of communication – the Bank’s IR page or email. We aim to respond to all inquiries within 48 hours.



OUR HISTORY AND KEY MILESTONES

Techcombank was established in 1993, during the Doi Moi period of economic reform. Like Vietnam’s economy, we have passed through various stages of development in our 28-year journey; going from strength to strength. Excitingly, Vietnam’s domestic economy and financial system are still maturing and our nation presents great opportunity and promise.

Our success will be measured by how well we complete our transformation and hit our milestones. Continuing our great achievements in 2020, Techcombank reaffirmed the leading position by reaching a new record profit before tax (PBT) of over VND 23.2 trillion, welcoming 1.2 million new customers, and becoming the leading bank for operating efficiency. We are confidently moving towards our 2022 targets and firmly continuing our transformation to become the best bank in Vietnam.

Our 28+ Year Journey Of Success



1993

- Established with charter capital of VND 20 billion

2001

- Launched Globus, our core banking system, that complies with international standards

2003

- Participated in global card payment system via F@stAccess – Connect 24

2006

- Reached over USD 1 billion in total bank assets

2008

- Founded Smartlink, Vietnam's largest card alliance
- Launched the Techcombank Visa credit card

2009

- Became a leading joint stock commercial bank – VND 5,400 billion charter capital
- Total assets of VND 95,000 billion
- First Vietnamese bank to partner with leading global strategic consultant, McKinsey

2010

- Winner of many global awards, including *EuroMoney's* Best Bank in Vietnam

2011

- Vietnam's second largest joint stock bank by network scale – 307 branches and total assets of VND 180 trillion

2012

- Vietnam's leading online bank – bringing our cardless ATM service to over 2.8 million customers

2014

- Confirmed as Vietnam's leading bank for service quality, with 23 prestigious local and foreign awards from *Global Finance*, *IFC* and *FinanceAsia*
- The reliable choice for 3.7 million individuals and 48,000 corporates

2015

- No. 2 bank for largest Visa transaction value, with 4.2 million customers

2016

- Launched our highly successful 2016–2020 strategy to be Vietnam's No. 1 bank and lead the financial lives of our millions of customers
- Doubled 2015 profit
- Awarded Best Bank in Vietnam by *FinanceAsia*, Vietnam House of the Year from *Asia Risk* and Enterprises with Excellent HR Policies at the Vietnam HR Awards

2017

- Received S&P's highest credit rating in Vietnam
- Maintained double profit growth rate with VND 8,036 billion PBT
- Ranked by *The Asian Banker* as Vietnam's second most profitable bank – over 5 million customers
- Leading Vietnamese bank for Visa card transaction value
- Market leader for bancassurance, through strategic cooperation with top insurance firm, Manulife
- Voted by Techcombank employees as having the best HR and most engaged employees (Employee Engagement Survey, EES), and as the second-best place to work in Vietnam's banking and finance sector
- Held the inaugural Techcombank Ho Chi Minh City International Marathon – an event to help us connect with, and contribute to, our community

2018

- Listed on Ho Chi Minh City Stock Exchange – ticker TCB – with capitalisation of USD 6.5 billion in South East Asia's third-largest IPO
- Tripled charter capital to VND 34,966 billion
- First private joint stock bank to make over VND 10,000 billion profit
- Awarded leading bank in Visa (debit and credit) card transaction value by Visa International
- Awarded Best Bank in Vietnam by *EuroMoney* and Best Trade Finance Bank in Vietnam by *Global Banking and Finance Review*

2019

- Opened second Northern head office – Techcombank Agile Center, 119 Tran Duy Hung Street, Cau Giay District, Hanoi
- New record PBT of over VND 12 trillion
- Welcomed 1 million new customers
- Became the leading bank for operating efficiency, two years faster than the schedule in our five-year plan
- Continued to increase our regional-leading scores on the Organisational Health Index and EES
- Became Vietnam's leading bank for Visa card volume and transaction value, winning seven awards from Visa – the most a Vietnamese bank has ever won
- Officially complied with Basel II on 1 July with a CAR double that required by SBV regulations
- Awarded Vietnam House of the Year by *Asia Risk* in recognition of derivative structuring capabilities and broad swap and hedge product offerings, combined with an effective internal risk management system to solve the financial needs of corporate customers of all sizes
- Awarded Best Payments Bank in Vietnam by *The Asian Banker*

2020

- Prioritised resources to protect employees and customers amid the COVID-19 pandemic
- Revamped digital and data capabilities by applying Agile working methods and establishing DnA division
- First bank in Vietnam to introduce a comprehensive ecosystem with an end-to-end omni-channel experience on a digital platform
- The USD 500 million syndicated term loan of Techcombank was the most successful syndicated loan in Vietnam for 2020
- Partnership with One Mount Group to allow a seamless digital experience throughout the customer journey: financial solution 'Loan Card' issued for VinShop GTs, and a comprehensive mortgage experience with OneHousing
- No. 1 CASA ratio at 46.1%, and total CASA volume for the first time exceeded VND 100,000 billion
- ROA at 3.1% – highest in the banking industry
- No. 1 brand in terms of efficiency, from *Forbes*
- Most Impressive Bank Brand and Bank with the Best Brand Health, from MiBrand Vietnam – Brand Finance's domestic partner

2021

- First privately owned bank in Vietnam to join "billion dollar club" with PBT of USD 1 billion
- Raised international syndicated USD 800 million term loan facility
- Only bank in Vietnam to win both *EuroMoney* and *FinanceAsia's* 'Best Bank in Vietnam'
- Best Treasurer (Asia Pacific) by *Corporate Treasurer*
- Bank of the Year – *Napas*
- Most Recommended Retail Bank in Vietnam in the Asia Pacific – *The Asian Banker's* BankQuality Consumer Survey and Ranking of Retail Banks 2021
- Best Investment Product and Best Mortgage/Home Loan Product – *The Asian Banker* Vietnam Country Awards 2021
- Best in Treasury and Working Capital (SMEs) – *The Asset*



THE ACHIEVEMENTS OF **TECH**

Vietnam's most
pioneering bank.

What's next?





THE ACHIEVEMENTS OF **TECH**

We accelerated the
power of Tech to achieve
even more in 2021.

03

THE ACHIEVEMENTS OF TECH

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BANK-WIDE MANAGEMENT REPORT

Techcombank – Vietnam’s first private bank to reach a consolidated profit of **USD 1 BILLION**

Despite the severe impacts of COVID-19 and extended lockdowns in Hanoi and Ho Chi Minh City during 2021, we were able to leverage our digital platform to continue to support our customers. The momentum built during this period translated into strong headline results for the year:

- Profit Before Tax (PBT) up 47.1% YoY to VND 23.2 trillion or USD 1 billion, a new record for a non-state owned commercial bank in Vietnam
- Total Operating Income (TOI) up 35.4% YoY to VND 37.1 trillion, with balanced growth from diversified income streams
- CASA ratio of 50.5%, the highest among Vietnamese banks
- ROE of 21.7% and ROA of 3.7%, improving further from the levels reached in FY20
- NPL of 0.7% and CAR of 15.0%, in line with the Bank’s prudent approach to risk-management.



Steady operating income growth, contributed by both interest and fee income

Total operating income (TOI) grew by 35.4% YoY, after taking into account the impact from lower recoveries and trading income compared to FY20.

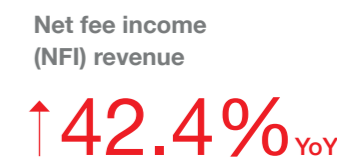
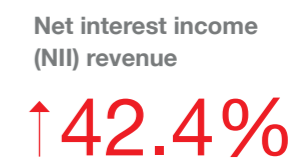
The complications of the pandemic, particularly the extended lockdown periods in the largest cities, caused disruption in customer transactions at branches and slowed down the growth of banking service income in Q2 and Q3 2021. However, due to our continuous investments in digitalising operations, we managed to not only maintain service quality but also to accommodate increases in volume and launch new offerings. Total operating income (TOI) grew by 35.4% YoY, after taking into account the impact from lower recoveries and trading income compared to FY20.

Our primary sources of revenue, net interest income (NII) and net fee income* (NFI), both grew at an accelerated rate of 42.4% YoY. The growth of NII benefited from the expansion of our lending book, as well as a reduction in the cost of funds due to higher CASA balances and additional long-term borrowing from offshore markets.

Net interest margin (NIM) improved to 5.6%, from 4.9% in FY20. NFI also achieved robust 42.4% YoY growth in 2021, after increases of 47.6% in FY19 and 31.5% in FY20. All core fee-based products achieved strong double-digit growth, in line with our efforts to diversify sources of fee income across bancassurance, cards, transaction banking and advisory.

In 2021, we carried out a thorough review of our bancassurance business, introducing new products, digitalising key processes and customer interactions, improving the quality of the customer experience and strengthening strategic cooperation with Manulife. As a result of this effort, bancassurance activities achieved revenue growth of 88.4% YoY and saw their contribution to total service income increase to 20.1% from 15.2%.

* Includes FX sales and bond distribution. Growth is calculated excluding one-off items.



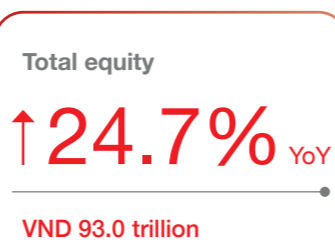
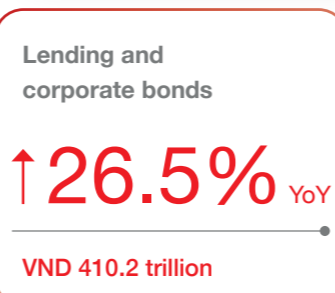
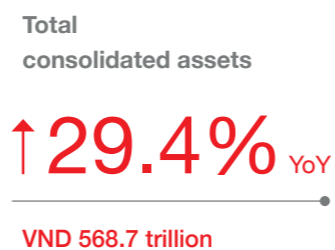
BANK-WIDE MANAGEMENT REPORT

Healthy balance sheet expansion despite COVID-19

The growth of the balance sheet and active management of its structure played a significant role in the financial performance of Techcombank in 2021:

- Total consolidated assets grew 29.4% YoY to VND 568,729 billion, with lending and corporate bonds increasing 26.5% YoY to VND 410,150 billion
- Deposits and valuable papers grew 14.1% YoY, with CASA ratio reaching 50.5% of total customer deposits at the end of 2021
- Total equity grew 24.7% YoY, an increase of VND 18,426 billion.

Item	2021	2020	Movement	
	VND (billion)	VND (billion)	VND (billion)	Percentage increase
Customer loans and bonds	410,150	324,253	85,897	26.5
Lending market 1	347,341	277,524	69,817	25.2
Corporate bonds	62,809	46,729	16,080	34.4
Customer deposits and valuable papers issuance	348,433	305,359	43,074	14.1
Deposit market 1	314,753	277,459	37,294	13.4
Valuable papers	33,680	27,900	5,780	20.7
Capital and funds	93,041	74,615	18,426	24.7
Capital	35,586	35,526	60	0.2
Funds	9,155	6,790	2,365	34.8
Retained earnings	47,453	31,816	15,637	49.1
Minority interest	847	484	363	75.0



Sources of funds

In line with evolving customer needs, we have diversified our investment products and promoted digital platforms in order to maintain necessary financial transactions for customers during extended lockdown periods, while preserving cost of fund advantage.

A strong increase in transaction volumes and value from retail and corporate customers was the key contributor to the breakthrough growth in CASA, which rose 30.8% YoY in the retail segment and 24.7% YoY in the small to medium enterprise (SME) segment. This helped push the CASA ratio up to 50.5%, setting a record for Vietnam's banking sector.

Besides focusing on CASA, we also completed the largest ever offshore syndicated loan in Vietnam, raising USD 800 million at a competitive cost compared to local financial markets. This was made possible by our strong credit rating and overwhelming international lenders' confidence.

Use of funds

2021 was a challenging year for retail and corporate customers as economic activity slowed, particularly in Q2 and Q3. The epidemic and lockdowns had a significant impact on customers' credit demands and related operations with Techcombank.

At Techcombank, we reacted quickly to adjust our credit policy in line with changes in customer needs, switching our focus to retail lending as the segment recovered, especially in Q4 2021. This allowed us to maintain a steady credit expansion throughout the year and deliver an annual growth of 22.1%, in line with the quota granted by the State Bank of Vietnam (SBV).

Our credit structure showed progress in diversification, with the contribution from large corporate customers decreasing to 44.9% (from 49.7% in FY20) and that of retail customers increasing to 39.4% (from 34.3% in FY20) – in line with the strategic focus on retail and SME segments.

BANK-WIDE MANAGEMENT REPORT

Techcombank – one of Vietnam’s best capitalised banks

Capital Management

In early 2021, Techcombank was among the first Vietnamese banks to comply with the Internal Capital Adequacy Assessment Process (ICAAP) as defined in the Basel II international standards.

We continue to embed the ICAAP approach into our capital and business planning activities, focusing on:

- Material risk assessment methodologies
- Stress testing and capital planning
- Capital allocation to meet the Bank’s operating objectives.

As in previous years, the discipline put into risk selection and resource allocation enabled us to self-fund our balance sheet growth whilst maintaining a strong capital base. The consolidated capital adequacy ratio (CAR) stood at 15.0% on 31 December 2021, which is significantly above SBV’s requirement of 8% and positions us as one of Vietnam’s best capitalised banks.

Techcombank’s consolidated CAR under Circular 41

15.0%

at 2021 – end

A high CAR provides a competitive advantage on funding costs and helps us actively manage the balance sheet in the best interest of our customers, shareholders and employees.

Liquidity management

The liquidity management framework of Techcombank consists of SBV’s mandatory ratio limits as defined by Circular 22/2019/TT-NHNN and a set of internal liquidity management ratios developed in-house by the Bank.

The Board of Directors is responsible for the approval of our liquidity management policies and regulations. Liquidity risk management, measurement, monitoring, and forecast processes are overseen by our Risk Committee and the Asset and Liability Committee (ALCO).

The Risk Committee is an advisory body supporting the CEO in issuing the Bank-wide liquidity risk limit. The ALCO executes liquidity management policies, monitors compliance to limits, and provides warnings on limit thresholds regulated by the Risk Committee. In 2021, we rolled out a large-scale liquidity stress test based on a market-wide liquidity event, combined with Techcombank-specific stress scenarios. The test confirmed our resilience in the context of deposit withdrawals and limited interbank funding access. It also informed the update of our liquidity contingency plan (LCP).

	Limit 2021	Actual 31/12/2021	Limit 2020	Actual 31/12/2020
Liquidity ratios	%	%	%	%
Liquidity reserve ratio	≥ 10	15.0	≥ 10	14.4
30 days solvency ratio – VND	≥ 50	60.8	≥ 50	60.0
Loan-to-deposit ratio	≤ 85	75.0	≤ 80	78.1
Short-term funding to MLT loans ratio	≤ 37	28.7	≤ 40	33.9



BANK-WIDE MANAGEMENT REPORT

Cost-to-income ratio

30.1%

Cost efficiency

To achieve our strategic plans, we will continue to spend significantly on technology and infrastructure that improves customer experience, service and efficiency. In the meantime, we will continue to manage costs and optimise resources to deliver strong financial performance.

Although operating expenses rose from VND 9.0 trillion in FY20 to VND 11.2 trillion in FY21, a rise of 24.6% YoY, our cost-to-income ratio reduced from 32.8% in FY20 to 30.1% in FY21 as TOI grew at a faster rate of 35.4%. Importantly, increases in operating expenditure were largely linked to volume-based cash back expenses, IT-related personnel costs and digital and data related depreciation and amortisation.

Personnel expenses

↑ 23.6% YoY

Personnel expenses

Our people are core to our ongoing success. Their role includes:

- Serving customers and communities
- Building technology
- Making strategic decisions
- Managing risks
- Determining investments
- Driving innovation to ensure our prosperity, now and in the future.

Investing in our people is therefore a top priority for the Bank. We aim to unlock their full potential through training that gives them the skills required in a rapidly changing world. We also seek to increase their compensation to the extent allowed by improved business performance. Our 23.6% YoY growth in personnel expenses was primarily driven by the growth of a quality workforce, higher salaries and compensation.

Publication, marketing and promotion expenses

In response to increasing competition from within Vietnam and from non-banking players, we continued to reward our customers with value-added services, leveraging data analytics and social media communication strategies for maximum effectiveness. These initiatives allowed us to generate high-quality leads and increase the conversion of prospects into new customers.

As part of the objective to return value to customers, we extended our transaction-based 1% cash back program. Techcom Securities (TCBS) did the same with iXu, a point system linked to trading turnover.

Premises and equipment, depreciation and amortisation

The adoption of digital banking services and digital ways of working was accelerated by the pandemic, making investment in technology an even more critical part of Techcombank's 2021-25 strategy. Our application of digital technologies empowered customers to access banking services without needing to visit a branch, while employees could work and interact remotely, ensuring services were maintained. As we continue to grow rapidly we are also investing in new buildings for headquarters, which has led to higher premises and equipment, depreciation and amortisation cost.

Business plan for 2022

Techcombank's Board of Directors will propose the approved 2022 business plan to shareholders at the General Meeting of Shareholders on 23 April 2022. It outlines:

(i) Credit balance*	VND 446,554 billion (growth of 15.0% or higher as per SBV's approval)
(ii) Total deposits	To be based on actual credit growth, so as to optimise balance sheet management
(iii) Profit before tax	VND 27,000 billion (up 16.2% year-on-year)
(iv) Non-performing loans	lower than 1.5%

* The Bank's credit balance and growth are calculated according to SBV's regulations.

2022 initiatives are presented in the CEO report from page 22 to page 23 and by business divisions in following sections.

RETAIL BANKING GROUP (RBG)

Overview

Despite the challenges posed by COVID-19 waves 3 and 4, our RBG kickstarted the 2021–25 strategy very successfully in 2021, adding 1.2 million new customers, posting a record-high CASA level of VND 100.0 trillion (+30.8% YoY), accelerating outstanding credit to VND 161.7 trillion (+45.5% YoY), and generating VND 14.2 trillion TOI (+33.7% YoY).

RGB new customers

1.2 MILLION

2021 highlights

RBG adheres closely to our vision Change banking, changes lives. We do this by developing solutions based on a deep understanding of customer needs and their regular financial journeys, to make their banking with us seamless and intuitive. We carry out extensive customer research to design different solutions and features for different types of customers – both digitally enabled and accessible via our extensive branch network across the country – and to serve customers at all stages of their financial lives.

1. Spending (e.g. CASA/debit cards, credit cards, mobile banking)
2. Saving (e.g. TDs, CD Bao Loc)
3. Borrowing (e.g. mortgages, auto loans, PIL, etc.)
4. Protecting (e.g. Banca products partnering with Manulife)
5. Investing (e.g. bonds, TCBS equities, Banca ILP).

To better serve our customers through all stages of their financial lives, in 2021, we completed the RBG restructure, based on centralised management by function, including:

- Business Segments
- Solution Development
- Omni Channel
- Operational Management
- Customer Franchise Management.

Everyday banking

Improved offerings within some key payment solutions saw our retail customer payment transactions reach a record high, maintaining our outstanding position in the card and e-banking payment industry.

Our effective promotions and campaigns for card payment and e-banking services saw us lead the domestic market in transaction activities in 2021. Total number of transactions through Techcombank e-banking reached 652 million, up 70.0% YoY, with over five million customers using our F@st Mobile Banking (FMB) or F@st Internet Banking (FIB) services. These transactions totalled VND 9.1 quadrillion in gross value, up 80.5% YoY, of which retail transactions via cards valued VND 141 trillion, +53.1% YoY. Retail customer card transactions also reached more than 162 million.

Total number of e-banking transactions

↑ 70.0% YoY

652 million

Everyday banking (continued)

Our e-banking performance was officially recognised in late 2021, when the National Payment Corporation of Vietnam (NAPAS) named Techcombank as the Bank of the Year. Other awards by NAPAS in 2021 were:



Market Leader in Domestic Payment activities

Outstanding Bank in NAPAS247 Transactions



Outstanding Bank in Card Payment Transactions

Outstanding Bank in Cashless Payment Transactions

According to the NAPAS Board of Directors, our effective implementation of breakthrough policies supported the accelerated development of non-cash payment services in the national economy. These policies resulted in growth in transaction numbers and customer satisfaction, while products such as Big Zero Fee and 1% Debit Cashback make our operations and risk management more efficient than many other banks.

We also received Visa's top award for Leadership in Visa Card Issuing and Payment for the fourth year in a row. With a total of eight prizes, we received the most Visa awards in 2021, reaffirming our success in providing customers with the best card services in Vietnam. Visa also recognised our steady and sustained growth during 2016–2021, and especially during 2018–2021, when we brought many modern, safe and secure payment solutions to the market.

Our eight awards by Visa were:

- 1 Leadership in Payment Volume**
- 2 Leadership in Payment Volume Growth**
- 3 Leadership in Debit Payment Volume**
- 4 Leadership in Credit Payment Volume**
- 5 Leadership in Visa Tap to Pay Payment Volume**
- 6 Leadership in Domestic e-Com Payment Volume**
- 7 Leadership in Contactless Penetration Growth**
- 8 Leadership in Contactless Active Terminals Penetration.**

RETAIL BANKING GROUP (RBG)

Everyday banking (continued)

As part of our continuous efforts to offer our customers a greater range of products and services, we were pleased to welcome Mastercard to the Bank's card suite in May 2021. Through improved technology, Mastercard Spark, which was the first Mastercard product launched,

provides new and unique features such as pre-approval credit, instant credit approval and use without a physical card. The excellent user experience was warmly welcomed by our customers.

Diversified platform for different savings needs

Servicing targeted customer profiles and providing outstanding deposit products, together with investing in technology – particularly digital banking – has led to steadily growing deposits in 2021, including growth in the number of depositors and total deposit value. The high-income customer segment remains the bedrock of our funding structure, representing 84% of the deposit balance.

Total RBG customer deposit remained robust with 12.8% growth in 2021, driven by that of 30.8% growth in CASA. Regarding term deposits (TD) we focused on promoting online savings, which successfully grew 11.2% YoY.

In 2021 we also announced the issue of Techcombank iCAP deposit certificates, offering value propositions such as flexible liquidity and optimal profit. The issue raised the volume of medium and long-term retail customer funding more than 39.7%, making iCAP a flagship product for 2022.

Total customer deposits

↑ 12.8% YoY

CASA

↑ 30.8% YoY

Online savings

↑ 11.2% YoY

Enhancing propositions to meet customers' loan demand

Despite the challenges of COVID-19, our retail loan balance ended the year above VND 161 trillion, a 45.5% increase from 2020. Home loans, Techcombank's flagship product, reached VND 126.3 trillion (+44.7% YoY) thanks to strong growth in both primary (+37.3%) and secondary mortgages (+64.2%) YoY. This was a tremendous achievement from RBG given the severe lockdown in Q3 2021 which put a hold on almost all activities in the south, and other waves of COVID-19 that substantially limited economic activities.

The results prove the wisdom of our customer-centric strategy, and our drive to improve customer experience with outstanding offerings such as:

- Home for Home products – a luxury home loan with up to 100% of loan value
- Excellent lending policies/solutions using the latest loan approval processes including the intelligence decision computing (IDC) system and Smart Credit automatic loan system (P-S5).

We also successfully repositioned our competitive lending interest rate policy for customers with good credit ratings, offering home loans with metrics that keep us competitive.

Our achievements in consumer lending in 2021 saw Techcombank win The Asian Banker award for Vietnam's Best Mortgage/Home Loan Product in the retail banking segment for the second time. The award is confirmation of our relentless efforts over past years in home loan product development, and continuous improvements to process and risk management models.

Retail loan balance

↑ 45.5% YoY

VND 161.7 trillion

Home loans

↑ 44.7% YoY

VND 126.3 trillion

RETAIL BANKING GROUP (RBG)

Insurance protection

There has been growing interest in financial products with protection solutions, in line with Techcombank's core vision Change banking, change lives.

We rebooted our strategic relationship with Manulife this year, to offer life insurance products. Our joint investment in areas like digital sales systems and frontline training has led to our partnership now claiming the second highest number of premium-paying customers in the market.

To maximise customer benefits, we developed and implemented outstanding insurance solutions and online consulting activities using tools like TCBlife and online meetings especially during social distancing or lockdowns. Customers could access products and services despite COVID-19 lockdowns. It was an important move towards transforming both service delivery and the wider financial industry.

Meeting the investment needs of customers

Customers are increasingly keen on optimising their financial wealth, so wealth management solutions and services are more important than ever. At Techcombank we continued to collaborate with TCBS to develop and provide investment solutions to meet customers' growing demands. With TCBS, we have introduced products to improve the customer experience such as:

Corporate bonds

Funds and equity

Insurance bundle products

Investment lending

And more.

Our efforts in serving retail customers in 2021, using TCBS's investment solutions, were recognised by *The Asian Banker* with an award for Best investment Product.



The focus for RBG in 2022

Providing the best customer experience via a new mobile app (pilot launch in Q4 2021 and available to all customers in 2022)

Further digitalising the customer journey (e.g. pre-approved credit cards, instant approval credit cards, instant approval primary mortgage)

Enhancing best-in-class private banking for targeted customers.

Connecting data and digital to drive customer acquisition and cross-selling

Completing comprehensive wealth management offerings



BUSINESS BANKING (BB)

Overview

The prolonged and continued spread of COVID-19 hampered local and international business economic growth, disrupted established supply chains, and compelled many SMEs to temporarily or permanently cease operations. Remote working and accelerated adoption of digital banking are now the ‘new normal’, and it may remain that way for some time or, indeed, permanently.

Despite these challenges, we continued to offer BB customers exceptional service and assistance. Our sector and industry-focused strategy and customer-centric business model ensured that we performed strongly despite the economic environment.

2021 highlights

Credit and liquidity support during COVID-19

At Techcombank our primary objective was to support our BB customers with ongoing credit and liquidity facilities, as well as ensuring we met their daily online and offline banking needs. As a result, net credit provided to BB customers in 2021 was VND 12.3 trillion, bringing total outstanding customer credit to VND 64.1 trillion, 23.7% higher than 2020.

Positive customer feedback provides BB with the motivation to continually strive to give our customers the best experiences as we work together in the ‘new normal’.

“When having problems, we always receive enthusiastic and attentive support from Techcombank staff.”

Simplified banking services

We accelerated our investment in fast-tracking digital transformation, rolling-out various offerings to ensure business continuity, and improving productivity for our customers. These included digital signature authorisation and corporate mobile banking. We also extended working hours and services during the lockdowns through our dedicated Corporate Contact Centre. Our customers greatly appreciated our efforts, with feedback including:

- Transactions with Techcombank are convenient with so many branches and transaction offices. Their e-banking is easy to use.
- F@st Mobile and F@st Ebank applications are simple and easy to operate.
- Fast money transfer, no fees. It is so easy to pay import tax.

TOI

↑ 29.5% YoY

NFI and FX income

↑ 54.2% YoY

Customer deposits

↑ 21.9% YoY

Online BB customers

↑ 24.9% YoY

E-banking transaction value

↑ 58.3% YoY

Overseas remittance customers using F@st Ebank for transactions

↑ 88.3% YoY

Product bundling

In response to the economic environment, we refreshed and enhanced our BusinessOne digital bundle – a first-of-its-kind offering for SMEs and corporates. We also continued to enhance our sector and industry-led business programs and embarked on pursuing end-to-end digitalisation of customer journeys for our non-credit and credit clients. This included simplifying most services to make them available anytime/anywhere, through multiple channels, for a better customer experience. ‘Qx’, a new web/mobile banking app, was successfully piloted for corporate customers. The full roll-out begins in Q2 2022 and will provide real time and in-app notification, cash flow management, QR code collection, customer self-service, and a consolidated personalised dashboard.



Our continued focus on driving strategic execution enabled strong BB performance in an unprecedented year, including:

- 29.5% YoY growth in TOI
- 54.2% YoY rise in NFI and FX income
- 21.9% YoY growth in customer deposits
- 24.9% YoY growth of online BB customers (86% in 2021 up from 81% in 2020)
- 58.3% YoY increase in e-banking transaction value
- 88.3% increase in overseas remittance customers using F@st Ebank for transactions.

The focus for BB in 2022

Continue to create compelling propositions for corporate OMNI channels

Redefine customer focus for business banking across all channels

Drive digital growth for business banking in a ‘new normal’ environment

Enhance our credit model and solutions, especially for export-led sectors

Provide our staff with more sales tools for a seamless BB customer experience.

WHOLESALE BANKING (WB)

Overview

WB Division continued to be a key contributor to Techcombank’s overall performance, working closely with customers and other divisions to build on strengths in products and services and increase market share to maximise profitability.

WB focused on upgrading services for key customer groups (understanding them better, enhancing their experiences, providing more specialised services), in order to tighten relationships and, consequently, improve the productivity and efficiency of the Bank’s sales team.

By the end of 2021 WB was servicing more than 2,000 large corporates with a focus on 500 active customers, compared to 1,900 and 450, respectively, at the end of 2020. Total WB deposits at the end of 2021 were VND 46.5 trillion, +8.9% YoY. The average CASA balance increased 67.8% YoY, while the CASA ratio remained high at 55.3%.

As efficiency improved, TOI generated by WB rose to VND 10.3 trillion (+72.5% YoY), of which NII accounted for VND 9.1 trillion (+77.2% YoY) and NFI for VND 1.2 trillion (+44.1% YoY), achieved through strong growth of trade finance – i.e. Letters of Credit (LC) and cashflow management. Total outstanding credit to WB customers on 31 December 2021, including loans and bonds, increased to VND 184.3 trillion, +14.3% YoY, but average credit reached VND 178.6 trillion, +34.3% YoY. The NPL ratio of WB customers continued to be managed at 0.02%. Relating to COVID support program, nearly 87% of our customers who had rescheduled loans with us were cured by end of last year, providing WB significant headroom to expand the loan book more strongly in 2022 and beyond.

TOI

↑ 72.5% YoY

VND 10.3 trillion

NII

↑ 77.2% YoY

VND 9.1 trillion

NFI

↑ 44.1% YoY

VND 1.2 trillion

2021 business highlights

Highlights from WB’s activities and initiatives during 2021 include:

1

Improving customer services and insight

With strengthened data analytics capabilities, WB – together with DnA – launched data-driven tools to help relationship managers (RMs) gain deeper industry insights and provide better quality advice to customers. This helped our NPS score improve from 55 in Q3 2021 to 75 in Q4, and we also won the award for Best Wholesale Bank in Vietnam. Trust in our services led to us being selected as the Mandate Lead Arranger for Petro Vietnam Power’s USD 1.3 billion LNG project (PV Power).

2

Enhancing customer experiences

WB completed a comprehensive competency framework for upskilling the RM salesforce. A role-based training roadmap is establishing a new breed of RMs, who take an advisory-based approach, creating a new customer experience. This strategy has paid dividends, with improved customer satisfaction and industry recognition.

3

Diversifying core sectors

WB continued to prioritise four core sectors: real estate and construction, materials (ReCoM); fast moving consumer goods (FMCG); utilities and telcos; and financial services. We have dedicated teams of RMs and specialists to focus intensively on segmenting markets, building knowledge, and understanding trends and opportunities for each sector. We leveraged our well-established expertise in customer-centricity and our value chain approach to derive sector-specific solutions that met and exceeded customer demands. Our strategy and focus have delivered initial favourable results, demonstrated by more than 100% YoY in credit growth in FMCG, utilities and telecommunications, and financials.

The focus for WB in 2022

We are excited about our plans for 2022. To further increase fee income and total operating income (TOI), WB division will keep expanding our value chain capabilities including credit origination, distribution, transaction banking, investment products in priority sectors. We will upgrade our investment and liquidity management products to serve customer needs and digitalise the credit process to attract new credit customers. We will also onboard WB customers on the new Corporate lending platform (BCDE), using more, and better data to continually improve the accuracy and efficiency of the credit decision framework, thus improving overall customer experience and satisfaction.

GLOBAL TRANSACTION SERVICE (GTS)

Overview

Despite a tumultuous 2021 due to the COVID-19 pandemic, and social-distancing practices in Hanoi and Ho Chi Minh, our GTS Division managed to achieve encouraging progress and results:

- CASA balance increased nearly 1.5 times from 2020
- FX value grew by nearly 39.7%, with transactions via digital channels 1.8 times higher than 2020
- Domestic remittance volumes increased 34.3%, mainly from digital channels
- Total value of outward LGs increased by 46.7% YoY, while the value of LCs went up 55.7%.

2021 highlights

GTS aims to create comprehensive financial solutions through multi-channel transactions, so corporate clients have a truly seamless banking experience. In 2021, together with WB and BB, GTS devoted considerable resources to analysing and understanding client needs and converting this data to sales.

"We highly appreciate Techcombank's professionalism and support for businesses and partners like NextTech Group. Our cooperation is based on the specific advantages of the two businesses towards synergies to create added value for customers, partners, small and medium enterprises through online payment methods that are both fast, secure, and convenient. We are supporting businesses in digital transformation, saving costs, and increasing profits, especially in the context of the multi-faceted difficulties caused by the COVID-19 epidemic."

– NextTech Group

Positive feedback from customers is the greatest encouragement for us to continue enhancing and improving products and services, to better serve their needs.

Digitalisation

Scaling host-to-host solutions

There is great practical value in 'host-to-host' (H2H) connections, which link the multifunctional management system of corporate customers to Techcombank. Benefits for BB and WB clients include increased operating efficiency, reduced manual operations, enhanced security and simplified data reconciliation processes. H2H connections are especially helpful where large volumes of payment transactions are involved.

In 2021, GTS:

- Launched new services
 - » Tax collection via a F@st Mobile (Tpay) account link
 - » A solution package using Misa accounting software (B2FEB)
 - » A fast internet banking file sending service for international money transfers
 - » A partnership with NAPAS to implement 24/7 fast money transfer services for corporate clients
- Saw 1.5 times more customers register to use H2H services than in 2020
- Drove a 417.4% increase in the number of domestic remittances transactions compared to 2020.

Digitalisation of supply chain finance (SCF) services

GTS made progress toward converting suppliers and contractors to the online SCF platform. This reduces manual paperwork, streamlining and shortening the disbursement approval process. A contractor can actively choose the disbursement item according to need or set-up automatic disbursement requests. Customers can look up limits, disbursements and debt collection information; all without entering a bank branch.



Product enhancements and process standardisation

Letters of Credit and Guarantee

Standardising the features and operation of LC and LG products has been welcomed by customers and helped improve their experiences significantly:

- LG value increased 46.7% YoY, growing this WB segment by 129.3% compared to 2020
- 55.7% increase in issued LC value, resulting in a 48.9% rise in LC fee revenue compared to 2020
- LC UPAS product continued impressive growth. Total issued value reached more than VND 60 trillion, up more than 89.1% from 2020.

F@st Ebank (FEB) enhancements

GTS has continuously upgraded and optimised our e-banking channel for corporate customers, to improve the digital experience. The number of domestic remittance transactions increased by 34.3% YoY, with 19.6% growth in transactions via FEB and a 417.4% increase via H2H. In 2021, there was strong growth in the value of overseas transactions (+53.7% YoY), accounting for 42.2% of cash management fees from corporate customers. We are seeing a big transition from over-the-counter to digital channels.

Agile – Improving project management

In 2021, GTS was the first of our business units to successfully transition to Jira – an agile tool for project management. It is a new and effective way to track and implement customer products and services. Jira breaks each project into small sprints. We can involve customers at each 'sprint', respond to their needs and make changes quickly. Better products and services are rolled out, which increases our productivity. Customer satisfaction is higher and we are getting a better return on our investment.

LG value

↑ 46.7% YoY

LC value

↑ 55.7% YoY

GLOBAL TRANSACTION SERVICE (GTS)

2021 highlights (continued)

Product enhancements and process standardisation (continued)

The financial market

Our total FX trading value grew by nearly 39.7%, with transactions via digital channels 1.8 times higher than 2020. We continue to lead the Vietnamese financial market in trading in government bonds and derivatives on the FX:

- The Ministry of Finance and Vietnam Bond Market Association (VBMA) named Techcombank as the Leader of 2021 Market Makers
- Top 3 in the Vietnam in terms of largest FX matching transaction volume in 2021.

New products and services

State Treasury project

Thanks to outstanding H2H technology capability, GTS helped Techcombank successfully implement the state budget tax collection system. We are one of the first five private banks in Vietnam authorised to collect domestic and customs tax revenue. Customers will have a new channel to pay taxes, reducing time and costs and improving their overall banking experience. We are also helping the government expand its tax collection network, thanks to our wide coverage of branches and offices across the country.

Collection services

GTS saw that many companies would like to collect payments from third parties via the Bank's networks and services (e.g. at the counter, terminals, POS, payment gateways, Techcombank app etc.). As a result, GTS piloted processes where a corporate customer could do this through partner channels including referral, master merchant and outsourcing; and also through a payment gateway that accepts their cards. We expect the card-accepting payment gateway to be expanded nationwide in 2022, completing the range of collection services for customers.

Digital signatures and 24/7 call centre support

In response to COVID-19, we offered email digital signature solutions so business activities and financial transactions could continue during quarantine periods. We will keep offering this feature to customers into the future.

Another support we provided to our corporate customers was extending our call centre's operation to 24/7. We have received much positive feedback regarding this extended support and will also keep this in the 'new normal'.

Awards

Thanks to the tremendous efforts of GTS and its outstanding products and services in 2021, we were publicly recognised for many achievements:



Most Recommended Transaction Bank in Vietnam

Best Corporate Payment Implementation



Bank of the Year



FX Matching Award by Refinitiv 2021

Best Market Maker

Most Active Bank

Top 5 in volume traded banks



Leading Market Maker in 2021

The focus for GTS in 2022

Throughout 2021, GTS continued investing in product upgrades, building and strengthening the corporate customers' technology platform and realising Techcombank's goal of bringing the best technology to Vietnam's financial industry. Digitalisation, data utilisation and people development remain top priorities for 2022.

GTS will focus particularly on:

- Expanding main operating account (MOA) and increasing product penetration through cross-selling, up-selling and engagement
- Continuously digitalising and transforming to H2H solutions with the targeted growth rate of transaction volume and value at over 100%
- Maintaining momentum and driving the CASA balance through MOA and accounts for trusts, securities and agencies
- Diversifying income by driving fees through investment products, CD Bao Loc, overseas remittances, trade and FX flows.

Two important strategic initiatives are:

- Improving cash and cash product capacity accounts and plans to market
- Implementing a supply chain sponsorship program.



THE FOUNDATION OF **TECH**

We set a commitment
of *'Change banking,
change lives'*.

What's next?





THE FOUNDATION OF TECH

Provided
VND 41 trillion
COVID - support
program to customers
and VND 400 billion to
the community during a
challenging time.

04

THE FOUNDATION OF TECH

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RISK MANAGEMENT

In 2021 Techcombank continued to invest in technology and credit analysis to pursue our digital strategy and enable analytics-based decision making.

300,000+

new account per day capacity

20,000+

new cards issued

Continuous investments to upgrade and improve our risk management framework and platform have resulted in the Bank's well-credited resilience in the recent two years of the pandemic. Prudent lending policy as per approved risk appetite helped to maintain CAR at 15.0%, NPL at 0.7%, and credit cost reduced to 0.7% (from 0.9% in FY20). We also successfully managed down nearly 80% of 2020 COVID-19 restructured portfolios.

Core to this resilience is our lending transformation, which designs scalable credit processes and risk models, together with reengineering service management processes to align costs with risks. The transformation process has progressed well during 2021 and will continue into 2022, helping to scale up lending across targeted portfolios and customer segments. By adopting the latest cloud technology in underwriting and early warning models, using advanced machine-learning techniques and leveraging traditional and non-traditional data sources, we have been able to offer customers a seamless onboarding experience and better credit risk management.

This is the first initiative using the credit-as-a-service (CaaS) model at scale.

Our digital infrastructure enabled us to reach over 300,000 accounts per day through a fully-automated process that mined the inactive customer base, resulting in 20,000+ new cards and significant savings in operating costs. This is the first initiative using the credit-as-a-service (CaaS) model at scale and forms the basis for our next expansion into future connections and projects. At Techcombank, we also created the foundation for a 'feature store' where, by the end of 2022, 5,000+ features will enable improved machine-learning models and better decisions across the whole customer life cycle.



2021 highlights

Omni-channel retail lending platform (Smart Credit)

We launched a market-leading omni-channel retail lending platform (Smart Credit), which reengineered the end-to-end process, to establish a more holistic view of customer information including both internal (lending and non-lending) and external sources. The platform offers pre-approved, instant and higher-quality decisions for credit cards and mortgages. Initiatives like this enable us to manage the consumer credit life cycle using innovative ideas for new products and services, and to manage credit quality within the approved risk-reward limits.

Decision making is enabled by a cloud-based loan origination system (LOS). Based on the different types of customers and products being offered, the time-to-yes (TTY) ranges from 5-15 minutes, while the decision time for pre-approved and in-principle approved customers is less than three seconds. The scoring models and refreshed credit policies powering the Smart Credit framework incorporate approximately 300 derived decisioning features based on roughly 2,000 raw data elements from 15 or so data sources internally and externally, offering significant gains in predictive power. Since the launch of Smart Credit, Techcombank's credit card platforms have seen a significant take-off in number of cards acquired (92% are active) with customer satisfaction very high at 96%.

RISK MANAGEMENT

2021 highlights (continued)

Corporate lending platform (BCDE)

We continued to expand BCDE, our corporate commercial lending platform, which was designed and introduced to effectively automate and manage the credit management value chain for non-retail credit portfolios. This platform incorporates credit lifecycle models that are reviewed and refreshed on an annual basis. The goal is to streamline the entire credit lifecycle from client onboarding to post-disbursement performance monitoring, including covenants compliance. We want to reduce the time from application to disbursement to less than five working days to create a best-in-class customer experience.

While Techcombank launched the lending platform in 2020, the real transformation occurred in 2021 and will continue into 2022. It was originally launched ‘on premises’ and has now been moved to the cloud.

Debt collection platforms and processes were enhanced to suit the ‘new normal’ and digitalisation of customer interactions is well underway.

Fraud management platform (Visa 3D secure 2.0)

The launch of a market-leading fraud management platform that includes a powerful two-factor customer and card authentication process (Visa 3D secure 2.0) enables customers to shop safely in the ever-expanding e-commerce ecosystem.



Compliance through contemporary risk management

We were the first bank to comply with International Financial Reporting Standard (IFRS) 9 in 2018, followed by full compliance with Circular 41 in 2019 and three pillars of Basel II in 2020. In 2021, Techcombank upgraded its Basel and IFRS standards, especially stress test model across credit, market, liquidity and operational risk management.

Risk Management and Treasury also launched Kamakura, a market-leading risk and liquidity management platform. Combined with a strategy to further expand the newly-launched risk datamart as part of the data lake build-up, we will have a market-leading risk management platform by the end of 2022, and increased risk management capabilities.

The focus for Risk Management in 2022

As a bank, our core business involves risk. To manage this, we will continue to strengthen our risk management foundations. Better risk management aids business initiatives that encourage diversification and scaling-up of our lending business, which supports the Bank’s overall short and long-term growth plans.

We will continue to improve risk management through:

- Enhancing our retail and corporate transaction platforms – adding new features, and functionalities to make them simple, intuitive and insightful for customers
- Other key initiatives occurring across the Bank in modelling market and liquidity risk, fraud and emerging risks, operational risk management, and improving debt collection capability
- Setting the benchmark as the leader in Enterprise Risk Management (ERM) with a special focus on risks in:
 - » Environmental, Social, and Governance risks (ESG)
 - » Technology, operations and financial crime risks (TOFC)
 - » Model risk management (MRM)
- Implementing an Anti-Money Laundering (AML) platform - a leading cloud-based system that ensures compliance with anti-money laundering regulations.

ESG SUSTAINABILITY

ESG Framework at Techcombank

We have actively researched, developed and implemented programs and policies to encourage lending to ‘green’, eco-friendly projects and increased the number of these in our loans portfolio.



From the early days of establishment, Techcombank’s management fully understood that success could only be sustained by building sound governance into the foundations of the Bank – supporting the community and society we operate in and protecting the earth for ourselves and the lives of future generations. As a result, Environmental, Social, and Governance (ESG) values, and meeting related legal requirements, are a core part of our business and investment philosophy.

We fulfilled the most stringent environmental and social requirements in the international capital raising rounds in 2020 - 2021.

We have a robust environmental and social risk management system (ESMS) in place across all business activities and lending practices, which goes much further than just compliance. Our values are based on caring for the communities we operate in and the planet that sustains them:

- We have actively researched, developed and implemented programs and policies to encourage lending to ‘green’, eco-friendly projects and increased the number of these in our loans portfolio.

- Some of our business development activities in key economic sectors are oriented towards renewable energy projects such as wind, solar and biomass power. These are among the Bank’s priority sectors for the coming years.

Our ESMS framework was developed by the Techcombank Board to support high-level principles and requirements at all stages – from assessment, appraisal and approval to risk monitoring and control after disbursement. Day-to-day procedures, guidance and decisions on credit approvals are overseen by the CEO and Heads of Divisions.

ESMS framework at Techcombank (based on IFC standard)

1 General principles of assessment, rating and approval of Environmental and Social risks (E&S risk) (including transactions)

2 Requirements for E&S risk rating: rating criteria, requirements for assessments and rating (in the Report on Customer appraisal)
Requirements on E&S risk appraisal: including appraisal at Business Units and independent appraisal at Risk Management Division

3 Requirements for E&S risk approval: all documents with Group A rating (High risk with potential significant adverse environmental or social risks and/or impacts that are diverse, irreversible, or unprecedented) must be approved by the E&S risk experts at Risk Management Division

Requirements for post-disbursement controlling and monitoring and E&S risk reporting:

4 (i) Relevant units must submit reports to Head of Business Divisions, E&S risk experts and the E&S risk management officer of Risk Management Division for handling if they detect customers violating provisions of laws, commitments, regulations and conditions of Techcombank
(ii) The reports are prepared by the Appraisal Unit of Risk Management Division and E&S risk management officers

5 Roles and responsibilities of individuals and related departments: customer relationship officers; units and individuals with post-disbursement controlling functions; E&S risk experts; department/unit in charge of E&S risk under Risk Management Division

Guidance on E&S risk rating ranging from Group A, B and C:
Group A is classified as High E&S risk and will required proper assessment for E&S;

6 Group B is deemed as medium risk with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures;

Group C has low E&S risk with minimal or no adverse environmental or social risks and/or impacts.



Regulation on Environmental and Social Risks management

ESG SUSTAINABILITY

ESG Framework at Techcombank (continued)

Sector and project classification for assessment and appraisal

We strictly comply with the IFC’s exclusion list and with Vietnamese regulatory requirements. Sector and project classification guidelines, based on strict compliance requirements, are communicated to all credit officers.

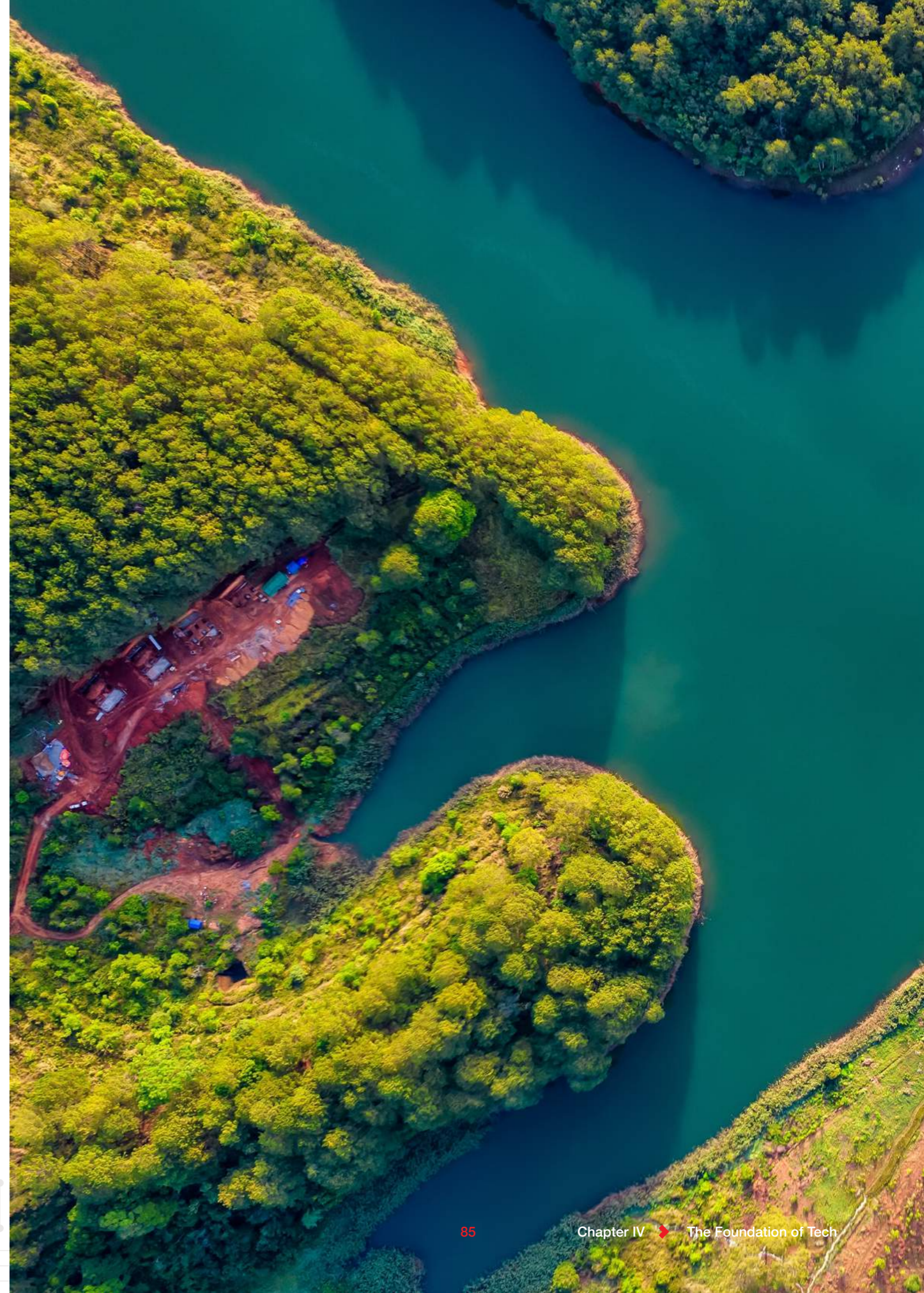
According to four major factors of a project: industry, location, sensitivity and scale of environmental and social impacts, RM or investment officers classify the environmental and social risks of each transaction into one of three groups as follows:

Group A

The project could have huge adverse impacts on the environment. These impacts are often sensitive, multifaceted or unprecedented. A potential impact is ‘sensitive’ if it is unlikely to be avoided (e.g., resulting in major loss of natural habitat), affects vulnerable populations or people, ethnic minorities, is related to migration or involuntary resettlement, or has a significant impact on natural heritage. Thus, it is necessary to have a complete environmental impact assessment according to regulation of environmental and social risk management at Techcombank.

Typical projects of Group A

- Projects affecting ethnic minorities
- Projects related to resettlement of communities or households
- Projects that lead to migration
- Projects impacting cultural heritage (i.e. religious monuments, archeology)
- Projects that pose risks in health and work
- Impacts on the protection of natural habitats or areas of high biodiversity including wetlands, coral reefs or mangroves
- Construction of dams and water tanks
- Pesticides and herbicides: for the purpose of production or trading
- Major irrigation projects or other projects affecting water supply in an area
- Activities with hazardous waste
- Dangerous chemicals: production, storage and transportation of large volumes
- Oil and gas development and exploitation, including the construction of oil pipelines
- Large infrastructure projects including construction of wharfs, airports, roads and transit systems
- Forestry activities
- Metal smelting, refining and casting activities
- Mineral (surface mining or strip mining)
- Hydro power or thermal power plants



ESG SUSTAINABILITY

ESG Framework at Techcombank (continued)

Sector and project classification for assessment and appraisal (continued)



Group B

The project may lead to certain environmental impacts but these impacts are limited to a certain extent and not large if they occur. In most of these cases, risk mitigation is the use of performance standards, guidelines or predefined criteria. Potential adverse environmental impacts on populations or significant environmental areas are lower than those of Category A projects. Although a full environmental impact assessment is not necessary, it is essential to focus on the expected impacts that may occur.

Typical projects of Group B

- Breweries
- Cement production
- Dairy production
- Food processing
- General manufacturing plants
- Hospitals
- Hotel construction or tourism development
- Mining (small scale)
- Metallic plating
- Existing factories modernisation
- Pulp and paper factory
- Textile factory

Group C

Projects in this category may have minimal or no adverse environmental impacts. No need for environmental impact assessment.

Typical projects of Group C

- Software development
- Consultancy firms
- Services industries
- Technical support
- Stock brokerage
- Retail banking

Techcombank's sales force and credit officers are expected to take a thoughtful, nuanced and flexible approach to ESG. They must review and measure all aspects of a project against the classification framework to derive the most accurate assessment. The re-classification is only allowed in case the project moves from the low-risk level to the riskier ones. For example, a hospitality project may seem straightforward (Level B) but if it involves erecting a hotel in a forested area, it could be a Level A high-risk project. Our framework can help Techcombank employees and our customers think and act responsibly and sustainably, rather than compromising environmental or social goals. We hope it plays a meaningful role in achieving our vision of Change banking, change lives.

ESG SUSTAINABILITY

COVID Support and other CSR

Since the beginning of the COVID-19 pandemic, we have been among the pioneers in supporting the Government, businesses and the community, especially in Ho Chi Minh city and surrounding areas. In the context of this unforeseen event, we committed to not only ensure the safety of, and support our 12,000+ employees, but also to take more efforts to help the country overcome the pandemic. Within two years, we restructured nearly VND 11.8 trillion in loans. By the end of 2021 the

balance reduced to VND 1.9 billion, equivalent to 0.5% of the outstanding loans. At Techcombank, we also assisted with interest rate reductions of VND 540 billion. To support communities, we contributed around VND 400 billion for activities including the COVID-19 Vaccine Fund, and funds for hospital construction, medical equipment and other direct help to patients and their families.



Our vision is to uplift everyone to reach their full potential.

Other activities supported by Techcombank

In 2021 we commenced a new strategic journey with aspirations for innovation. We keep striving to realise our vision of Change banking, change lives through our business and social programs. Our vision enables us to encourage each Vietnamese person to unlock their potential and Be Greater.

Techcombank takes corporate social responsibilities very seriously and, in 2021, we supported our community and our people through:

- Our annual marathon sponsorship to promote social and physical activity in the community
- Various direct and indirect programs to help our customers and the broader community to overcome the COVID-19 pandemic.



The 4th edition of Techcombank Ho Chi Minh City International Marathon

In April 2021, Vietnam's world-class running event – the Ho Chi Minh City International Marathon – took place for the fourth time. Techcombank sponsored and helped organise this event, which embodies our Be Greater ethos. Despite interruptions and postponements due to the pandemic, over 13,000 participants entered races of 5 to 42 kilometres, with the support and encouragement of local government, residents and organisers. Running can be enjoyed by many, regardless of age, gender, nationality or profession.

The marathon demonstrated how seriously we take our responsibility for community development – encouraging people to take-up sport, improve themselves and persistently pursue their aspirations. The motto 'Greater Me. Greater You. For Greater Vietnam.' has even more meaning given our donations to the Ho Chi Minh City 'For Greater Vietnam' fund and the participation in the race of nearly 2,000 Techcomers and bank managers, who ran alongside 11,000 city locals.

At the end of the event, our CEO, Jens Lottner, presented VND 2 billion as a charity to 'For Greater Vietnam' foundation.

In 2022, we will encourage the Be Greater lifestyle, expanding our sponsorship and bringing the International Marathon to Hanoi for the first time. Pioneering professional sporting events in Vietnam is part of the Bank's aim to help community members improve their physical fitness, foster self-development and create their own success.

April 2021

13,000+
Participants

5-42 km

Donated
VND 2 BILLION
to 'For Greater Vietnam' foundation

ESG SUSTAINABILITY

COVID Support and other CSR (continued)

COVID-19 support

Amid the challenges sparked by COVID-19, Techcombank made practical contributions to the community through a series of programs supporting prevention of the pandemic and improving public health.

Donated about

VND
400 BILLION
 for medical equipment to southern hospitals

Funded COVID-19 hospital constructions in Hanoi and the northern provinces

Funded the government's 'Fund for Vaccination and Prevention of Coronavirus Disease'

In 2021, we donated about VND 400 billion for over 1,000 pieces of medical equipment especially for hospital in the southern region which was hit the most during wave 4, and funded COVID-19 hospital constructions in Hanoi and the northern provinces. In addition, the Bank funded the government's 'Fund for Vaccination and Prevention of Coronavirus Disease' and supported disadvantaged households and labourers across 15 provinces and cities in Vietnam. Under the direction of the SBV and government agencies, Techcombank shouldered the burden with all Vietnamese people to overcome the tough COVID-19 period.

The Bank has also been enhancing solutions for customers impacted during and after the pandemic. Our ultimate aim is to ensure employee health and safety, thereby protecting customers and maintaining business continuity. Techcombank emphasised digital investment to provide, and constantly upgrade, electronic tools for more convenient, secure, and safe transactions. The Bank also diversified its offerings, adding daily cashless payments to limit the spread of COVID-19, pre-approved credit cards to support spending needs in an impacted economy, and products linking investment and health protection.

Support for community is part of our vision *Change banking, change lives*, but it also shows the pride and determination of all Techcomers to walk beside the country's people, the government and frontline forces in the fight against COVID-19.



The focus for CSR activities in 2022

We will continue to sponsor the Techcombank Ho Chi Minh City International Marathon, and create a Techcombank Hanoi Marathon, to encourage healthy lifestyles, self-development and a better Vietnam.

We will always answer the call from the Government of Vietnam to community support – helping people and the country to overcome the COVID-19 aftermaths and responding any other public health emergencies that may arise.

Finally, we will continue to uphold the human spirit by supporting Vietnamese people and communities through difficult circumstances and natural disasters, helping them recover and prosper.

Board of Directors



➤ OUR
LEADERSHIP
TEAM

Our Supervisory Board



Our Executive Team



► OUR
LEADERSHIP
TEAM

ESG SUSTAINABILITY

Governance

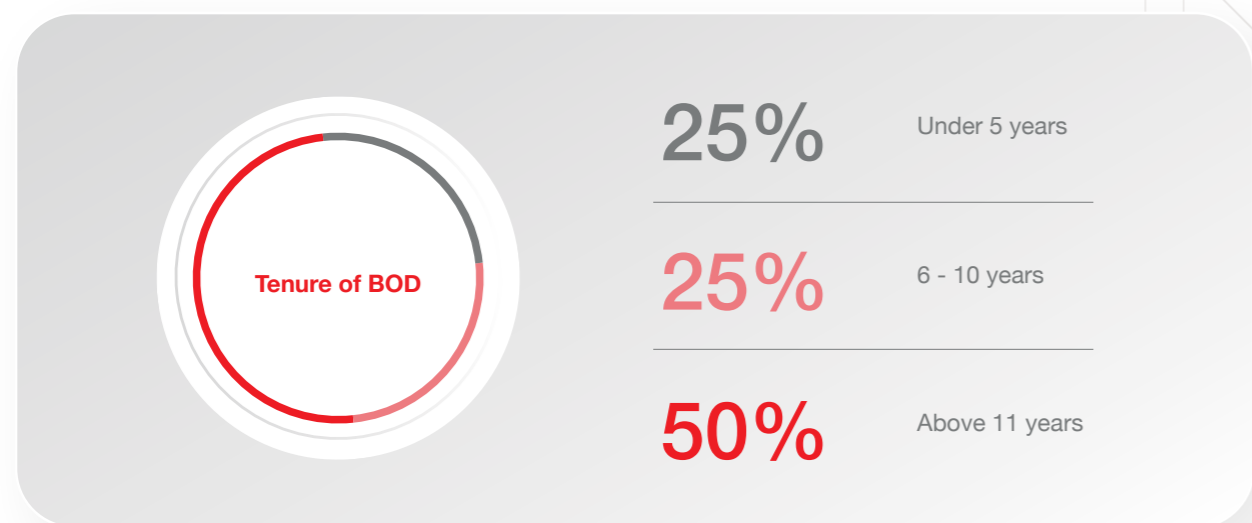
On Corporate Governance

Techcombank is gradually developing and adopting a transparent and effective Corporate Governance structure, ensuring the interests of our customers, employees, shareholders and investors; thereby guaranteeing the sustainable development and value of our organisation.

The Corporate Governance structure of Techcombank complies, in all material aspects, with the following corporate governance regulations and guidelines issued by Government agencies. Notable mentions are:

- Decree No. 155/2020/ND-CP on detailing and guiding the implementation of a number of articles of the Law on Securities;
- Circular No. 13/2018/TT-NHNN on internal control systems of commercial joint-stock banks, foreign bank branches, and other relevant regulations;
- Vietnam Corporate Governance Code of Best Practices issued in August 2019 by State Securities Commission and International Finance Corporation (IFC).

Board of Directors



1 Independent Director

8 Non-Executive Directors

Board of Directors



Mr Ho Hung Anh

Chairman
Age 52 | Board member since 03/2004

Mr Ho has been the Chairman of Techcombank's Board of Directors since May 2008. Prior to his election as Chairman, Mr Ho served as a member of Techcombank's Board of Directors from 2004. His professional career also includes several years of executive-level experience at large organisations, including Masan.

Mr Ho holds a degree in Electrical Engineering from the Kiev Polytechnic Institute in the Ukraine and a Masters Degree in Human Resource Management from Moscow Automobile and Road Construction State Technical University (MADI), Russia.



Mr Nguyen Dang Quang

First Vice Chairman
Age 59 | Board member since 01/2000

Mr Nguyen has served as First Vice Chairman of Techcombank's Board of Directors since April 2016. Previously, he was a member of Techcombank's Board of Directors from May 2014 to March 2016 and was First Vice Chairman of the Bank from May 2008 to April 2014. Before becoming a Director of Techcombank, Mr Nguyen had more than 20 years of executive experience, including key management positions at Techcombank since 1995 and membership on the Board of Directors of Masan.

Mr Nguyen holds a PhD from the National Academy of Sciences of Belarus and an MBA from the Plekhanov Russian University of Economics.

ESG SUSTAINABILITY

Governance (continued)

Board of Directors (continued)



Mr Nguyen Thieu Quang

Vice Chairman

Age 63 | Board member since 06/2000

Mr Nguyen has been a member of Techcombank's Board of Directors since 1999 and became Vice Chairman of Techcombank's Board of Directors in May 2008. Mr Nguyen has significant executive experience including various key positions at Masan, Vinaconex and Senco.

Mr Nguyen holds a degree in civil engineering from Donetsk Polytechnic Institute in Ukraine (now Donetsk National Technical University).



Mr Nguyen Canh Son

Vice Chairman

Age 55 | Board member since 05/2008

Mr Nguyen has served on the Board of Directors since May 2008 and has been the Vice Chairman of Techcombank's Board of Directors since April 2009. Mr Nguyen has more than 20 years of experience including the positions of Chairman at Eurowindow Holding and Board member at T&M Invest Vietnam.

Mr Nguyen holds a degree in civil engineering from the Moscow Institute of Civil Engineering in Russia (now Moscow State University of Civil Engineering).



Mr Do Tuan Anh

Vice Chairman

Age 49 | Board member since 12/2012

Mr Do has been Vice Chairman of the Board of Directors and Deputy CEO of Techcombank since June 2015 and served as a member of Techcombank's Board of Directors from December 2012. Prior to his appointment to the Board of Directors, Mr Do held various management positions at the State Bank of Vietnam and Techcombank, including Deputy Director General of International Cooperation Department and Director of the Banking Supervision Agency, Senior Assistant to the Board of Directors and Head of the Strategy and Corporate Development Division.

Mr Do holds a Master's degree in Wealth Management from Singapore Management University (Singapore).



Mr Lee Boon Huat

Non-Executive Director

Age 65 | Board member since 12/2012

Mr Lee has been a member of Techcombank's Board of Directors since May 2014. Prior to that, he was an Independent Director of the Board from December 2012 to April 2014. Before joining Techcombank, Mr Lee worked with several international organisations, including the Monetary Authority of Singapore, HSBC, Canadian Imperial Bank of Commerce, Chemical Bank and Standard Chartered Bank.

Mr Lee holds a Bachelor's degree in Business Accounting from the Western Australian Institute of Technology (now Curtin University).

ESG SUSTAINABILITY

Governance (continued)

Board of Directors (continued)



Mr Saurabh Narayan Agarwal

Non-Executive Director

Age 41 | Board member since 04/2019

Mr Agarwal was appointed to Techcombank's Board in April 2019. Prior to joining Techcombank, he worked for many years in finance and financial investment, holding executive positions such as Senior Analysis Expert, Director of McKinsey Company in New Delhi, India, and New Jersey in the US; and was Director of Warburg Pincus in New York, US and Singapore.

Mr Agarwal graduated from the Indian Institute of Technology Bombay with a Bachelor's degree in Technology and Electrical Engineering, and a Master's degree in Technology and Microelectronics, and holds a Master's degree in Business Administration from Harvard Business School in the US.



Mr Nguyen Nhan Nghia

Independent Director

Age 53 | Board member since 04/2019

Mr Nguyen was appointed Techcombank's Independent Director in April 2019. Prior to joining Techcombank, he held executive positions at financial institutions and banks, including Deputy Head of Department, Head of Rural Finance Project under the International Credit Project Management Unit at the State Bank of Vietnam, Deputy Head of BIDV's Business Center 3, Deputy CEO and CEO of BIDV-Vietnam Partners.

Mr Nguyen graduated from Water Resources University, majoring in Water Engineering, has a Finance and Economics Master's degree from the University of London, and was awarded a CFA (Chartered Financial Analyst) Certificate, through an international professional Financial Analysis Program offered by CFA Institute in the US.



Mr Ho Anh Ngoc

Vice Chairman

Age 40 | Board member since 04/2021

Mr Ho has been Vice Chairman of Techcombank's Board of Directors since April 2021. Prior to his appointment, Mr Ho had more than 14 years of experience in key management positions at Techcombank and its subsidiaries. He held executive positions at several large organisations, including One Mount Group JSC, One Mount Real Estate JSC, One Mount Distribution JSC and One Mount Consumer JSC.

Mr Ho graduated from Macquarie University, Sydney, Australia with a Bachelor's degree in Commerce and Accounting and a Master's degree in Economics. He is also a Member of CPA Australia.

ESG SUSTAINABILITY

Governance (continued)

Corporate Secretary



Mr Nguyen Tuan Minh

Head of BOD Office-cum-Corporate Secretary

Mr Nguyen joined Techcombank in May 2013 and has more than 8 years of executive experience, including many different management positions at Techcombank such as Head of Legal; Head of Compliance at Operational Risk and Legal Division; and Head of Legal Counsel in Corporate Affairs Division. Prior to that, he spent over 20 years in legal consulting – as a practising lawyer, an in-house general counsel and in a senior management position in a private law firm, in the Vietnam branch of an international law firm and in a commercial bank and securities company. Mr Nguyen has held his current position since November 2019.

Mr Nguyen holds a Bachelor's degree in International Relations from the Diplomatic Academy of Vietnam, and a Bachelor of Law from Hanoi Law University. He is a practising lawyer and member of the Hanoi Bar Association.



ESG SUSTAINABILITY

Governance (continued)

Positions in other companies held by members of the Board of Directors 2019-2024 term

Full Name	Position in TCB	Positions in other companies held by BOD members
Mr Ho Hung Anh	Chairman	None
Mr Nguyen Dang Quang	First Vice Chairman	<ul style="list-style-type: none"> BOD Chairman, Masan Group BOD Chairman-cum-CEO, Masan Corporation BOD Chairman, Mobicast JSC BOD Chairman, VCM Services And Trading Development JSC BOD Chairman, Phuc Long Heritage Corporation
Mr Nguyen Thieu Quang	Vice Chairman	<ul style="list-style-type: none"> BOD Member, Masan Consumer BOD Chairman, Saigon Environmental Technology and Construction Corporation – Senco
Mr Nguyen Canh Son	Vice Chairman	<ul style="list-style-type: none"> BOD Chairman-cum-CEO, Eurowindow Holding BOD Member, T&M Van Phong Investment & Tourism JSC BOD Chairman, Incentra JSC BOD Chairman, Eurowindow JSC
Mr Do Tuan Anh	Vice Chairman	<ul style="list-style-type: none"> BOD Chairman, INB Investment JSC BOD Chairman, Dai Hung Tinh Investment JSC CEO, KDI Holdings BOD Vice Chairman-cum-CEO, Vega City JSC
Mr Lee Boon Huat	Non-Executive Director	<ul style="list-style-type: none"> Independent Director, Alliance Bank BHD BOD member, Techcom Securities (TCBS) BOD member, Techcom Capital (TCC)
Mr Saurabh Narayan Agarwal	Non-Executive Director	<ul style="list-style-type: none"> Independent Director, Online Mobile Services Joint Stock Company Non-Executive Director, Converge Information and Communications Technology Solutions Inc Non-Executive Director, Circles Asia Cayman Limited Director, Converge ICT Singapore Pte. Ltd
Mr Nguyen Nhan Nghia	Independent Director	None
Mr Ho Anh Ngoc	Vice Chairman	<ul style="list-style-type: none"> BOD Chairman, One Mount Group JSC BOD Chairman, One Mount Real Estate JSC BOD member, One Mount Distribution JSC BOD member, One Mount Consumer JSC BOD member, Viet Nam Cruise Co., Ltd.

Activities of Board of Directors in 2021

The Board of Directors oversees the operations of the CEO and the Bank’s executives through the authorisation and delegation mechanism as well as TCB’s internal regulations issued by the Board. Activities under the authority and decision-making power of the Shareholders' General Assembly and the BOD, shall be submitted to the BOD for approval. The BOD will make decisions promptly for the CEO and other Executives to implement.

In 2021, the Board of Directors held five Board meetings. Detailed content and Resolution issuance dates are listed here:

Meetings of the Board in 2021

BOD Members	Position	Day elected as member of the Board of Directors	No. of attended meetings	Attendance rate
Mr Ho Hung Anh	Chairman	13/04/2019	05	100%
Mr Nguyen Dang Quang	First Vice Chairman	13/04/2019	05	100%
Mr Nguyen Thieu Quang	Vice Chairman	13/04/2019	05	100%
Mr Nguyen Canh Son	Vice Chairman	13/04/2019	05	100%
Mr Do Tuan Anh	Vice Chairman	13/04/2019	05	100%
Mr Lee Boon Huat	Non-Executive Director	13/04/2019	05	100%
Mr Saurabh Narayan Agarwal	Non-Executive Director	13/04/2019	05	100%
Mr Nguyen Nhan Nghia	Independent Director	13/04/2019	05	100%
Mr Ho Anh Ngoc	Vice Chairman	24/04/2021	04	100%*

* Mr Ho Anh Ngoc attended 4 out of 4 meetings in 2021.

ESG SUSTAINABILITY

Governance (continued)

Activities of Board of Directors in 2021 (continued)

Resolutions of the Board in 2021

Resolution no.	Issuance date	Main content
0232/2021/ NQ-HĐQT	26/03/2021	<ul style="list-style-type: none"> Review and approve business results until February 2021 Review and approve 2021 business plan Review and approve Techcombank's strategy update report Review and approve Techcombank's Vision and Mission Review and approve the partial transfer of Techcombank Saigon Building at 23 Le Duan, Ben Nghe Ward, District 1, Ho Chi Minh City Review and approve Supervisory Board's Q1 2021 Report Review and approve agenda and content of AGM 2021.
0298/2021/ NQ-HĐQT	24/04/2021	Approve the election of Mr Ho Anh Ngoc - Member of the Board of Directors to assume the position of Vice Chairman of the Board of Directors for the 2019-2024 term and the assignment of responsibilities to Mr Ho Anh Ngoc.
0578/2021/ NQ-HĐQT	25/06/2021	<ul style="list-style-type: none"> Review and approve business results report until May 2021 Review and approve Techcombank's strategy update report Review and approve Supervisory Board's Q2 2021 Report Review and approve the renaming of NORCO to the Nomination Committee; amendments to the Statute and Members of this Committee.
0939/2021/ NQ-HĐQT-TCB	24/09/2021	<ul style="list-style-type: none"> Review and approve business results report until August 2021 Review and approve Techcombank's strategy update report Review and approve Supervisory Board's Q3 2021 Report Review and approve the implementation of the DFS Project between Techcombank and 1MG.
1225/2021 NQ-HĐQT-TCB	10/12/2021	<ul style="list-style-type: none"> Review and approve 2021 business results of Techcombank Review and approve report on result of the Bank's strategy execution Review and approve in principle on the 2022 business plan. Assign CEO to review/adjust and report to BOD at the next meeting to submit to the AGM 2022 Review and approve Supervisory Board's Q4 2021 Report.

Activities of Independent Director

- 1 Executing the rights and obligations of independent BOD members in accordance with Techcombank's internal regulations and the assignment decisions of the BOD/ Chairman of the BOD carefully and honestly, contributing to the success of Techcombank's 2021 business results.
- 2 Fully attending the meetings of the BOD, Board Risk Committee (BRC), Nomination Committee (NORCO) and giving written opinions on the issues adopted and approved there.
- 3 Implementing the resolutions and decisions of the AGM of Shareholders in 2021 and according to the decisions on assignment of tasks of the BOD.
- 4 Reporting and disclosing information in accordance with the law when performing stock transactions (buying ESOP shares) for affiliated persons at Techcombank.
- 5 Completing tasks and responsibilities in roles and positions as assigned by the BOD, effectively supporting the BOD in making timely decisions on governance processes.
- 6 Evaluating the BOD's performance in 2021.

In 2021, the BOD was active, promptly promulgating resolutions and decisions to effectively implement the resolutions of the General Meeting of Shareholders:

- Working with members of the BOD in directing, supervising the CEO/Executive Committee to implement the 2021 business plan approved by the 2021 General Meeting of Shareholders
- Performing the roles, functions and responsibilities of the independent members of the BOD, supervising the CEO to perform assigned tasks
- Reviewing and approving the issuance of internal regulations related to Techcombank's organisation, governance and professional activities under the authority of the BOD
- Supervising the CEO in organising and implementing control activities, operating and maintaining the information management system and information exchange mechanism, maintaining professional ethical standards, best practices and full compliance with prevailing regulations including supervision the handling of internal violations
- Giving opinions on, and discussing the implementation of, Techcombank's annual strategy and development plan
- Making decisions related to market development, marketing and technology solutions
- Making decisions on risk management policy and monitoring the implementation of risk prevention measures in Techcombank
- Performing other tasks assigned and directed by the SBV and the Chairman of the BOD.

List of Directors with Corporate Governance certificates

Members of Techcombank's Board of Directors have all participated in various programs on Corporate Governance topics.

ESG SUSTAINABILITY

Governance (continued)

Activities of BOD's Committees in 2021

The Board of Directors established two committees in accordance with the law, including the Board Risk Committee and the Nomination Committee, with the function of advising the BOD on related issues. Activities of the Committees in 2021 are as follows:

Board Risk Committee (BRC)

Board Risk Committee is established by the BOD to execute several professional functions and tasks assigned by the BOD in relation to examination, supervision and risk management of the Bank. In 2021, BRC reviewed and approved, thereby advising the BOD to make decisions on, updating and completing the risk management policy, including periodically reviewing and promulgating amendments to the risk management policy; Risk Appetite in 2022 “to maintain a comprehensive risk management framework with the target of sustainable business development whilst maintaining market leading capital, liquidity and prudent leverage ratios...” (Excerpt from Techcombank's 2022 Risk Appetite Statement).

BRC has actively directed and supervised risk management throughout the Bank by monitoring implementation and compliance to the regulations of the law, the State Bank of Vietnam, Risk Management Policy, Risk Appetite and safety thresholds and limits in banking activities. Specifically:

Credit portfolio management and credit risk:

- (i) In the context of the unpredictable of the COVID-19 epidemic, especially the new waves of epidemics and mutations, BRC has continuously requested relevant units to closely monitor the developments of the epidemic, assess the impact on the quality of Techcombank's credit portfolio and customer portfolio, and restructure loans in accordance with the State Bank's regulations. This provides meaningful information for making business decisions, accompanying, supporting and overcoming difficulties for customers affected by the pandemic and mitigating the impacts of COVID-19 on Techcombank;
- (ii) Directing the improvement of credit orientation in line with the Bank's business strategy, promoting investment in technology, digital transformation and developing automated processes on a prudent basic, observing effective risk management.

Operational risk management: BRC is always focused on operational risk management, discussing it in regular meetings, directing and emphasising the ability to implement the risk management framework in practice, ensuring the initiative, speed and effective direction not only of units directly involved in risk management activities but also the orientation to it by all Techcombank staff. In addition, BRC directs the development and completion of the assessment of qualitative factors in operational risk management, especially risk management for non-financial loss issues (including reputational risk, etc.), training and communication on emerging trends/operations risks to keep abreast of market fluctuations and the actual situation at the Bank.

Liquidity and market risk management:

- (i) BRC approved the periodic report on the liquidity stress test (stress test), requesting the units to review, evaluate and learn from the results of stress tests carried out to complete methods and scenarios to implement more effectively in the new period. At the same time, directing the continued improvement of the stress testing framework for the Bank, not only in compliance with the SBV's regulations and internal governance requirements, but also in line with international standards, ensuring Techcombank always proactively responds to potential situations and maintains business continuity;
- (ii) Directing the completion and development of the market risk management framework, ensuring overall management of potential market risks from activities/transactions arising on and off the Bank's balance sheet, in addition to the quick completion of related strategic projects/initiatives to continuously improve Techcombank's market and liquidity risk management.

Other material risk types: BRC supervised the implementation through periodic monitoring of the risk appetite indicators, risk limits for material risks and thresholds and assurance limits in banking operations.

In addition, BRC has performed the role of monitoring and evaluating the progress of overcoming and dealing with shortcomings and limitations in risk management according to the records and recommendations of the State Bank Inspectorate, to improve compliance with the regulations of the law, the SBV and the effectiveness of risk management at Techcombank.

Chairman of BRC

Mr Ho Hung Anh – Board Chairman

Member of BRC

- Mr Nguyen Dang Quang – Board First Vice Chairman
- Mr Nguyen Thieu Quang – Board Vice Chairman
- Mr Nguyen Canh Son – Board Vice Chairman
- Mr Do Tuan Anh – Board Vice Chairman
- Mr Lee Boon Huat – Board Non-Executive Director
- Mr Saurabh Narayan Agarwal – Board Non-Executive Director
- Mr Nguyen Nhan Nghia – Board Independent Director

ESG SUSTAINABILITY

Governance (continued)

Activities of BOD's Committees in 2021 (continued)

Nomination Committee (NORCO)

In order to attract, develop and retain talent, NORCO has proactively researched, advised and made proposals to the Board of Directors on the HR action plan for 2021-2022 that is consistent with the implementation roadmap of the Bank's 2021-2025 strategy, and towards the implementation of the **People Excellence Strategy**.

The HR action plan for 2021-2022

The HR action plan focuses on attracting, developing and retaining talent; with key actions including increasing recruitment of data, technology, and sales candidates; developing a learning path for each job role and focusing on implementing overall leadership development programs; redesigning talent segments and performance management processes; reviewing and renewing salary and benefits programs.

In addition, two strategic initiatives were also implemented, including HRS1 initiative – implementing a human resource management system to digitalise HR processes; and HRS2 – ensuring the Employee Value Proposition is developed for each segment in a way that achieves high efficiency in attracting, developing and retaining talent.

The salary and benefit policy for the sales force

In order to properly reward employees for their results, NORCO held one (1) meeting to advise on making the sales force's salary and benefit level market-competitive and to design it in accordance with the strategy and operating model of Techcombank.

With the goal of performance-based payment, employees will be motivated and continuously improve their capacity to achieve outstanding results for themselves and the Bank.



Chairman of NORCO

Mr Nguyen Nhan Nghia – Board Independent Director

Members of NORCO

Mr Ho Hung Anh – BOD Chairman

Mr Jens Lottner – CEO

Ms Nikki Dang My Quyen – Chief Human Resources Officer

ESG SUSTAINABILITY

Governance (continued)

Our Supervisory Board

3

Members

2

Full-time members

1

Part-time member



Mr Hoang Huy Trung

Head of Supervisory Board and Full-time Member

Mr Hoang has had many years of experience in the banking industry and has held various management positions at the State Bank of Vietnam and Techcombank. He has been Head of the Supervisory Board and a full-time member of the Techcombank Supervisory Board since December 2012.

Mr Hoang graduated with a Master's degree in Economics, specialising in banking, at the National Economics University and a Bachelor's degree in Economics, majoring in Banking and Finance, from the Academy of Finance.



Ms Bui Thi Hong Mai

Full-time Member

Ms Bui has many years of experience in accounting and finance. From April 2010 to April 2019, she was a member of the Techcombank Supervisory Board. She has been a full-time member of the Techcombank Supervisory Board since 13 April 2019.

Ms Bui holds a Bachelor's degree in Accounting and Finance.



Mr Mag Rec Soc Oec Romauch Hannes

Member

Mr Hannes has many years of experience in banking and finance, and has held many important management positions in financial institutions and large corporations. He has been a member of the Techcombank Supervisory Board since April 2012.

Mr Hannes holds a Master's degree in Business Administration, majoring in Finance, Banking and Marketing from Klagenfurt University, Republic of Austria.

ESG SUSTAINABILITY

Governance (continued)

Activities of Supervisory Board

Responsibilities and accountabilities of the Supervisory Board

- Monitor compliance with legal regulations and Techcombank’s Charter in the governance and management activities of the Bank
- Perform the Internal Audit function, including reviewing the effectiveness of the internal control systems of the Bank and its subsidiaries
- Appraise the Bank’s semi-annual and annual financial statements
- Perform inspection and monitoring (if any) at the request of the State Bank of Vietnam and/ or major shareholders/ group of major shareholders in accordance with the law and the Bank’s Charter
- Perform other duties in accordance with the law and the Bank’s Charter.

Principles of operations and coordination between the Supervisory Board and the Bank’s Board of Directors and executive leaders

- The Supervisory Board operates on the principle of independence, and at the same time closely coordinates with the Bank’s Board of Directors and executive leaders, in the governance and management activities of the Bank. It aims to prevent, detect and completely handle any shortcomings in banking operations; improving the capacity of the internal control system, perfecting regulations, processes, products and risk management in business activities and improving the governance and management capability of the system.
- The Board of Directors and executive leaders of the Bank recognise, proactively organise and give directions to overcome shortcomings according to the recommendations of the Supervisory Board and Internal Audit; and also create favourable conditions for the Supervisory Board to perform its duties.

In 2021, three members were voted to be on the Supervisory Board for the 2019–2024 term. Two are full-time and one part-time. Meeting attendance for the Supervisory Board members in 2021 was as follows:

Meetings of Supervisory Board in 2021

Full name	Position	Date become a member	No. of meetings attended	Attendance rate
Mr Hoang Huy Trung	Head of Supervisory Board -cum-Full-time Member	13/04/2019	4	100%
Ms Bui Thi Hong Mai	Full-time Member	13/04/2019	4	100%
Mr Mag Rer Soc Oec Romauch Hannes	Member	13/04/2019	3	75% <i>(Member of Supervisory Board was on a business trip abroad)</i>

Resolution of Supervisory Board meetings

Resolution no.	Issuance date	Main content
01/2021/ NQBKS	23/03/2021	<ul style="list-style-type: none"> • Review and approve the report on the performance of Internal Audit in the first quarter of 2021, the prudential ratios in banking activities and the results of supervision of credit extension activities with customers, subject to the approval of the Board of Directors; overcoming any shortcomings according to the conclusions and recommendations of the Supervisory Board and Internal Audit. • Review and approve the content of the Supervisory Board’s report at the General Meeting of Shareholders and the report on the Supervisory Board’s operations in the year.
02/2021/ NQBKS	22/06/2021	<ul style="list-style-type: none"> • Review and approve the report on Internal Audit’s performance in the second quarter of 2021, prudential ratios in banking activities, and the results of supervision of credit and non-credit granting activities with eligible customers of the Board of Directors. • Assign the Internal Audit to continue to study and complete their draft regulations and operational processes. • Assign/authorise the Head of the Supervisory Board to adjust the implementation time of the audits in the 2021 audit plan, in line with the developments of the COVID-19 epidemic.
03/2021/ NQBKS	21/09/2021	<ul style="list-style-type: none"> • Review and approve the report on the performance of the Internal Audit in the third quarter of 2021, the adequacy ratios in banking activities, the results of supervision of credit and non-credit granting activities with eligible customers of the Board of Directors; recommendations of the Supervisory Board to the Board of Directors and CEO; overcoming any shortcomings according to the conclusions and recommendations of the Supervisory Board and Internal Audit. • Adjustment of the Internal Audit plan for 2021: assign/authorise the Head of the Supervisory Board to adjust the 2021 audit plan to match the actual situation of COVID-19 control and its requirements arising from now until the end of 2021.
04/2021/ NQBKS	07/12/2021	<ul style="list-style-type: none"> • Review and approve the report on the performance of Internal Audit in the fourth quarter of 2021, the adequacy ratios in banking activities, the results of monitoring credit and non-credit activities with eligible customers of the Board of Directors; recommendations of the Supervisory Board to the Board of Directors and CEO; overcoming any shortcomings according to the conclusions and recommendations of the Supervisory Board and Internal Audit. • Review and approve the results of the evaluation of the performance of the Internal Audit in 2021 and the Internal Audit plan in 2022. The Supervisory Board assigns/authorises the Head of the Supervisory Board to review, decide on the content and approve the issuance, sending a report to the SBV according to the law. • Approve the assignment/authorisation to the Head of the Supervisory Board or the Supervisory Board member assigned and appointed by the Head of the Supervisory Board. The Supervisory Board’s representative directs the Internal Audit to review contracts/transactions and decide on issues related to the review of contracts/transactions under the authority of the Board of Directors and/or the General Meeting of Shareholders.

ESG SUSTAINABILITY

Governance (continued)

Our Executive Team

Techcombank brings together an Executive team with outstanding competency and extensive experience to lead the execution of the Bank's strategic objectives in transformation 2021-2025.



Dr Jens Lottner

Chief Executive Officer

Dr Lottner was appointed Chief Executive Officer of Techcombank on August 18, 2020. Before joining Techcombank, Dr Lottner was Senior Executive Vice President at Siam Commercial Bank for 5 years. During his tenure, he held roles as Chief Strategy Officer, Chief Transformation Officer and Chief Data Officer, designing and orchestrating the bank's digital transformation program towards more customer-centricity. His last role at Siam Commercial Bank was Chief Financial Officer.

Dr Lottner began his career with McKinsey & Company in 1992 in Germany, where he was elected Partner in 2000. He moved to Malaysia in 2001 and to Singapore in 2005, where he was a Senior Partner leading McKinsey's financial services practice in ASEAN until 2012. He simultaneously led its Asia Pacific Risk Management Practice and was a member of the Asia Pacific Management Committee. From 2012 to 2015, Dr Lottner was Senior Partner and Managing Director of the Boston Consulting Group in Singapore, heading its financial services practice across ASEAN.

Dr Lottner holds a Doctorate in Economics from the Dresden University of Technology, Germany, and attained a Diploma in Economics from the University of Bonn, Germany.



Mr Phung Quang Hung

Standing Deputy CEO-cum-Chief Business Banking Officer (from 11 January 2022)

Mr Phung has many years of management experience and has worked at international banks. Previous positions include Head of IT and Operations at ABN AMRO Vietnam and Business Partner at the National Australia Bank, London. Mr Phung Quang Hung joined Techcombank in September 2010 as Head of the Operations and Technology Division before being appointed Head of the Customer Service and Financial Advisory Division (CSA), Managing Director and then Standing Deputy CEO.

Mr Phung has a Master's degree in international business from Washington State University (USA) and a Bachelor's degree in Information Technology from the Hanoi University of Science and Technology (Vietnam).



Mr Siva R. Krishnan

Deputy CEO-cum-Chief Risk Officer

Mr Krishnan has over 25 years of working experience covering global and regional banks and payments technology companies. He brings balanced cross functional experience encompassing business strategy, transformation, risk management, data science, and product development. Prior to joining Techcombank, he was the Executive Vice President (Retail and Business Banking Risk Management) and Bank Head of Credit Risk Analytics at Siam Commercial Bank (SCB), Thailand. Prior to SCB, Mr Krishnan was the Deputy Chief Executive and Executive Vice President (Retail and SME Risk Management and Business Infrastructure) of Scotia Bank. He was instrumental in the acquisition and integration of its affiliate Banks viz. Thanachart Bank, Siam City Bank Thailand. Mr Krishnan was appointed Deputy CEO on 10 January 2021.

Mr Krishnan holds a Master's degree in Commerce from University of Madras, India; a Graduate membership of the Institute of Cost and Management Accountants, India; an Associate membership of the Indian Institute of Bankers; and a Diploma in Finance from Chartered Financial Analysts of India.

ESG SUSTAINABILITY

Governance (continued)

Our Executive Team (continued)



Mr Phan Thanh Son

Deputy CEO
Chief Global Transaction Services Officer

Mr Phan was appointed Deputy CEO and Head of Global Transaction Banking Division in August 2019. Prior to this, he was a Transformation Director of Transaction Banking and Head of the Treasury and Financial Markets Division from January 2011. He has more than 20 years of experience in local financial markets and played an important role in developing local fixed income markets. He was the Deputy Chief Executive Officer at TienPhong Bank. He has held various positions in the Global Markets Divisions at Standard Chartered Bank (Vietnam), Citibank (Vietnam), and Citigroup Global Markets Ltd. (Hong Kong).

He holds a Master's degree in Economics from the National Economics University, Hanoi (Vietnam).



Mr Pham Quang Thang

Deputy CEO
Chief Corporate Affairs Officer

Mr Pham has more than 20 years of experience in banking, including several senior positions in Techcombank such as Chief Accountant, Head of Treasury and Transactions Management Center, Head of the Commercial Banking Division, Head of the Credit Approval Division and Head of Compliance and Legal Division. Currently, Mr Pham holds a position as Deputy CEO and Head of Corporate Affairs Division (from 2 April 2020).

He holds a Master's degree in International Accounting from Swinburne University of Technology (Australia).



Ms Phan Thi Thanh Binh

Chief Wholesale Banking Officer

Ms Phan was appointed Head of Wholesale Banking from April 2018. Prior to this, she joined Techcombank as Transformation Director of Wholesale Banking in July 2017. She has more than 20 years of experience with ANZ in various positions including Head of Markets Vietnam, acting CEO of ANZ (Vietnam), Member of the Board of Directors at ANZ (Vietnam, Cambodia, and Laos) and Chairwoman of ANZ (Laos).

She holds a Master's degree from University Libre de Bruxelles (Belgium).



Mr Darren Buckley

Chief Retail Banking Group Officer
(from 08 August 2021)

Mr Buckley has almost 35 years of experience in global financial services - 29 years with Citi where he worked in senior leadership positions in New York, Singapore, Tokyo, Bangkok and Shanghai. Prior to joining Techcombank, Mr Buckley was the Country Business Manager for Citi China from 2017 till August 2021. He has transformed Citi China's Retail business through a digitally enabled client-centric business model to be the fastest growing Wealth Management, Cards and Lending business in Citi's global network, aided by landmark partnerships signed with Ant Financial, the three major Telcos and the NBA China.

Mr Buckley, a Business Finance and Economics graduate from the United Kingdom, is also an honorary Professor of two Chinese universities, the former Vice Chairman of the Thai Board of Trade, Chairman of the Association of International Banks Thailand, President of Amcham Thailand, Director of the Japanese International Bankers Association and Director of the Nippon Keizaidantai Rengoukai.

ESG SUSTAINABILITY

Governance (continued)

Our Executive Team (continued)



Mr Vishal Shah

Chief Business Banking Officer
(until 10 January 2022)

Mr Shah was appointed Head of Business Banking in March 2018. He has more than 20 years of experience in leading companies with strong expertise in commercial banking, retail banking and financial advisory services. He has held key leadership positions at Standard Chartered Bank in Singapore, India, and the UAE. He has also held advisory roles at Ernst & Young and KPMG.

Mr Shah is a Qualified Chartered Accountant (ACA) and Cost and Works Accountancy (Grad CWA). He holds a Bachelor's degree in Commerce from HR College of Commerce and Economics, Mumbai University (India).



Mr Nguyen Xuan Minh

Head of Investment Banking Division

Mr Nguyen was appointed Head of Investment Banking Division – Chairman of the Board of Directors of Techcom Securities Company Limited in October 2013. He has more than 20 years of experience in fund management and investment banking, including in previous positions such as CEO of Vietnam Asset Management Ltd. (VAM) and Senior Vice President of Franklin Templeton Investments under Mark Mobius in Singapore.

He holds a Master's degree in Applied Finance and Investment from Securities Institute of Australia (FINSIA), and an M.S. in Science, Oil and Gas – Mechanical Engineering from Gubkin Russian State University of Oil and Gas (Russia). He is a CFA Charterholder.



Mr Trinh Bang

Chief Financial Officer (until 10 January 2022)
Chief Strategy Officer (until 10 January 2022)

Mr Trinh was appointed Chief Financial Officer in January 2018 and double hatted Chief Strategy Officer from 02/2021. He has more than 23 years of global banking and finance experience – including 18 years with Morgan Stanley in New York, Singapore, and most recently as Senior Advisor and Managing Director/Country Head for Vietnam and the Philippines.

He holds a Bachelor's degree in Systems Engineering from the University of Virginia (USA).



Ms Nikki Dang My Quyen

Chief Human Resources Officer

Ms Dang is a senior professional with 29 years of international experience in the field of banking and finance, real estate and human resources management. She has held many senior positions including Operations Manager at Bank of America; Director of Human Resources at National Credit Exchange; Resolution & Receivership Specialist at Federal Deposit Insurance Corporation (FDIC); and Senior Vice President-cum-Director of Human Resources at Bank of California. Most recently, Nikki was an EVP-cum-Chief HR Officer at Hanmi Bank, US.

Ms Dang graduated with a Bachelor of Business Administration from California State University, Fullerton, USA.



ESG SUSTAINABILITY

Governance (continued)

Our Executive Team (continued)



Ms Thai Minh Diem Tu

Chief Marketing Officer

Ms Thai has more than 20 years of experience in consumer marketing and general business management across various disciplines and leading multinational FMCG companies in Vietnam. Before joining Techcombank, she had 10 years with FrieslandCampina, where she became Vietnam Director, Specialised Nutrition and Global Specialised Nutrition Business Group Management team. Before this, Ms Thai was with Unilever for eight years. Her last assignment was Business Unit Director for Unilever Vietnam across categories.

Ms Thai has an MBA from the University of California Irvine (UCI), and a Business Management graduate degree in HCMC from the University of Foreign Languages and Information Technology.



Mr Chu Hong Ngoc

Chief Operations Officer

Mr Chu has had many years of experience in the banking industry and in project management. He has lead, managed and ensured that the Bank has appropriate operational control, administrative procedures and reporting to effectively develop the organisation and ensure service quality and operational efficiency. He has held many positions such as Technical Supervisor Engineer at Oconnor's Singapore Representative Office, Project Director-cum-Technical Director at Millicom Company, and Project Manager at VP Bank, Board of Directors Office. Prior to joining Techcombank, he was COO at VP Bank.

Mr Chu graduated with a Bachelor of Telecommunication Engineering (Hons) distinction from University of South Australia.



Mr Nguyen Anh Tuan

Chief Information Officer

Mr Nguyen has over 24 years of experience in Technology and Management. He held senior management positions at Citibank N.A. Prior to Citibank N.A, he was the Chief Information Officer of the Claims Division at Travelers Insurance, and Chief Technology Officer at Finastra, Las Vegas Sands, Wolters Kluwer, and General Electric.

Mr Nguyen holds Master's degrees in Business Administration and Computer Science, as well as a Bachelor of Science in Computer Science, all from Virginia Commonwealth University. He has furthered his study with an Advanced Master's Certificate at the George Washington University, USA. He is also a Certified Project Management Professional (PMP) from PMI.



Mr Santhosh Mahendiran

Chief Data and Analytics Officer

Mr Mahendiran joins Techcombank with leadership experience in the areas of data technology, governance, analytics and monetisation. Before joining Techcombank, Mr Santhosh was with Standard Chartered Bank, Singapore, as Managing Director and Global Head, Digital Foundation Technology. Previously, he held various senior leadership roles at Citibank, Singapore. He was the Vice Chairman responsible for the development team that pioneered the world's first touch screen, paperless on-boarding systems at Citibank, Japan.

Mr Mahendiran holds double Master's degrees in Computer Applications from Madurai Kamaraj University, India, and in Software Engineering from the National University of Singapore.

ESG SUSTAINABILITY

Governance (continued)

Our Executive Team (continued)



Mr Alexandre Macaire

Chief Financial Officer (from 11/01/2022)

Mr Macaire joins Techcombank from HSBC, where he worked for 15 years in senior leadership roles across Investment Banking, Capital Management and Finance. Most recently, he was Chief Financial Officer for Wealth and Personal Banking Asia Pacific, which is one of HSBC's top-priority business divisions. In this role, he helped scale up manufacturing and distribution capabilities across the region and expand into new products and channels, contributing to HSBC's #1 Wealth Manager ambition in Asia Pacific.

Mr Macaire holds a degree in Actuarial Finance from France's National School of Statistics and Economic Administration. He also gained degrees in Mathematics, Physics and Political Affairs from Ecole Polytechnique and Institute of Political Studies.



Mr Kyle Timothy Justin

Chief Transformation Officer

Mr Justin is a senior transformation leader with 18 years of transformation leadership experience at leading financial services organisations, focused on the Asian market. Prior to joining Techcombank, he was the Regional Director – Customer Journey and Operations at Prudential Corporation Asia. Prior to Prudential Corporation Asia, Mr Justin held several senior positions including Executive Director, Head Operational Excellence and Business Analytics Decision Support at DBS Bank, as well as Director, Reengineering, Group Consumer Banking at Standard Chartered Bank.

Mr Justin holds a Master's degree of Science, Lean Operations, with Distinction from Cardiff University Business School, UK. He has completed courses in Artificial Intelligence, Digital Transformation and Innovation from prestigious institutions such as MIT Sloan and INSEAD.



Mr Pranav Seth

Chief Digital Officer

Mr Seth was appointed to the position of Chief Digital Officer on 13 January 2021. He has over 18 years of experience as a transformational leader and corporate entrepreneur with a proven track record of building businesses and championing and executing large scale business and organisational transformations. Recently, Mr Seth worked for OCBC Bank, Singapore as Senior Vice President and Head of Digital and Innovation. In this role, he was responsible for OCBC's challenger bank, 'FRANK by OCBC', led OCBC group's innovation arm, 'The Open Vault' driving fintech and ecosystem partnerships and led the Digital Business and Transformation units for OCBC's consumer bank. He had a critical role in the consumer bank's leadership team and was an anchor member of the OCBC group's Digital Transformation Council. Prior to OCBC Bank, he was an Engagement Manager at McKinsey and Company where he helped banks and financial services firms build strategies and large scale transformation.

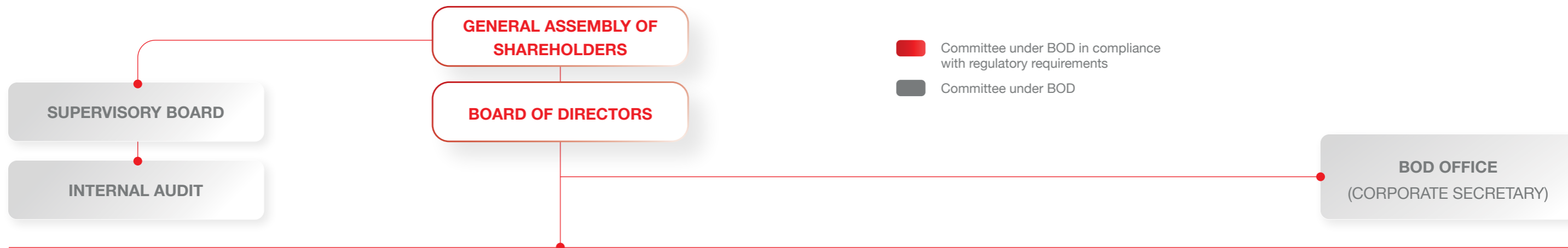
Mr Seth holds a Master of Business Administration from UCLA Anderson School of Management (Los Angeles), an engineering degree from Delhi University and has completed an Executive Program in Strategy and Organisation from Stanford University Graduate School of Business (US).

ESG SUSTAINABILITY

Governance (continued)

Corporate Governance Model

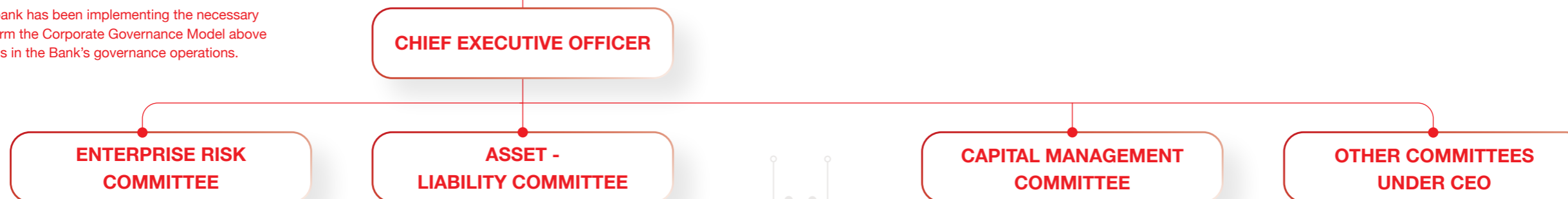
Techcombank's 2023 targeted Corporate Governance Model



- Committee under BOD in compliance with regulatory requirements
- Committee under BOD

BOARD RISK COMMITTEE	BOARD RISK SETTLEMENT COMMITTEE	BOARD NOMINATION COMMITTEE	BOARD AUDIT COMMITTEE	BOARD REMUNERATION COMMITTEE	BOARD STRATEGY COMMITTEE
<p>The Board Risk Committee has the following functions:</p> <ul style="list-style-type: none"> Propose to and advise the BOD on developing and organising risk management policy; monitor bank-wide risk management through risk management policy, risk appetite and regulations on risk management in TCB's operations Analyse, assess and report to the BOD on (i) risk level, risk management efficiency, warnings on threats, inherent risks in the Bank's operation, proposing risk prevention and mitigation in the short term and long term; and (ii) relevance and efficiency of risk policies and regulations in the Bank, proposing changes in current policies, processes, or operational strategy Advise the BOD on investment approvals, related party transactions, governance policy and risk remediation within the Committee's responsibilities and duties. 	<p>The Board Risk Settlement Committee function is to assist the BOD in matters related to debt classification, provisioning, use of provisions to handle credit risks, and debt settlement.</p>	<p>The Board Nomination Committee has the following functions:</p> <ul style="list-style-type: none"> Advise the BOD on (i) the composition and size of the Board and ensure executive positions align with the operating model and strategy of Techcombank; (ii) nomination matters during the process of election, appointment, and dismissal of the BOD and the Supervisory Board and for executive positions, in accordance with local regulations and Techcombank's Charter; (iii) local regulations related to HR matters which are under the authority of the BOD; and (iv) standards and qualifications for positions under the authority of the BOD Advise the BOD on HR related matters arising during the process of recruitment, rotation, election, appointment, dismissal, labor discipline, and suspension of positions under the authority of the BOD according to TCB's Charter. 	<p>The Board Audit Committee advises the BOD and provides guidance and oversight of the Executive team on matters related to forming and monitoring financial statements, internal control systems, and independent accounting and audit policies.</p>	<p>The Board Remuneration Committee must:</p> <ul style="list-style-type: none"> Advise the BOD on matters related to remuneration policy for BOD members, the CEO and other senior management positions. Evaluate the efficiency of the remuneration system, compensation and other reward programs for Techcombank employees. 	<p>The Board Strategy Committee has the following functions:</p> <ul style="list-style-type: none"> Advise the BOD on building, and overseeing the implementation of Techcombank's strategic and development direction, as well as matters related to the Transformation Program of Techcombank Advise the BOD on approving business goals, the annual budget and major investment activities of Techcombank.

Recently Techcombank has been implementing the necessary initiatives to transform the Corporate Governance Model above into practical actions in the Bank's governance operations.



ESG SUSTAINABILITY

Governance (continued)

Corporate Governance Model (continued)

Transactions, remuneration and benefits of the Board of Directors, the Supervisory Board and the Executives

Information on internal shareholders' ownership of Techcombank shares as at 31 December 2021

No.	Name	Position	Number of Techcombank shares	% shareholding
Board of Directors				
1	Mr Ho Hung Anh	Chairman	39,309,579	1.1196%
2	Mr Nguyen Dang Quang	First Vice Chairman	9,403,176	0.2678%
3	Mr Nguyen Thieu Quang	Vice Chairman	30,256,431	0.8618%
4	Mr Nguyen Canh Son	Vice Chairman	17,954,979	0.5114%
5	Mr Do Tuan Anh	Vice Chairman	1,487,542	0.0424%
6	Mr Ho Anh Ngoc	Vice Chairman	0	0.0000%
7	Mr Lee Boon Huat	Non-Executive Director	0	0.0000%
8	Mr Saurabh Narayan Agarwal	Non-Executive Director	0	0.0000%
9	Mr Nguyen Nhan Nghia	Independent Director	259,963	0.0074%
Supervisory Board				
1	Mr Hoang Huy Trung	Head of Supervisory Board -cum-Full-time Member	57,504	0.0016%
2	Ms Bui Thi Hong Mai	Full-time Member	48	0.0000%
3	Mr Mag Rer Soc Oec Romauch Hannes	Member	0	0.0000%
Executives¹				
1	Mr Jens Lottner	CEO	439,000	0.0125%
2	Mr Phung Quang Hung	Standing Deputy CEO	1,427,867	0.0407%
3	Mr Pham Quang Thang	Deputy CEO	1,284,572	0.0366%
4	Mr Phan Thanh Son	Deputy CEO	2,349,240	0.0669%
5	Mr Kalyanaraman Sivaramakrishnan	Deputy CEO	0	0.0000%
6	Mr Nguyen Tuan Minh	Corporate Secretary	139,228	0.0040%
7	Mr Trinh Bang	Group CFO	6,000,000	0.1709%
8	Ms Thai Ha Linh	Person Authorised to Disclose Information	1,007,104	0.0287%
9	Ms Bui Thi Khanh Van	Chief Accountant	28,245	0.0008%

1. List of Executive personnel as per definition of the Law on Credit Institutions 2010 and Amendments on 2017

Share transactions by internal shareholders and affiliated persons

In 2021, the number of transactions and volume of Techcombank shares traded by internal shareholders were as follows:

	Number of Transaction	Transaction Volume (number of share)
Buy	7	1,144,944
Sell	2	185,704
Total	9	1,330,648

In 2021, the number of transactions and volume of Techcombank shares traded by internal shareholders' affiliated parties were as follows:

	Number of Transaction	Transaction Volume (number of share)
Buy	5	23,006,315
Sell	5	317,500
Total	10	23,323,815

Detailed information on the transactions by Internal shareholders and their affiliated parties are published on Techcombank's website: www.techcombank.com.vn/investors/financial-information

Remuneration and other benefits and expenses for each member of the Board of Directors, the Supervisory Board and CEO

- Remuneration and other benefits and expenses for each member of the Board of Directors
- Remuneration and other benefits and expenses for each member of the Supervisory Board
- Remuneration and other benefits and expenses for the CEO

No.	Name	Position	Salary/Rewards/Remuneration and other benefits
1	Mr Ho Hung Anh	Chairman	Refer to the 2021 Consolidated Financial Statement – Footnote No. 38 on “Transactions with related parties”
2	Mr Nguyen Dang Quang	First Vice Chairman	
3	Mr Nguyen Thieu Quang	Vice Chairman	
4	Mr Nguyen Canh Son	Vice Chairman	
5	Mr Do Tuan Anh	Vice Chairman	
6	Mr Ho Anh Ngoc	Vice Chairman	
7	Mr Lee Boon Huat	Non-Executive Director	
8	Mr Saurabh Narayan Agarwal	Non-Executive Director	
9	Mr Nguyen Nhan Nghia	Independent Director	

ESG SUSTAINABILITY

Governance (continued)

Corporate Governance Model (continued)

Salary, rewards, remuneration and other benefits and expenses for each member of the Supervisory Board in office 2019-2024

No.	Name	Position	Salary/Rewards/Remuneration and other benefits
1	Mr Hoang Huy Trung	Head of Supervisory Board -cum-Full-time Member	Refer to the 2021 Consolidated Financial Statement – Footnote No. 38 on “Transactions with related parties”
2	Ms Bui Thi Hong Mai	Full-time Member	
3	Mr Mag Rer Soc Oec Romauch Hannes	Member	

Salary, rewards, remuneration and other benefits and expenses for the CEO

No.	Name	Position	Salary/Rewards/Remuneration and other benefits
1	Mr Jens Lottner	CEO	Refer to the 2021 Consolidated Financial Statement – Footnote No. 38 on “Transactions with related parties”

Contracts or transactions with internal shareholders

Refer to the 2021 Consolidated Financial Statement – Footnote No. 38 on “Transactions with related parties”

Report on performance of Corporate governance regulations

In 2020, Techcombank maintained compliance with all applicable regulations and guidelines on corporate governance issued by state management agencies before and in 2020.

Includes:

- **Decree No. 71/2017/ND-CP** on guiding corporate governance applied to public companies
- **Circular No. 95/2017/TT-BTC** on guiding Articles of Decree No. 71/2017/ND-CP
- **Circular No. 13/2018/TT-NHNN** on internal control systems of commercial joint-stock banks, foreign bank branches, and other relevant regulations
- **Circular No. 22/2019/TT-NHNN** regulating safety adequacy ratios and limits in the operations of banks and foreign bank branches
- **Code of Best Practices-based Corporate Governance** issued in August 2019 by State Securities Commission and International Finance Corporation (IFC)
- **Law on Securities No. 54/2019/QH14**
- **Law on Enterprise No. 59/2020/QH14**
- **Circular No. 96/2020/TT-BTC** on guiding information disclosure for listed companies in the securities market
- **Decree No. 155/2020/NĐ-CP** on clarification and guiding for Law on Securities amendment.

BOD continued to strengthen the operating model and functions and responsibilities of Committees to support BOD to increase operational efficiency and make timely decisions in governance of the Bank's operations. Some of the significant activities to improve Committees that have been carried out are as follows:

- Techcombank has established Risk Management Committee in accordance with current legal regulations (Article 43 of the Law on Credit Institutions; Article 25 of Circular 40/2011/TT-NHNN; Article 9 of Circular 13/2018/TT-NHNN)

- Issue Statute On Organisation And Operation Of Board Risk Committee **No. 0003/2021/QC dated 1 March 2021**, meeting the specific provisions of Circular 13/2018/TT-NHNN and other amendments.
- Techcombank established NORCO in accordance with current legal regulations (Article 43 of the Law on Credit Institutions; Article 25 of Circular 40/2011/TT-NHNN; Article 9 of Circular 13/2018/TT-NHNN; Decree No. 71/2017/ND-CP on guiding corporate governance applied to public companies).
- Issue Statute On Organisation And Operation Of NORCO **No. 0013/2021/QC dated 6 July 2021** meeting the specific provisions of Circular 13/2018/TT-NHNN and other amendments.

In the Bank's corporate governance model, Board and Management committees continue to perform the designated roles and responsibilities well, helping the Board as well as CEO in supervising and operating the Bank on day-to-day matters and consulting on the key and long-term matters of the Bank. The operation mechanism of Board and Management Committees has become more and more relevant with the nature and transformation movement of Techcombank, which has helped the Bank's leaders strengthen decision-making processes and be more prudent in reviewing risk factors when implementing business and operations.

In 2021, Techcombank issued the revised Internal Governance Regulation **No. 0007/2021/QC dated 5 May 2021**, which specifically stipulates matters related to banking governance, contributing to strengthen the bank's compliance with relevant regulations of law and Techcombank's Charter, ensuring that Techcombank's governance mechanism is transparent and effective, in compliance with the State Bank's regulations and towards international practices and standards.

CORPORATE CULTURE

As nations across the globe grappled with the continued challenges of COVID-19, Vietnam was no exception. Through it all, Techcombank stood out, becoming even stronger through our connection with the Bank's values and vision — Change banking, change lives.



Our corporate culture is defined by five core values, which guide everything we do at Techcombank. They are:

Customer-centricity

Collaboration for common objectives

Innovation and creativeness

Self-development

Work efficiency

Our values are the foundation for our work, our business decisions, our interaction with colleagues and our service to customers.

Living our values every day enables us to keep our brand promise, deliver on our strategy and realise our long-term vision and mission. Ultimately, it will help Techcombank strengthen stakeholder relationships and earn the community's trust.

Despite unprecedented times, Techcombank has remained resilient and adaptive, focusing on providing job security, care and protection for all employees, and much-needed support for local communities.

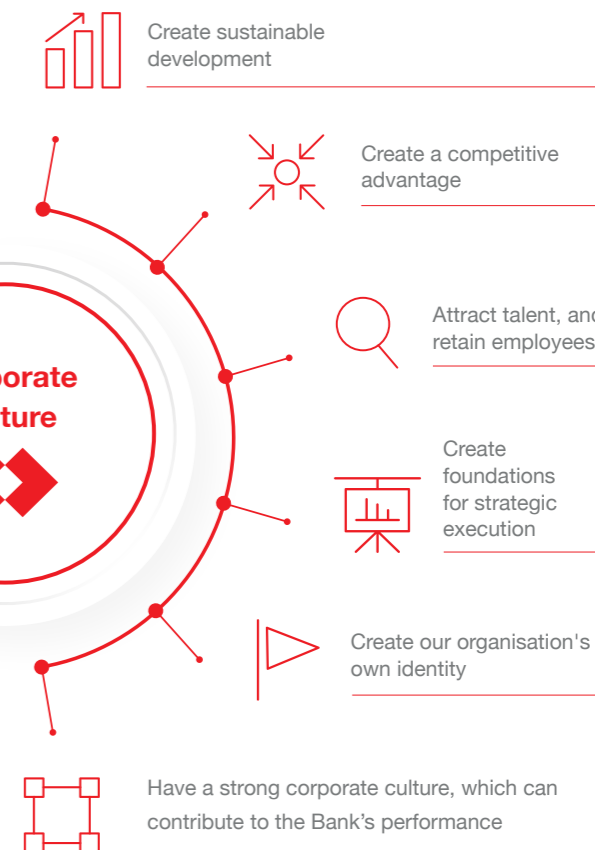
Since the beginning of the pandemic, the Bank has enabled its employees to work from home, where required, as well as enabling online learning for all.

In addition to investing in our employees, Techcombank has also donated over VND 420 billion (~USD 18.5 million) to support businesses and local communities, aligning with our vision *Change banking, change lives*.

Employee Engagement Survey results show a strong corporate culture supported by high employee engagement scores

Regularly listening to Techcomers – what motivates them as well as what hinders them from being effective at work – is crucial to helping us deliver on our strategy.

In 2021, 97% of our employees took the time to provide their feedback in the EES. *For more information please refer to page 160 (Chapter V - Talent).*



Techcombank embeds core values in everything we do

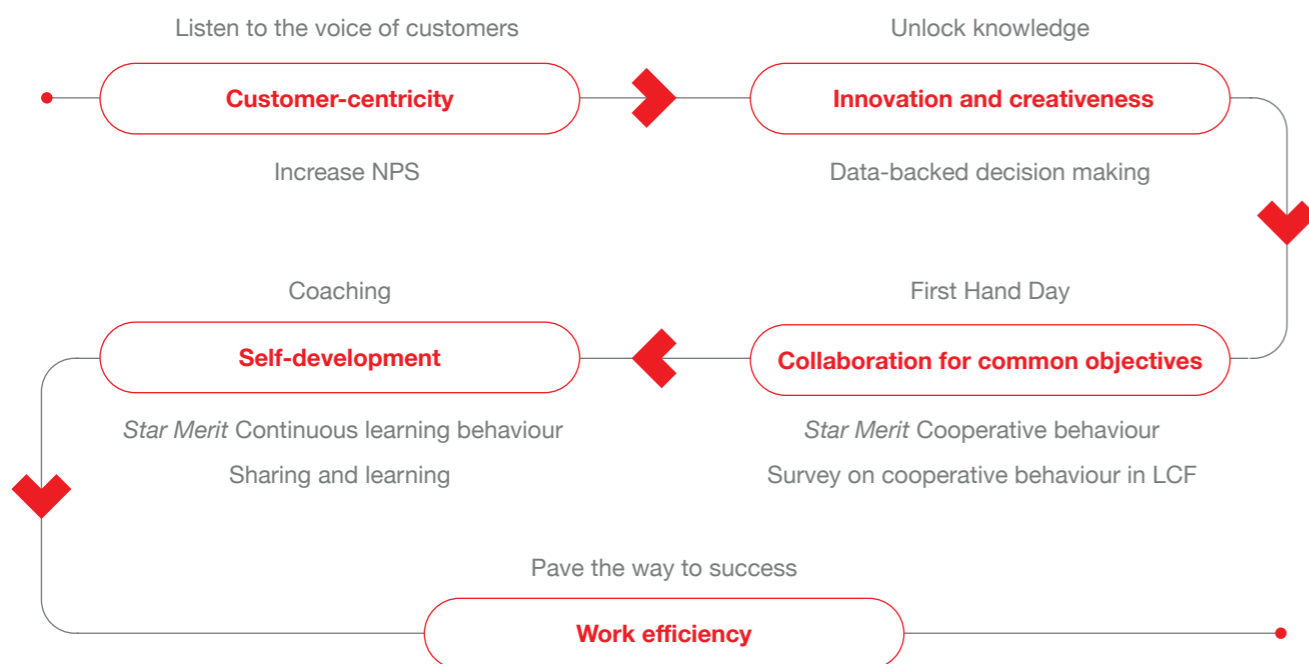
Culture Journey program

Our grassroots Culture Journey program was established in 2013 to encourage and reward individuals and teams whose behaviours and actions align with our values. The program has evolved over time to produce many encouraging results – helping increase bonding, engagement and collaboration across business units, divisions, Head Office departments and in our retail distribution network.

CORPORATE CULTURE

Techcombank embeds core values in everything we do (continued)

Culture Journey program (continued)



The Culture Journey program is designed to embed four core values into daily activities, for example:

- **Kaizen** – encourages a culture of continuous improvement and innovation, focusing on effective use of data
- **First Hand Day** – encourages collaboration between customer-facing units and Head Office. Managers visit to talk directly with those in frontline roles to understand situations and issues and provide solutions
- **Listening to the voice of customers** – promotes a greater understanding of customer needs through customer feedback via phone calls and/or face-to-face meetings
- **Coaching** – helps employees improve and grow.

72,800 customer comments and feedback

Responding to customer feedback enables continual improvement in our business.

Customer feedback was collected by Branch Managers and directors of business functions via phone calls, and then assessed to identify issues and rectify problems. For example, wait times at branches featured strongly in customer feedback.

In response, we streamlined processes and reduced wait times by 10% in 2021.

12,300 coaching sessions

Coaching sessions enable our people to realise their full potential.

97% of respondents said they were ‘very satisfied’ with coaching sessions they received from their coaches/mentors.

400+ new Kaizens

Kaizen is an integral part of our Culture Journey and challenges our people to work more effectively.

400+ new Kaizens were submitted at divisional level, focusing on using data more effectively at work. Twenty-eight of these were recognised at Bank level.

466 First Hand Day sessions conducted by Division Heads

First Hand Day sessions enable managers to better understand the challenges faced by frontline staff and to provide guidance or solve issues directly.

In 2021, we solved 55% of issues raised.

Corporate culture is a critical pillar in Techcombank's new employee value proposition

In line with our strategy, in 2021, Techcombank focused on building a new EVP to:

- Attract the best talent who share Techcombank DNA and values
- Develop and retain high-performing talent to achieve Techcombank's vision
- Engage talent by rewarding their commitment and contribution to delivering exceptional value.

The new EVP was designed and centred around four key pillars:

1. Culture and work environment
2. Performance
3. Recognition
4. Rewards, learning and development.

Each of the pillars is strongly connected to our corporate culture. They reflect Techcombank's belief in talent as the core enabler of our long-term growth and success, We challenge our people to *Dare to be Greater*.



THE TRANSFORMATION OF **TECH**

We are a financial
services innovator.

What's next?





THE TRANSFORMATION OF **TECH**

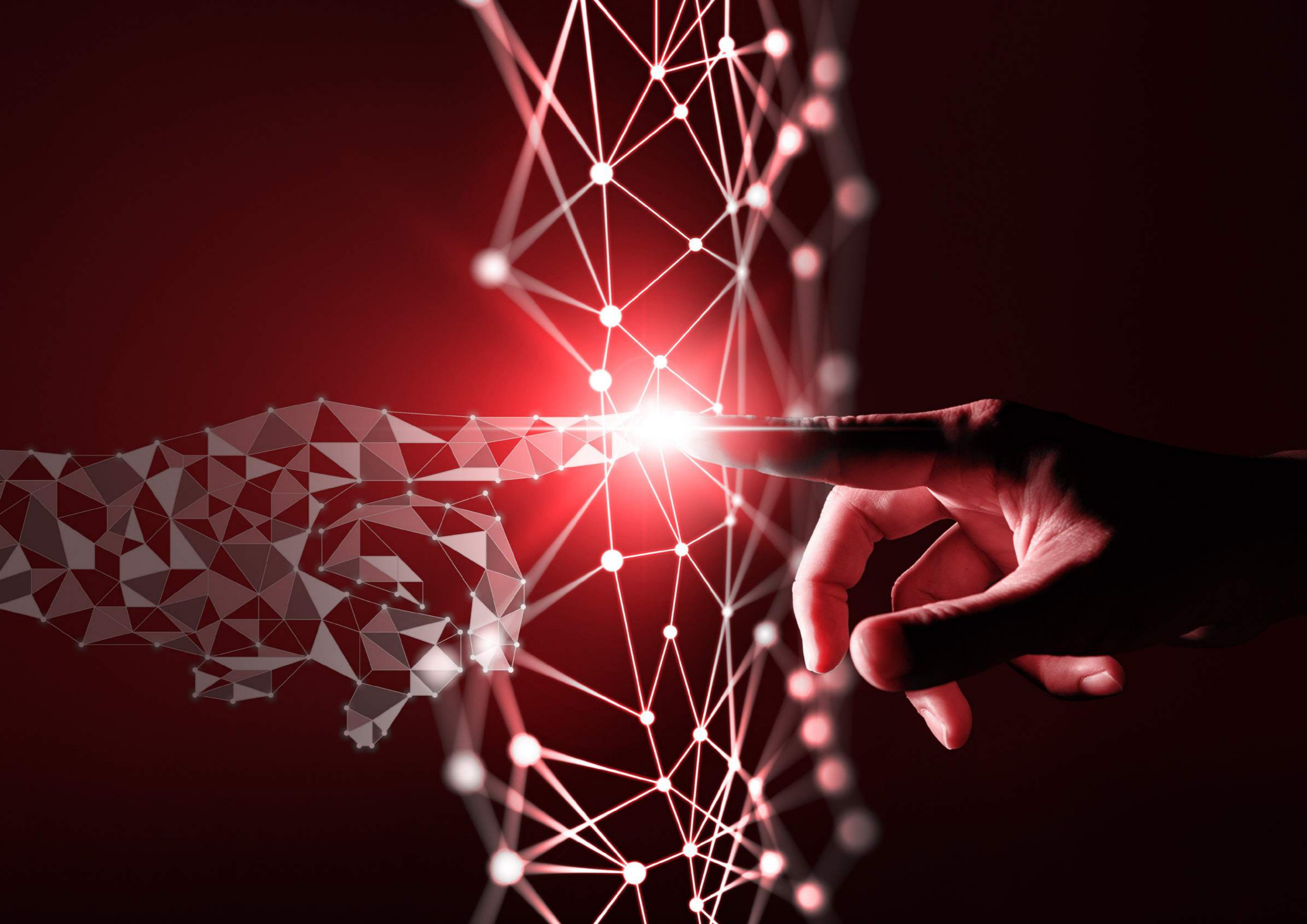
We laid a revolutionary
foundation in Data,
Digital and Talent for our
customers' benefit.

05

THE TRANSFORMATION OF TECH




• Data	142
• Digital (DO + IT)	144
• Talent	157

DATA DIGITAL TALENT



DATA

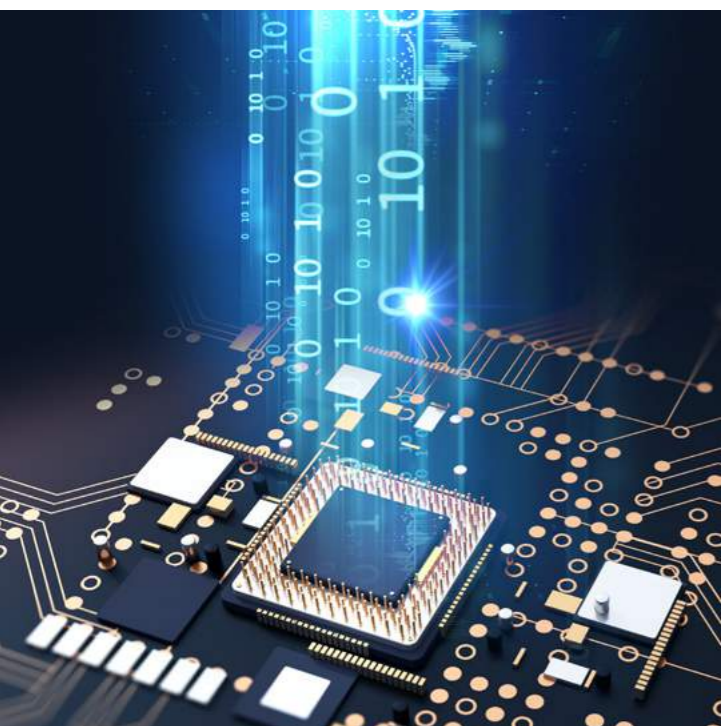
Data is the essential conduit to making informed decisions and engaging customers through relevant and personalised solutions. In 2021, we focused on three specific areas to optimise our use of data:

 <h1 style="font-size: 48px; margin: 0;">1</h1>	 <h1 style="font-size: 48px; margin: 0;">2</h1>	 <h1 style="font-size: 48px; margin: 0;">3</h1>
<p>Building a hybrid data lake on the cloud with AWS</p>	<p>Using data and analytics capabilities in the development of improved propensity models to predict customer behaviour and improve lead generation and conversion rates</p>	<p>Revamping data governance to implement new policies and standards and identify target-state architecture and technologies.</p>

Enterprise data lake

We believe strong capabilities in data and analysis support and accelerate business growth. This is why we built a hybrid data lake in the cloud with Amazon, which centralises information across the Bank. First use cases were delivered in five months of platform build initiation.

By the end of 2021, more than 60% of critical business systems had already been integrated into the data lake, helping us improve our lending proposition and digital capabilities. We enhanced customer experiences by offering pre-populated application forms, decreasing time-to-yes (TTY) on credit cards and mortgages from days to minutes, and increasing credit card exposures by 27% with the same risk appetite on new lending.



Data and analytics

Data and analytics have been employed in developing propensity models for better prediction of customer behaviours, leading to improved lead generation and conversion ratios. Based on analytics, customers are offered tailored-made products and services. In addition, the application of machine learning has improved our ability to utilise large amounts of data in decisioning. Our first use case in Banca saw a tenfold improvement.


Data governance

In 2021 we completely revamped our data governance and standards using a business-backed strategy that involved:

- Implementing data quality, security and retention standards
- Monitoring business critical data elements (CDEs) to ensure visibility to changes in customer profiles – 50+ CDEs monitored
- Delivering greater transparency on data assets and their lineage
- Establishing a business glossary - cataloguing over 2,000 data elements.

The focus for Data and Analytics Division in 2022

In 2022, our Data Division will continue working to improve customer data collection and its use for decision-making, to create a 'single view' of each customer within the Bank and improve their banking experience. We will also continue to source critical internal data systems and integrate broader external data sources to strengthen our modelling, with a focus on customer relationship management, digital marketing, loyalty and finance projects.

<p>Cataloguing</p> <h2 style="font-size: 36px; margin: 0;">2,000+</h2>	<p>data elements</p>
<p>Monitoring</p> <h2 style="font-size: 36px; margin: 0;">50+</h2>	<p>business critical data elements</p>
<p></p> <h2 style="font-size: 36px; margin: 0;">60%</h2>	<p>critical data migrated to cloud-based data lake</p>

DIGITAL (DO + IT)

Digital Office

New Techcombank Mobile

At Techcombank we believe that mobile technology is fast becoming the norm in most individual financial transactions, and our new mobile platform is aimed at making this experience as simple, intuitive and personalised as possible.

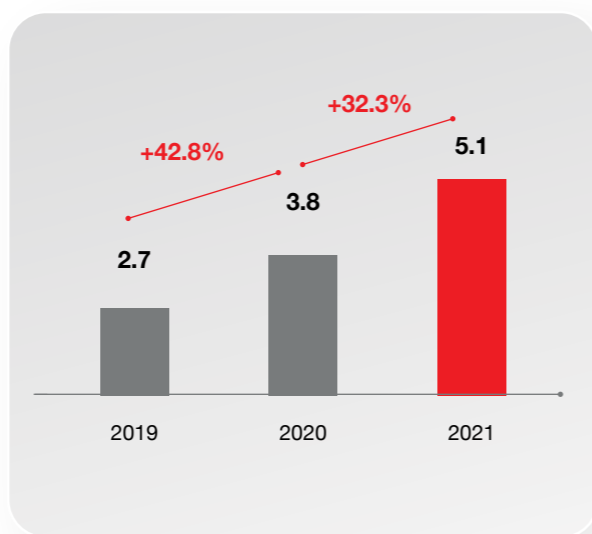
In 2021, we witnessed a robust revolution in our digital-first transformation. Powered by Backbase, the world's leading digital platform provider, we officially launched our new digital banking application – Techcombank Mobile – with advanced technology, strengthened security and a user-friendly interface. We innovated to create a lot of attractive features and improved products in the app, so customers can easily manage their accounts, cards and investment portfolio in one convenient place. They can transact securely, apply for new products and services seamlessly, and reduce the effort and time spent on everyday banking.

We are also using the app to deepen engagement with our customers. Nudges and personalised financial well-being tips included in the app help to optimise their investments, and proactively offer tailored services. We believe the convenience and personalised features of Techcombank Mobile will see it become the best and most recommended digital banking app in Vietnam.

Overall, the roll-out of Techcombank Mobile has seen digital users and transactions increase significantly. New customers are automatically on-boarded and existing customers are progressively being migrated. Within two months of the app's launch, 1.5 million customers were successfully enrolled, with more than 1.1 million being active users. By the end of 2021, Techcombank Mobile customers numbered 5.1 million, up 32.3% from 2020.

Powered by Backbase, the world's leading digital platform provider, we officially launched a new digital banking application – Techcombank Mobile – with advanced technology, strengthened security and a user-friendly interface.

Number of Retail E-banking customers
(Million, EoP)



Leading digital transactions

We implemented a comprehensive payment integration solution including:

- Invoice management
- Instalments
- QR code payments
- Person-to-person (P2P) payments
- Person-to-merchant (P2M) payments
- Automatic bill payment registration
- Foreign currency diversified transactions
- More.

Techcombank is the first in the market to offer a customised personal financial management tool using big data. Customers can forecast their future spending to help them plan financially, and conveniently manage their asset portfolios.

- In 2021 we processed around 652 million transactions (up 70% from 2020), which accounted for 83.4% of total retail transactions (up 77.5% from 2020).
- Total e-banking transaction value rose to VND 9,079 trillion (+80.5% YoY), following an 84.2% increase in 2020.
- The average number of digital transactions per month, per customer, also increased 12.9% YoY.

Techcombank E-banking customers

↑ 32.3% YoY

5.1 million

E-banking transaction value

↑ 80.5% YoY

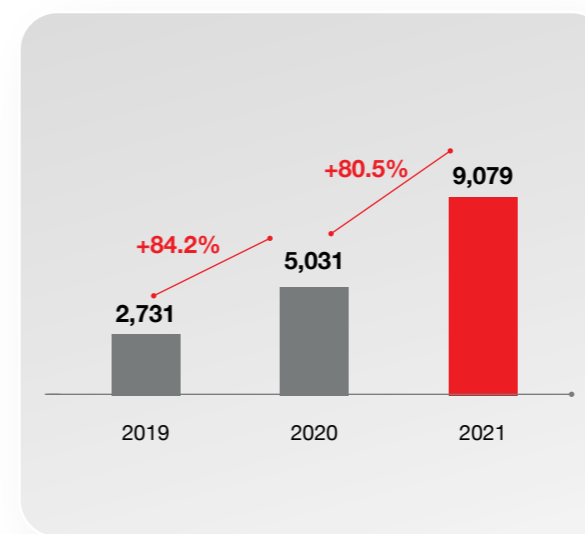
VND 9,079 trillion

E-banking transaction volume

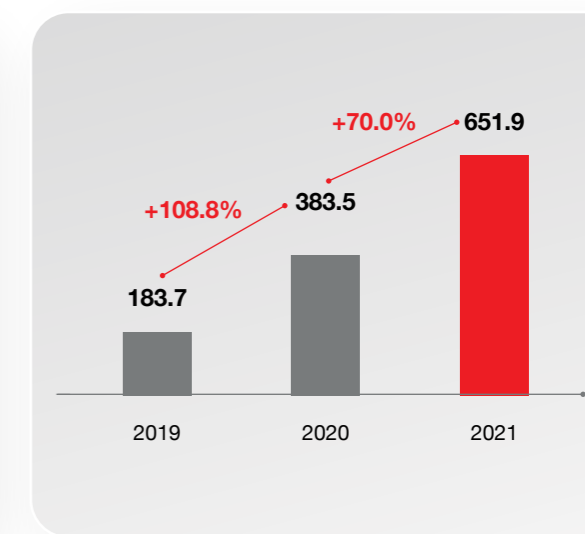
↑ 70.0% YoY

652 million transactions

Retail E-banking transaction value
(VND Trillion)



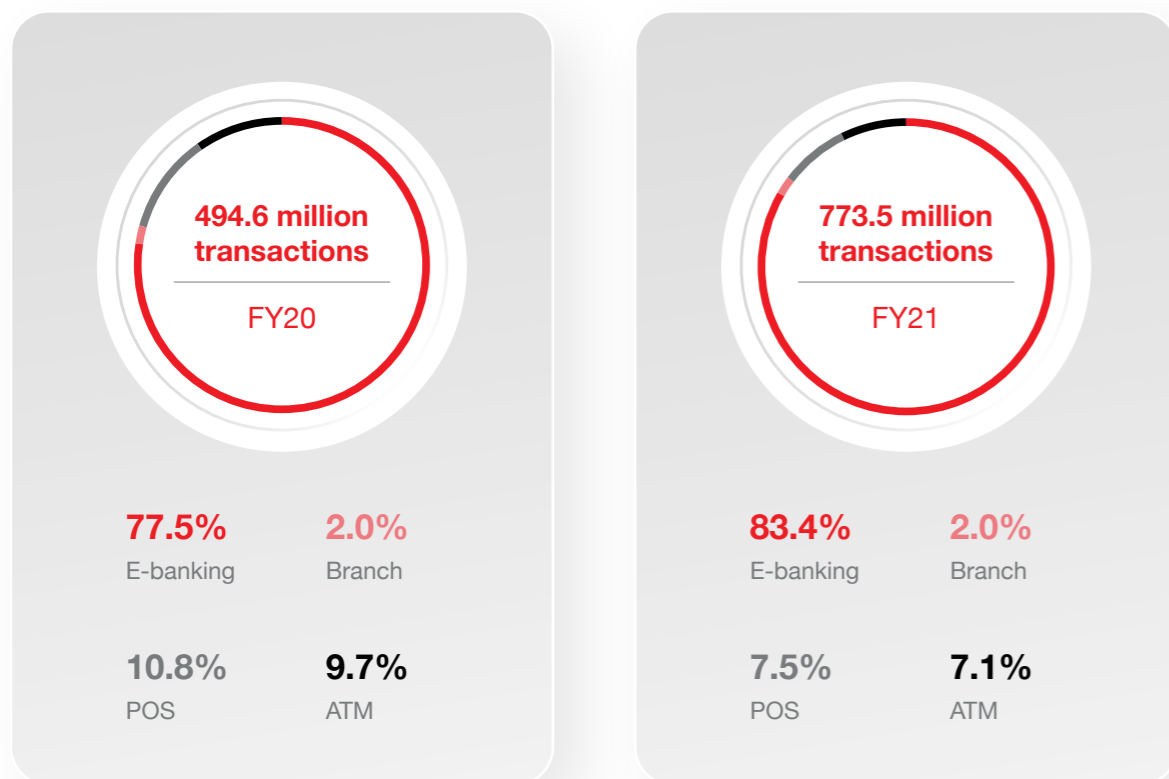
Retail E-banking transaction volume
(Million)



DIGITAL (DO + IT)

Digital Office (continued)


Share of retail transactions by channel



In 2021, the award for Outstanding Bank in NAPAS247 Transactions (156 million in total) confirmed Techcombank as the market leader (ranked No. 1), after more than doubling our 2020 numbers and accounting for 21.1% market share of total NAPAS transactions.


Corporate digital banking platform pilot

We piloted a digital platform for SMEs to help them become better financial managers, by reinventing and simplifying day-to-day banking. The platform offers mobility, simplicity and security:



Mobility


Customers save time because they no longer need to visit branches. They can access and manage their finances on a computer or device; anytime, anywhere. Updates arrive with real-time notification, so customers never miss an opportunity.



Simplicity

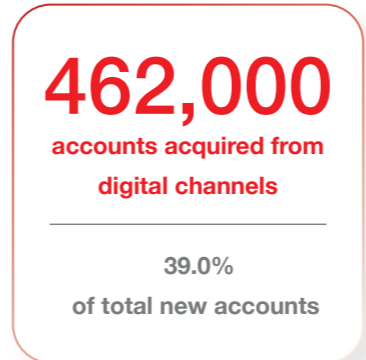
The dashboard provides a 360° insightful view of all key financial activities to deliver:

- Seamless payment of utility bills and tax, and quick-and-easy money transfers without the need to select a payment rail
- QR Code scan-and-pay for fast, one-click, secure and contactless payment.



Security

Our new architecture and design optimises performance for every transaction using biometric authentication and the Universal Authentication Framework (Fast Identity Online) [UAF (FIDO)] for customer safety and reassurance. Regular updates are available to track every aspect of business performance.



Driving CASA growth despite the pandemic

COVID-19 severely affected the world, changing daily life and reshaping retail customers' behaviours. When the government ordered strict lockdowns, people learned quickly to engage with us online. Our progressive digital approach meant we could immediately use our eKYC (authentication) solution to launch 100% end-to-end digital journeys, continuing to acquire new customers and current accounts. We expect, and are well prepared for, these 100% digital journeys to continue.

Techcombank partnered with One Mount Group – one of the largest digital ecosystems in Vietnam – to focus on attracting new customers from the VinID app and its ecosystem. Strong marketing activities with other partners, social channels and the press contributed to our strong CASA growth.

In 2021, over 462,000 accounts came via digital channels, contributing 39.0% of total new accounts.

DIGITAL (DO + IT)

Digital Office (continued)

68,000

New Credit Cards
digitally issued

29.0% of total cards
issued

Digitalising credit cards

Always at the forefront of banking innovation, we were first to offer credit cards that customers can use instantly after registration. Our fast and seamless end-to-end digital credit card journey is a testament to our customer-centric approach.

To achieve this remarkable ‘first’, we leveraged big data and AI in our credit appraisal process. Our Smart Credit system – a credit decision engine – is connected with multiple internal and external data sources to provide a more accurate customer evaluation. We have increased our ability to process and score credit applications from 18,000 to 80,000 per day. As a result, despite fierce card competition, in the last 12 months around 68,000 new credit cards were issued, contributing 29.0% to the total number of cards issued by Techcombank.

295,765

Online TD customers

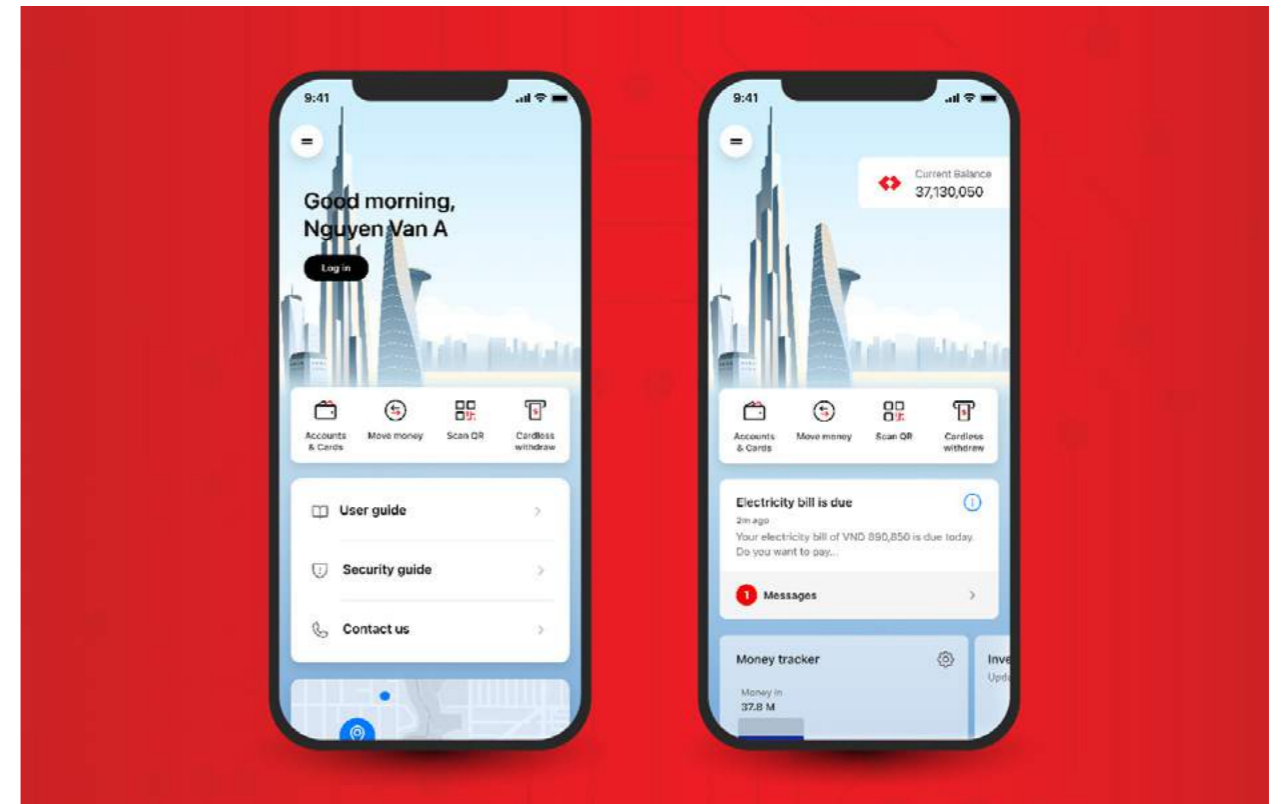
74.4% of total TD
customers

Digital saving and investment

The pandemic made banking at a local branch difficult for many, with online banking the best and safest alternative. This change in customer behaviour led to strong growth in online term deposit (TD) accounts. Customers generally prefer to manage their savings and investment in one place, so we integrated TCBS with our Techcombank Mobile app so customers could save and invest on their mobile.

We continue to regularly help customers identify opportunities and maximise their wealth with nudges about savings and investments, so they can achieve their financial goals with ease. As a result, we now have:

- 295,765 online TD customers (74.4% of total)
- An end of period (EOP) balance for online TD accounts of VND 70,938 billion, representing 51.3% of the Bank’s total TD balance (up from 48.2% in one year).



The focus for Digital Office in 2022

In 2022, we will work hard to retain our strong position in digital retail banking. We will grow capacity and reduce operational costs by:

- Offering a fast, seamless and secure digital platform for onboarding new customers and covering everyday banking needs
- Creating a more comprehensive and integrated payment experience
- Refining our personal financial management tools
- Delivering an integrated investment experience
- Enhancing the financial transaction and self-service experience.

DIGITAL (DO + IT)

IT Division

In 2021, we continued to adapt and upgrade IT systems to support our customers and operations during the COVID-19 outbreak. We invested heavily to improve customers' digital experiences while ensuring security and service resilience across our technology infrastructure. We also took steps to automate our back office and modernise the workplace – supported by a shift to a more agile way of working and efficiencies created through online collaboration and productivity management solutions.

Migrated
90%
planned applications
to the cloud

Infrastructure

In September 2021, we announced a five-year cloud technology investment. It was designed to:

1 Support the Bank's strategy of operating a lean infrastructure to get high yield on assets; scale quickly to serve customers reliably; help us be quick-to-market with innovative products and services; and to take advantage of the features and strengths offered by the cloud (including inherent business continuity and disaster recovery features like ensuring replicated systems and data failover)

Maintained
99.96%
consistent uptime for
IT services

2 Build our capabilities to manage, monitor and support cloud assets used by other strategic and business-as-usual (BAU) initiatives.

By the end of 2021 we had successfully migrated 90% of planned applications to the cloud with no downtime and zero incidents found after going live. According to a study by Gartner, the average cost of IT downtime is \$5,600 per minute. We maintained 99.96% consistent uptime for IT services throughout 2021, up from 99.94% in 2020.

Over 1,000 technology and data participants have been upskilled via AWS training classes, with more than 60 AWS certifications granted to our people.

IT has already started to mine the benefits of cloud transformation to save on operational costs, maintain competitiveness with new products and services, and deliver positive customer and employee experiences.

IT developments

Workplace transformation – Deployment of Office 365

COVID-19 ushered in a tumultuous and uncertain time. Virtually overnight, organisations were forced to support mass staff migration to remote working and grapple with how to ensure business-critical functions could continue uninterrupted. To support this new hybrid workplace, we rolled out MS Office 365, using cloud services to scale-up, manage and measure distributed employee experiences, and ensure ongoing productivity right from onboarding.



Key benefits include:

- The ability for employees to now work from anywhere, anytime, on any internet-connected device while still maintaining security
- Achieving a seamless working experience by syncing various communications tools on a single cloud platform so users can chat, meet, and share documents via Teams (personal storage capacity is up to 1 TB)
- Ongoing employee engagement with email, files and popular Office programs (Word, PowerPoint, Excel, etc.) that are accessible from any location and device, with real-time updates. All staff can also use Outlook on their mobile.

Our 2021 user experience survey found:

- 4.1 employees out of 5 needed to use MS Office 365
- 3.9 out of 5 who used MS Office 365 were satisfied.

IT continues to work closely with cross-functional teams, defining and implementing our strategies, to equip and support colleagues with all the tools necessary to thrive in the digital workspace, now and into the future.

DIGITAL (DO + IT)

IT Division (continued)



DevSecOps

IT developments (continued)

Workplace transformation – driving the DevSecOps initiative

Organisations are under ever increasing pressure to deliver features that provide greater value and new solutions that improve efficiency and reliability. Our IT Division believes that DevSecOps is an integral part of agile working because it extends business responsiveness and reduces friction between different teams involved in value creation.

In 2021, we led a strategic initiative to create stronger bonds between development, security, operations and other stakeholders in the Bank. We aimed to promote shorter, more controllable iterations by adopting best practice, automation and new tools.

Key benefits include:

- Fast flow of value from development to operations and hence quicker time to market
- Increased systems stability and reliability
- Rapid experimentation and innovation (e.g. hypothesis-drive development and A/B testing)
- Improved ability to meet customers' ever-changing needs and demands through more frequent releases of primary applications and services
- Increased job satisfaction and reduced burnout.

Continued capability building – delivery centre and specialised training

Techcombank is encountering unprecedented competition for technology talent - not only from traditional financial institutions but also technology firms, consulting firms and start-ups. To expand our technology capacity and capability to meet our ambitious tech-driven business agenda, we need to tap the talent pool in Ho Chi Minh City, which is renowned for its high-quality IT labour force. Our new Ho Chi Minh City Digital Centre in the south of Vietnam will build scalable delivery capabilities to accelerate implementation of the Bank's strategic initiatives. This will be a powerful model for systems and software development, testing and support; helping us lower delivery costs while maintaining high quality.

IT people

As of 31 December 2021, we had a growing team of 30+ members. We are delivering on four strategic and BAU initiatives, including cloud strategy execution, the data lake project, technology capability building and invoicing process automation.

We plan to have 300 new hires in 2022, but we will always need quality leaders and experts. We think a management associate program is the obvious answer to both improving morale and feeding succession planning.

The Techcombank Management Associate Program in Technology (TCB Future Gen in Tech and Data) aims to attract fresh graduates from top-tier universities in Vietnam and abroad, or career starters interested in joining the financial services industry and ready to



18-month
Techcombank
Management Associate
Program in Technology

Attracted
650
applications
from students
in top-tier international
and local universities

unleash their potential. These new tech associates will build a wide range of leadership competencies and technical skills via an accelerated and robust curriculum, with both classroom and on-the-job training.

The 18-month fast-track program has three main work rotations through critical IT projects, and assignments in both junior and leadership roles.

To date, we have received around 650 applications from students in top-tier international (University of Melbourne, RMIT, University of Exeter) and local (Hanoi University of Science and Technology, FPT University) universities.

Our rigorous assessment process involves the Chief Information Officer (CIO) and related senior managers in the final interview.

The program has now secured a first cohort of seven management associates.

Number of cyber attacks
↓ **40.3% YoY**

Number of security violations
↓ **59.0% YoY**

Security



We continued to enhance our cybersecurity including cloud security, identity and access management, metrics and data analytics, and third-party security reviews. We are pleased to report that, compared to 2020, the total number of cyber-attacks and security violations dramatically decreased by 40.3% and 59.0%, respectively. While there were still system breaches, our security team detected all of them in time, ensuring no disruption in operations.

DIGITAL (DO + IT)

IT Division (continued)

Security (continued)



We currently have

ISO/IEC 27000:2013 certification on Information Security Management for Core Banking and Internet Banking Services (valid from 29 October 2021 until 28 October 2024)

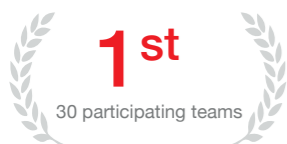


PCI DSS (Payment Card Industry Data Security Standard) certification version 3.2.1 at Level 1 (the highest compliance level)

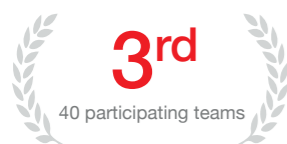
An important part of our defence strategy is ensuring that colleagues remain aware of cybersecurity issues and report incidents.

To encourage Bank-wide participation, in early 2022, we will officially introduce our new Techcombank Security Reward Program. The program offers monetary recognition to employees who identify and report security risks, with rewards based on potential severity.

IT's success in 2021 saw us receive:



1st prize in the DF Cyber Defence competition organised by the National Cyber Security Centre (December 2020, 30 participating teams)



3rd prize in the Information Technology Department's Information security to celebrate the 70th anniversary of the banking industry competition (February 2021, 40 participating teams).

Other achievements and initiatives in 2021

Risk management

Our IT Division is always working to improve our risk management practices. As part of our holistic approach, all risks/issues, including project execution and IT operational risks, are reported on Jira. Senior management (N-1 in Techcombank) have full accountability. Risks/issues are managed centrally and linked to remediation tasks.

To enhance the process, we have created a visual dashboard so the leadership team and project teams can easily capture the status of risks and tasks at any time, in any place.

We have established real-time awareness of risk situations by automatically sending alerts/warnings and tracking risk resolution deadlines. Users can update the status of mitigation actions in real-time with any supporting evidence. We also have monthly IT risk review sessions with our Head of Department.

IT has increased its ability to self-identify risk and, as a result, risks recorded by other parties have decreased.



DIGITAL (DO + IT)

IT Division (continued)

Other achievements and initiatives in 2021 (continued)

Change management

In 2021 we enhanced the Design Approval Board (DAB) mechanism to ensure our design solutions are based on architectural standards, guidelines and best-practice in solution and integration architecture; and that processes are aligned and harmonised across the Bank's target enterprise architecture landscape. As a result:

- All project designs and BAU work in excess of 80 hours (from detailed analysis to deployment) must go to DAB once materials have been carefully reviewed by enterprise architects
- High-level and detailed designs need to be approved in alignment with a project plan.

There were 112 DAB sessions in 2021. Seventy-five per cent of designs got through DAB at first effort (including those 'conditionally endorsed').

We also enhanced our Change Approval Board (CAB) mechanism, which now enables us to:

- Build and publish a visual dashboard of changes by business units and divisions, and the resulting incidents and success rates, to provide a comprehensive view of risk and its impact on current services and systems (this is synched with implementation plans for strategic BAU initiatives, IT projects and other IT system improvement activities, the project risk dashboard and IT's operational risk dashboard)
- Record actual implementation results, identifying root causes and proposed solutions for each issue/incident that is caused by change
- Document lessons learned, creating a comprehensive IT knowledge base about change.

Successfully implement MS Office 365 – secured, anytime, anywhere

Accelerate building capability, training and attracting talent

Real-time awareness of risk situations

Enhanced Design Approval Board (DAB) mechanism

The focus for IT Division in 2022

IT's overall focus is to provide a simpler, more efficient and better managed system, Bank-wide. We want to remediate and improve, grow strategically and prepare for the future. To do this we will:

- Continue to deliver the complete cloud transformation, modernise the workplace (with MS Office 365), and build capability through the Ho Chi Minh City Digital Centre and *TCB Future Gen in Tech and Data* initiatives
- Finalise current projects including modernisation of:
 - » Card management services, business process management and core banking
 - » The network software defined wide area network (SDWAN)
 - » The enterprise service bus (EBS)
- Reshape the current IT operating model through cloud transformation and IT modernisation (cloud adoption, core banking, cards and other business processes).

TALENT

Talent is one of the three pillars in Techcombank's five-year strategy.

In 2021, we made admirable progress in our efforts to attract, develop and retain a highly-skilled workforce of 12,500+ employees. Over 11% work in IT, digital or data roles for the Bank.

Employee value proposition

To have the best workforce, we offer an attractive EVP which enables employees to embrace the spirit of 'Dare to Be A Greater You' in their career journey at Techcombank. Through this compelling EVP, the organisation promises to bring employees specific experiences based on the four main EVP pillars: Culture and Work Environment; Performance; Rewards and Recognition; Learning & Development. Reflecting on the way we have built our loyal and diligent workforce so far, and drawing on what we know about market segmentation with customers, we are making Techcombank an even more desirable and professional place to work.

Launch of HRConnect

The new HRConnect platform digitalises the employee journey by providing essential employee offerings via a more intuitive, user-friendly and modern interface. We have streamlined HR data management, enabling us to better 'Listen, Understand and Act' to service our employees. We are more efficient in consolidating HR's strategic role in providing talent driven insights that drive business performance. The HRConnect platform has three sub-systems: core HR and the learning management system (LMS) went live in 2021 and payroll will in 2022.

The core HR and LMS systems took only eight months to implement and, together with the Systems, Applications and Products in Data Processing (SAP) Success Factors platform, have already transformed our staff's experience. About 6,000 employees have undertaken training sessions online – including 1,000 managers – with an overall satisfaction rating of 90%. A Pulse survey to measure overall satisfaction with HRConnect was conducted from 18–26 November 2021. The result, early in the first month of operation, showed 78% of employees were satisfied.

HR and LMS system implementation duration

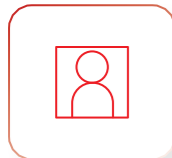
8 months

Satisfaction with HRConnect

78%

TALENT

Job Architecture



We are implementing a new Job Architecture framework, which involves defining dual career tracks, career levels with required level of competencies and skills so that the level of skill required to complete similar work and hold comparable positions across divisions is better understood. This is the first step in our HR transformation journey. Our focus is to standardise policies and regulations and systemise processes. Optimising our HR activities will enhance our employees' experience.

Compensation and benefits

To recruit and retain staff we must continue to offer competitive remuneration. To this end, we reviewed our total compensation model for frontline staff, started conducting market benchmarking with a view to refreshing pay structures across newly aligned job families and looked into long-term incentive programs.

Role-based learning roadmap

Two initiatives in 2021 (HRB5 and WBS1) enabled us to complete 100% of our planned 104 role-based learning roadmaps, which use a competency framework and capability assessment approach. Personnel included came from:

- IT roles – developers (front end/ back end), solution architects, testers, engineering roles, business analysts, security, cloud engineers
- Data roles – data engineers, data architects, business intelligence, data analysts, data scientists
- Frontline roles – RBG, BB and WB.

Robust training courses have been available on LMS since October for these employees. We expect increased employee satisfaction across all learning and development activities, and improved productivity.

Leadership development programs

We established customised leadership development programs built on a five-level competency framework – Leading Self, Leading Others, Leading Managers, Leading Business and Leading Enterprises.

The 'Changing Mindset' program (based on Franklin Covey's *The 7 Habits of Highly Effective People*) covers Leading Self, Others and Managers, while the Techcom Managers program is aimed at Leading Others.

In 2022 we will offer training programs aimed at more senior level roles:

- TechcomLeader for Leading Managers
- Future Leaders Program for Leading Business
- TechcomHero for Leading Enterprises.

Recruitment Activities

We have maintained our focus on recruitment for IT, data and frontline roles.

IT and data

- We organised professional events where industry leaders showcased and promoted the opportunities on offer at Techcombank, especially in IT, data and project management.
- Our Fresh Talent Attraction Program included:
 - » Campus recruitment
 - » 'Hackathon'
 - » Data Internship program
 - » Management Associates – The Future Gen program

Frontline workers

Our Fresh Talent Attraction Program included:

- Signing a Memorandum of Understanding with universities specialising in banking and finance, to assist us in attracting graduates
- Implementing a personal relationship manager (PRM) and senior retail banking officer (SRBO) trainee program to help us attract and recruit top-tier new graduates for key frontline positions, from the best Vietnamese universities.



TALENT

Strong 2021 EES results

Strong 2021 EES results place us in the top 6% of highest scoring companies in southeast Asia for Employee Effectiveness and the top 12% for Engagement and Enablement. This shows we are headed in the right direction; building a strong culture with capable and highly engaged people who share the same values and are doing the right thing, everyday, by our customers.

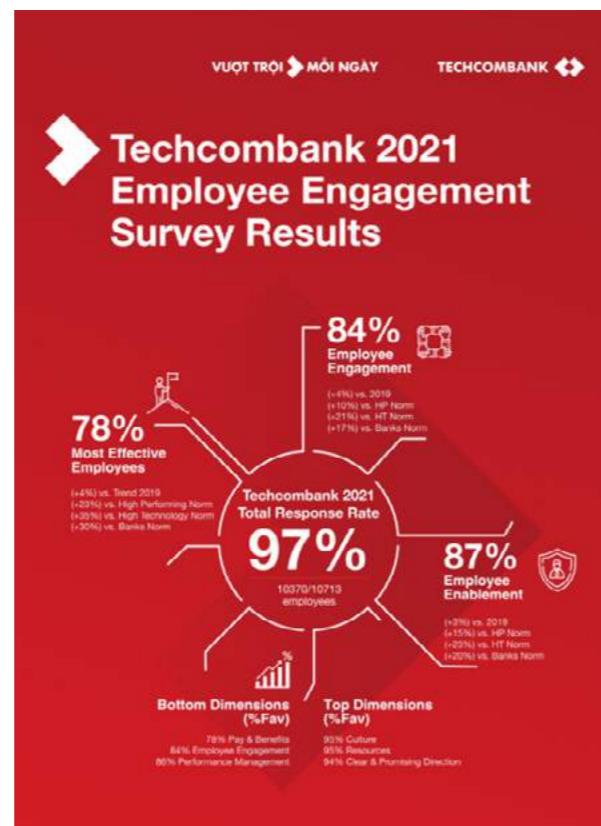
95% of respondents said they have
“a good understanding of Techcombank’s core values”

94% said
“Techcombank’s core values closely align with their personal values”

93% of respondents
“feel proud to work for Techcombank”

91% of respondents would
“recommend Techcombank as a good place to work”

91% of respondents feel that their job
“provides opportunities to do challenging and interesting work” and that “your job makes good use of your skills and abilities”.



Employee Engagement results measure the mental and emotional connection employees feel toward their place of work.

Employee Enablement results measure how supported employees feel i.e. they are given the tools, equipment, technology, information and training to succeed in their role.

Employee effectiveness results measure proven 'key drivers' that predict how effective the employees in the organisation are and provide insight into the actions leaders can take to improve performance at multiple levels.

In 2022 we will keep fostering a more professional and robust corporate culture for the organisation.

The focus for HR Division in 2022

This involves continuing to transform HR through technology, recruitment and training in order to retain more of the best and brightest, now and into the future.

Other initiatives will:

- Automate processes for
 - » Payroll to become a fully automated system through a payroll module, ensuring centralised data that offers accurate and real-time insights
 - » Performance management optimisation module that enables tracking and management of the full performance cycle including goal setting, KRA/KPI/OKR results, and continuous feedback and coaching
 - » Compensation module that drives a performance-based rewards system
- Up-skill our employees by continuously
 - » Implementing training programs based on the learning roadmap we built in 2021
 - » Broadening the learning roadmap to cover other roles
 - » Strengthening leadership training programs Bank-wide
 - » Defining talent segments and offering engaging training and development programs
- Develop and refine our approach for
 - » Succession planning to identify our future leaders and build leadership roles
 - » Compensation and benefits with further research, benchmarking and best practices to ensure a more competitive compensation strategy.



THE SUCCESS OF **TECH**

We are harnessing the
power of Tech.

What's next?





THE SUCCESS OF **TECH**

We transform it into
financial strength to
accelerate greater
success.

GENERAL INFORMATION

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THE SUCCESS OF TECH

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The Bank

Vietnam Technological and Commercial Joint Stock Bank ('the Bank') is a commercial joint stock bank registered and incorporated in the Socialist Republic of Vietnam.

The Bank was incorporated pursuant to Business Licence No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam ('the SBV') on 6 March 2018 to replace Business Licence No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 16 December 2021. The operating duration is 99 years from 6 August 1993.

The principal activities of the Bank are mobilising and receiving short, medium and long-term deposit funds from organisations and individuals; lending on a short, medium and long-term basis up to the nature and ability of the Bank's capital resources; conducting settlement and cash services and other banking services as approved by the SBV; conducting investments in subsidiaries, associates, joint-ventures and other companies; conducting investments in bonds and dealing in foreign exchange in accordance with applicable regulations.

Board Of Directors

Members of the Board of Directors of the Bank for the year ended 31 December 2021 and until the date of these consolidated financial statements are as follows:

Mr Ho Hung Anh	Chairman
Mr Nguyen Dang Quang	The first Vice Chairman
Mr Nguyen Thieu Quang	Vice Chairman
Mr Nguyen Canh Son	Vice Chairman
Mr Do Tuan Anh	Vice Chairman
Mr Ho Anh Ngoc	Vice Chairman (from 24 April 2021)
Mr Lee Boon Huat	Member
Mr Saurabh Narayan Agarwal	Member
Mr Nguyen Nhan Nghia	Independent Member

GENERAL INFORMATION

Board Of Supervision

Members of the Board of Supervision of the Bank for the year ended 31 December 2021 and until the date of these consolidated financial statements are as follows:

Mr Hoang Huy Trung	Head of Board of Supervision -cum-Member in charge
Ms Bui Thi Hong Mai	Member in charge
Mr Mag Rec Soc Oec Romauch Hannes	Member

The Executive Team

Members of the Executive Team of the Bank for the year ended 31 December 2021 and until the date of these consolidated financial statements are as follows:

Mr Jens Lottner	Chief Executive Officer
Mr Phung Quang Hung	Standing Deputy Chief Executive Officer -cum-Chief Business Banking Officer <i>(from 11 January 2022)</i>
Mr Pham Quang Thang	Deputy Chief Executive Officer -cum-Chief Corporate Affairs Officer
Mr Phan Thanh Son	Deputy Chief Executive Officer -cum-Chief Global Transaction Service Officer -cum-Transformation Director
Mr Kalyanaraman Sivaramakrishnan	Deputy Chief Executive Officer <i>(from 10 January 2021)</i> Chief Risk Officer
Mr Alexandre Charles Emmanuel Macaire	Group Chief Finance Officer <i>(from 11 January 2022)</i>

GENERAL INFORMATION

The Executive Team (continued)

Mr Trinh Bang	Group Chief Finance Officer <i>(until 10 January 2022)</i> Chief Strategy and Development Officer <i>(until 21 January 2022)</i>
Ms Phan Thi Thanh Binh	Chief Wholesale Banking Officer
Mr Darren Neale Buckley	Chief Retail Banking Group Officer <i>(from 8 August 2021)</i>
Mr Vishal Shah	Chief Business Banking Officer <i>(until 10 January 2022)</i>
Ms Dang My Quyen	Chief Human Resources Officer
Mr Nguyen Anh Tuan	Chief Technology Officer
Mr Chu Hong Ngoc	Chief Operations Officer
Ms Thai Minh Diem Tu	Chief Marketing Officer
Mr Santhosh Mahendiran	Chief Data and Analytics Officer
Mr Kyle Timothy Justin	Chief Transformation Officer
Mr Pranav Seth	Chief Digital Officer <i>(from 13 January 2021)</i>

GENERAL INFORMATION

Legal Representative

The legal representative of the Bank for the year ended 31 December 2021 and until the date of these consolidated financial statements is Mr Ho Hung Anh, the Chairman.

Mr Jens Lottner is authorised to sign off reports and documents relating to operations management which comprise the accompanying consolidated financial statements for the year ended 31 December 2021 in accordance with Decision No. 0058/2020/UQ-CT-HDQT dated 6 February 2020.

Auditors

The auditor of the Bank is Ernst & Young Vietnam Limited.

REPORT OF THE EXECUTIVE TEAM

The Executive Team of Vietnam Technological and Commercial Joint Stock Bank ('the Bank') is pleased to present its report and the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2021.

Management's responsibility for the consolidated financial statements

The Executive Team of the Bank is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries and of the consolidated results of their operations and their consolidated cash flows for the year. In preparing those consolidated financial statements, the Executive Team of the Bank is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue its business.

The Executive Team of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Team of the Bank confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

Statement by the executive team

The Executive Team does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2021, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to preparation and presentation of consolidated financial statements.

For and on behalf of the Executive Team:

Mr Jens Lottner
Chief Executive Officer

Hanoi, Vietnam
21 March 2022

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
Vietnam Technological and Commercial Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Vietnam Technological and Commercial Joint Stock Bank ('the Bank') and its subsidiaries, as prepared on 21 March 2022 and set out on pages 172 to 243 which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Bank's Executive Team is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as the Executive Team determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2021, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Other matter

The consolidated financial statements of the Bank and its subsidiaries as at 31 December 2020 were audited by another audit firm who issued unqualified opinion on those financial statements on 15 March 2021.

Ernst & Young Vietnam Limited

Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2018-004-1

Hanoi, Vietnam
21 March 2022

Tran Thi Thu Hien
Auditor
Audit Practising Registration
Certificate No. 2487-2018-004-1

CONSOLIDATED BALANCE SHEET

B02/TCTD-HN

as at 31 December 2021

	Notes	31 Dec 2021 VND million	31 Dec 2020 VND million
ASSETS			
Cash and gold	5	3,578,643	3,663,615
Balances with the State Bank of Vietnam ("the SBV")	6	4,908,529	10,253,324
Balances with and credit granting to other financial institutions and credit institutions	7	70,515,258	28,994,954
Balances with other financial institutions and credit institutions	7.1	39,450,727	21,112,630
Credit granting to other financial institutions and credit institutions	7.2	31,064,531	7,882,324
Held-for-trading securities	8	5,070,812	8,347,576
Held-for-trading securities		5,074,479	8,357,447
Provision for held-for-trading securities		(3,667)	(9,871)
Derivatives and other financial assets	19	293,768	-
Loans to customers		343,605,581	275,310,367
Loans to customers	9	347,341,244	277,524,615
Provision for loans to customers	10	(3,735,663)	(2,214,248)
Debts purchased	11	133,418	-
Debts purchased		136,108	1,682
Provision for debts purchased		(2,690)	(1,682)
Investment securities	12	97,586,088	84,447,241
Available-for-sale securities	12.1	98,092,062	84,632,952
Held-to-maturity securities	12.2	200,000	200,000
Provision for investment securities	12.3	(705,974)	(385,711)
Long-term investments	13	12,813	11,806
Other long-term investments		13,962	12,466
Provision for long-term investments		(1,149)	(660)
Fixed assets	14	7,224,481	4,613,423
Tangible fixed assets	14.1	3,628,732	1,470,942
Cost		4,824,092	2,416,349
Accumulated depreciation		(1,195,360)	(945,407)
Intangible fixed assets	14.2	3,595,749	3,142,481
Cost		4,541,141	3,923,203
Accumulated amortisation		(945,392)	(780,722)
Investment property	15	1,088,924	1,124,724
Cost		1,435,699	1,435,699
Accumulated depreciation		(346,775)	(310,975)
Other assets	16	34,710,635	22,835,903
Receivables		28,117,180	16,572,411
Accrued interest and fee receivables		5,807,801	5,184,822
Deferred income tax assets		17,460	-
Other assets		1,448,617	1,268,562
Provision for other on-balance sheet assets		(680,423)	(189,892)
TOTAL ASSETS		568,728,950	439,602,933

CONSOLIDATED BALANCE SHEET

B02/TCTD-HN

as at 31 December 2021

	Notes	31 Dec 2021 VND million	31 Dec 2020 VND million
LIABILITIES			
Due to the Government		842	-
Deposits and borrowings from other financial institutions and credit institutions	17	112,458,691	47,484,812
Deposits from other financial institutions and credit institutions	17.1	45,606,142	21,232,089
Borrowings from other financial institutions and credit institutions	17.2	66,852,549	26,252,723
Deposits from customers	18	314,752,525	277,458,651
Derivatives and other financial liabilities	19	-	266,926
Valuable papers issued	20	33,679,824	27,899,640
Other liabilities	21	14,795,596	11,878,118
Accrued interest and fee payables		3,121,881	3,252,009
Other liabilities		11,673,715	8,626,109
TOTAL LIABILITIES		475,687,478	364,988,147
SHAREHOLDERS' EQUITY			
Share capital		35,585,622	35,525,569
Charter capital		35,109,148	35,049,062
Share premium		476,474	476,507
Reserves		9,155,896	6,789,643
Retained earnings		47,453,056	31,815,808
Non-controlling interests		846,898	483,766
TOTAL SHAREHOLDERS' EQUITY	23	93,041,472	74,614,786
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		568,728,950	439,602,933

CONSOLIDATED BALANCE SHEET

B02/TCTD-HN

as at 31 December 2021

Consolidated off-balance sheet items	31 Dec 2021 VND million	31 Dec 2020 VND million
Contingent liabilities		
Guarantees for borrowings	56,682	34,868
Commitments for currency contracts	279,342,444	185,950,560
- Commitments to buy spot foreign currencies	1,147,456	1,605,493
- Commitments to sell spot foreign currencies	3,155,974	3,004,364
- Commitments to buy - foreign exchange swap contracts	137,419,741	90,498,304
- Commitments to sell - foreign exchange swap contracts	137,619,273	90,842,399
Letters of credit (L/C)	47,054,297	30,880,187
Other guarantees	30,068,017	21,121,837
Other commitments	358,478,746	302,318,864
- Commitments for cross-currency swap in foreign currencies	43,139,850	59,869,362
- Commitments for cross-currency swap in VND	43,642,094	60,198,065
- Commitments for interest rate swap in foreign currencies	12,424,688	9,994,922
- Commitments for interest rate swap in VND	781,540	-
- Valuable paper forward commitments	13,359,572	15,802,168
- Unused credit limit	244,944,122	155,200,484
- Other commitments	186,880	1,253,863
	715,000,186	540,306,316

Prepared by:

Approved by:

Approved by:

Ms Bui Thi Khanh Van

Chief Accountant

Ms Thai Ha LinhDirector of Accounting,
Financial Policy and Tax Finance
and Planning Division**Mr Jens Lottner**

Chief Executive Officer

Hanoi, Vietnam

21 March 2022

CONSOLIDATED INCOME STATEMENT

B03/TCTD-HN

for the year ended 31 December 2021

	Notes	2021 VND million	2020 VND million (Reclassified)
Interest and similar income	24	35,503,251	29,001,912
Interest and similar expenses	25	(8,804,638)	(10,250,703)
Net interest and similar income		26,698,613	18,751,209
Fees and commission income		8,239,494	6,048,443
Fees and commission expenses		(1,857,254)	(1,523,503)
Net fees and commission income	26	6,382,240	4,524,940
Net gain from trading foreign currencies	27	231,416	745
Net gain from held-for-trading securities	28	152,305	321,397
Net gain from investment securities	29	1,804,408	1,496,997
Other operating income		4,343,731	5,460,013
Other operating expenses		(2,540,485)	(3,180,804)
Net gain from other operating activities	30	1,803,246	2,279,209
Income from investments in other entities	31	4,063	4,191
Total operating income		37,076,291	27,378,688
Operating expenses	32	(11,173,395)	(8,967,357)
Profit before provision for credit losses		25,902,896	18,411,331
Provision expenses for credit losses	33	(2,664,603)	(2,611,035)
Profit before tax		23,238,293	15,800,296
Current corporate income tax expense	22.1	(4,840,371)	(3,217,829)
Deferred corporate income tax income		17,460	-
Corporate income tax expense		(4,822,911)	(3,217,829)
Profit after tax		18,415,382	12,582,467
Non-controlling interests		(363,132)	(257,476)
Net profit contributed to the Bank's shareholders		18,052,250	12,324,991
Basic earnings per share (VND/share)	34	5,137	3,515
Diluted earnings per share (VND/share)	34	(*)	(*)

(*) As at 31 December 2021 and 31 December 2020, earnings per share of the Bank are not affected by dilutive factors.

Prepared by:

Approved by:

Approved by:

Ms Bui Thi Khanh Van

Chief Accountant

Ms Thai Ha LinhDirector of Accounting,
Financial Policy and Tax Finance
and Planning Division**Mr Jens Lottner**

Chief Executive Officer

Hanoi, Vietnam

21 March 2022

CONSOLIDATED CASH FLOW STATEMENT

B04/TCTD-HN

for the year ended 31 December 2021

	Notes	2021 VND million	2020 VND million (Reclassified)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income receipts		35,224,259	28,933,307
Interest and similar expenses payments		(9,042,851)	(10,155,492)
Net fees and commission receipts		5,958,416	4,476,471
Net receipts from trading activities (foreign currencies and securities)		2,502,188	1,897,196
Other income receipts		816,228	1,190,483
Recovery of loans previously written-off	30	1,121,235	1,259,653
Payments for employees and other operating expenses		(8,687,948)	(7,088,434)
Current income taxation paid for the year	22.1	(4,829,911)	(2,881,901)
Net cash flows from operating activities before changes in operating assets and liabilities		23,061,616	17,631,283
Changes in operating assets			
(Increase)/decrease in balances with and credit granting to other financial institutions and credit institutions		(23,454,273)	1,401,381
Increase in trading securities		(10,804,075)	(16,005,291)
Increase in derivatives and other financial assets		(293,768)	-
Increase in loans to customers		(69,816,629)	(46,722,588)
Decrease in utilisation of provision	10	(626,647)	(3,363,570)
Increase in other operating assets		(15,607,626)	(6,261,043)
Changes in operating liabilities			
Increase/(decrease) in deposits and borrowings from other financial institutions and credit institutions		64,973,879	(13,781,823)
Increase in deposits from customers (including the State Treasury)		37,294,716	46,161,890
Increase in valuable papers issued (excluding valuable papers issued classified into financing activities)		5,780,184	10,596,719
Decrease in derivatives and other financial liabilities		(266,926)	(167,082)
Increase in other liabilities		2,598,519	422,272
Use of reserves	23.1	(10,749)	(615)
Net cash flows from/(used in) operating activities		12,828,221	(10,088,467)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets		(939,995)	(665,860)
Proceeds from disposals of fixed assets		57,506	6,837
Payments for disposals of fixed assets		-	(559)
Payments for investments in other entities		(1,497)	-
Dividends received and profit shared from long-term investments		4,043	4,191
Net cash flows used in investing activities		(879,943)	(655,391)

CONSOLIDATED CASH FLOW STATEMENT

B04/TCTD-HN

for the year ended 31 December 2021

	Notes	2021 VND million	2020 VND million (Reclassified)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		60,053	47,602
Payments for settlement of long-term valuable papers eligible for recognition as owners' equity and other long-term loans		-	(157,713)
Proceeds from capital contribution of non-controlling shareholders		-	651
Dividends payment for Non-controlling interests		-	(65,086)
Net cash flows from/(used in) financing activities		60,053	(174,546)
Net cash flows for the year		12,008,331	(10,918,404)
Cash and cash equivalents at the beginning of the year		35,595,899	46,514,303
Cash and cash equivalents at the end of the year	35	47,604,230	35,595,899

Prepared by:

Approved by:

Approved by:

Ms Bui Thi Khanh Van
Chief Accountant

Ms Thai Ha Linh
Director of Accounting,
Financial Policy and Tax Finance
and Planning Division

Mr Jens Lottner
Chief Executive Officer

Hanoi, Vietnam
21 March 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B05/TCTD-HN

as at 31 December 2021 and for the year then ended

1. General information

Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is a commercial joint stock bank registered and incorporated in the Socialist Republic of Vietnam.

Establishment and operations

The Bank was incorporated pursuant to Business Licence No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam (“the SBV”) on 6 March 2018 to replace Business Licence No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 16 December 2021. The operating duration is 99 years since 6 August 1993.

The principal activities of the Bank are mobilising and receiving short, medium and long-term deposit funds from organisations and individuals; lending on short, medium and long-term basis up to the nature and ability of the Bank’s capital resources; conducting settlement and cash services and other banking services as approved by the SBV; conducting investments in subsidiaries, associates, joint-ventures and other companies; conducting investments in bonds and dealing in foreign exchange in accordance with applicable regulations.

Charter capital

As at 31 December 2021, the charter capital of the Bank is VND 35,109,147,980,000 (31 December 2020: VND 35,049,062,300,000).

Network

The Bank’s Head Office is located at 191 Ba Trieu, Hai Ba Trung District, Hanoi. As at 31 December 2021, the Bank has one (1) Head Office, two (2) representative offices, three hundred and seven (307) transaction offices nationwide and three (3) subsidiaries.

Subsidiaries

As at 31 December 2021, the Bank has three (3) subsidiaries as follows:

No.	Name	Business Licence No.	Industry	% owned by the Bank
1	Techcom Securities Joint Stock Company	72/GPDC-UBCK dated 4 November 2020 granted by the State Securities Commission	Securities activities	88.94843%
2	Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited	0102786255 dated 18 June 2008 granted by the Hanoi Department of Planning and Investment which was amended for the 23 rd time on 19 October 2021	Debt and asset management	100%
3	Techcom Capital Management Joint Stock Company	57/GP-UBCK dated 30 January 2019 and adjusted by Licence No. 33/GPDC-UBCK dated 5 June 2019 granted by the State Securities Commission	Fund management	88.99956%

Employees

As at 31 December 2021, the Bank and its subsidiaries have 12,506 employees (31 December 2020: 11,802 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B05/TCTD-HN

as at 31 December 2021 and for the year then ended

2. Accounting period and currency

2.1 Accounting period

The annual accounting period of the Bank starts on 1 January and ends on 31 December.

2.2 Accounting currency

Currency used in accounting of the Bank is Vietnamese dong ('VND') and is rounded to the nearest VND million for presentation of consolidated financial statements.

3. Applied accounting standards and system

3.1 Statement of compliance

The Executive Team of the Bank confirmed that it has complied with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of consolidated financial statements.

Accordingly, the accompanying consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement and notes to the consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnamese accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position of the Bank and its subsidiaries, the consolidated results of their operations and their consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

3.2 Basis of preparation

The consolidated financial statements of the Bank are prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN, the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of account system for credit institutions issued in connection with Decision No. 479/2004/QD-NHNN by the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (series 5).

3.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2021. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date that such control ceases. In case the Bank divests its equity interest in a subsidiary resulting in loss of control over the subsidiary, the Bank only consolidates the financial result of the subsidiary from the beginning of the year up to the date of the divestment without consolidating the net assets of the subsidiary. Furthermore, the Bank makes adjustments of indirect impact of the divestment transactions on the consolidated cash flow statement.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of the profit or loss and net assets not held by the Bank and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

3.4 Basis of assumptions and uses of estimates

The preparation of the consolidated financial statements requires the Executive Team to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. Therefore, such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such relating items.

4. Summary of significant accounting policies

4.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Bank in preparation of the financial statements are consistent with those followed in the preparation of the Bank's financial statements for the year ended 31 December 2020, excepted for:

Circular No. 03/2021/TT-NHNN ("Circular 03") and Circular No. 14/2021/TT-NHNN ("Circular 14") amending and supplementing a number of articles of Circular 01/2020/TT-NHNN dated 13 March 2020 of the Governor of the SBV providing regulations on loan restructuring, interest and/or fees exemption or reduction and debt categories retention for credit institutions and foreign bank branches to assist customers affected by the COVID-19 pandemic

On 2 April 2021 and 7 September 2021, the SBV issued Circular 03 and Circular 14 which are effective from 17 May 2021 and 7 September 2021 accordingly to amend and supplement some articles of Circular 01. Main changes of Circular 03 and Circular 14 include:

- Revise and supplement condition for loans whose payment terms are restructured or whose interest and fee are reduced or exempted but categories are retained;
- Supplement regulation on making specific provision and additional provision for borrowers having loans with payment terms are restructured or interest and fee are reduced or exempted but categories are retained.

Circular No. 11/2021/TT-NHNN regulating the classification of assets, rates and method of setting up risk provisions, and use of provisions against credit risks in banking activity of credit institutions, foreign bank branches ("Circular 11")

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

B05/TCTD-HN

as at 31 December 2021 and for the year then ended

4. Summary of significant accounting policies (continued)

4.1 Changes in accounting policies and disclosures (continued)

On 30 July 2021, the SBV issued Circular 11 which is effective from 1 October 2021 to replace Circular 02/2013/TT-NHNN dated 31 January 2013 and Circular 09/2014/TT-NHNN dated 18 March 2014. Main changes of Circular 11 include:

- Amend regulation on date and steps of loan classification and provision processes. Accordingly, at least once per month, within the first seven (7) days of the month, credit institutions and foreign bank branches implement its loan classification and provision for loans outstanding at the end of the last day of the previous month. At the same time, credit institutions and foreign bank branches are required to base on loan classification provided by National Credit Information Center ('CIC') to adjust its own classification and corresponding provision;
- Amend some regulations on determination of deductible value of collateral used for making provision for credit loss;
- Supplement list of assets whose general provision is not required to be made for, including treasury bills, certificate of deposits, bonds issued by other domestic credit institutions, foreign bank branches and Government bonds under sell and repurchase transactions.

The Bank applied changes by Circular 11 prospectively.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash, gold, balances with the SBV, treasury bills and other short-

term valuable papers eligible for rediscount with the SBV, balances with other financial institutions and credit institutions that are without a term and mature not exceeding three months from the transaction date and securities with recovery or maturity of three months or less from date of purchase.

4.3 Balances with and credit granting to other financial institutions and credit institutions

Balances with and credit granting to other financial institutions and credit institutions are presented at the principal amounts outstanding at the end of the reporting period.

The credit risk classification of balances with and credit granting to other financial institutions and credit institutions and provision for credit risks thereof are provided in accordance with Circular 11. Accordingly, the Bank makes a provision for credit losses on balances (except for current accounts) with credit institutions, foreign bank branches and credit granting to other financial institutions and credit institutions according to the method as described in Note 4.6.

4.4 Held-for-trading securities

4.4.1 Classification and recognition

Held-for-trading securities include debt securities acquired and held for resale. Held-for-trading securities are initially recognised at cost.

Trading securities shall be recorded when the investors acquire ownership, in particular:

- Listed securities are recorded at the time of order matching (T+0);
- Unlisted securities are recorded at the time in which the ownership is acquired as prescribed in regulations of law.

4.4.2 Measurement

Listed debt held-for-trading securities are recognised at cost less risk provision and provision for diminution in value of securities.

Provision for diminution in value of securities is made in accordance with Circular No. 48/2019/TT-BTC issued by the Ministry of Finance on 8 August 2019 ('Circular 48') as described in Note 4.7.3.

Provision for credit losses on corporate bonds (including bonds issued by other credit institutions) which have not been listed on the stock market or have not yet been registered for trading on the Upcom trading system is made in accordance with Circular 11 as described in Note 4.6.

Provision for held-for-trading securities which is mentioned above is reversed when the recoverable amount of held-for-trading securities increases after making provision as a result of an objective event. Provision is reversed up to the gross value of these securities before provision.

Gains or losses from the sales of held-for-trading securities are recognised in the consolidated income statement.

4.4.3 De-recognition

Held-for-trading securities are derecognised when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

4.5 Loans to customers

Loans to customers are presented at the principal amounts outstanding as at the end of the reporting period less any provision made for loans to customers.

Short-term loans have maturity of less than or equal to one year from disbursement date. Medium-term loans have maturity from over one year to five years from disbursement date. Long-term loans have maturity of more than five years from disbursement date.

The classification of credit risk for loans to customer and corresponding provision are made under Circular 11 as described in Note 4.6.

4.6 Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other financial institutions and credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches

The Bank applied quantitative method as regulated under Article 10 of Circular 11 on classification the following assets: balances with and credit granting to other financial institutions and credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (here refer as "debts").

In accordance with the requirements of Circular 11, general provision as at 31 December is made at 0.75% of total outstanding debt balances as at 31 December excluding balances with and credit granting to other financial institutions and credit institutions; any loans classified into loss group debts; balances of buying promissory notes, bills; certificates of deposit, bonds issued by other credit institutions and foreign bank branches; balances of buying, selling Government bonds.

Specific provision as at 31 December is made based on the outstanding principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the debt classification as at 31 December. The basis to determine the value and discounted value for each type of collaterals is specified in Circular 11.

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4. Summary of significant accounting policies (continued)

4.6 Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other financial institutions and credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (continued)

The debt classification and specific provision rates for each group are presented as follows:

Group	Description	Provision rate
1 Current	(a) Current debts that are assessed as fully and timely recoverable for both principals and interests; or (b) Debts which are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2 Special mention	(a) Debts which are overdue for a period of between 10 days and 90 days; or (b) Debts which the repayment terms are restructured for the first time.	5%
3 Sub-standard	(a) Debts which are overdue for a period of between 91 days and 180 days; or (b) Debts which the repayment terms are extended for the first time; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under agreements; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> » Debts violating Clauses 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or » Debts violating Clauses 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or » Debts violating Clauses 1, 2, 5 under Article 128 of Law on Credit Institutions. (e) Debts required to be recovered under inspection conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions of CIs or foreign bank branches due to borrowers' breach of agreements with them but are not yet recovered in less than 30 days since the effective dates of recovery decisions; or (g) When the SBV requires under regulatory inspection conclusions and related credit information.	20%

Group	Description	Provision rate
4 Doubtful	(a) Debts which are overdue for a period of between 181 days and 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period of up to 90 days under that restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time; or (d) Debts which are specified in point (d) of Group 3 overdue for a period of from 30 days to 60 days since the effective dates of recovery decisions; or (e) Debts required to be recovered under inspection conclusions but still outstanding with an overdue period up to 60 days from the recovery date as required by regulatory inspection conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions of credit institutions or foreign bank branches due to borrowers' breach of agreements with them, but are not yet recovered from 30 days to 60 days since the effective dates of recovery decisions; or (g) When the SBV requires under regulatory inspection conclusions and related credit information.	50%
5 Loss	(a) Debts which are overdue for a period of more than 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue from 91 days or more under that first restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts which are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days since the effective dates of recovery decisions; or (f) Debts required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts that need to be recovered under premature debt recovery decisions of CIs or foreign bank branches due to borrowers' breach of agreements with them, but are not yet recovered in more than 60 days since the effective dates of recovery decisions; or (h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches of which capital and assets are blocked; or (i) When the SBV requires under regulatory inspection conclusions and related credit information.	100%

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4. Summary of significant accounting policies (continued)

4.6 Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other financial institutions and credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (continued)

Where a customer has more than one debt with the Bank and one of the outstanding debts is classified into a higher risk group, the Bank is required to classify the entire remaining debts of such customer into the higher risk group.

When participating in a syndicated loan as a participant, the Bank classifies loans (including syndicated loans) of the customer into the higher risk group between the assessment of the leading bank and its own assessment.

If a customer is classified by the Bank into the risk group which is lower than the risk group provided by CIC, the Bank is required to adjust the risk group of such customer following the risk group provided by CIC.

Since 13 March 2020, the Bank has applied Circular 01 issued by the SBV providing regulations on restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the COVID-19 pandemic. Accordingly, for customers incurring obligations of loan principal repayments and/or interest payments during the period from 23 January 2020 to the succeeding day of the date after three months from the Government's announcement of the termination of COVID-19 pandemic and these customers are unable to repay loan principals and/or to pay interest upon maturity of the signed loan contracts or agreements due to decreases in revenue and income caused by effect of the COVID-19 pandemic, the Bank is allowed to reschedule loan repayment periods and keep loan groups unchanged from those classified at the most recent date prior to 23 January 2020.

Since 17 May 2021, the Bank applied Circular 03 that amended some articles of Circular 01 for customers having loans disbursed before 10 June 2020 and incurring obligations of loan principal and/or interest repayment from 23 January 2020 to 31 December 2021 and these customers are unable to repay loan principal and/or interest upon maturity of the signed loan contracts, agreements due to decreases in revenue and income caused by effect of the COVID-19 pandemic.

From 7 September 2021, the Bank applied Circular 14/2021/TT-NHNN ("Circular 14") issued by the SBV amending to the Circular 01 in providing regulations on restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the COVID-19 pandemic as follows:

Disbursement date	Repayment schedule	Overdue status	Overdue incurring period	Principle for debt retention
Before 23 January 2020	From 23 January 2020 to 30 June 2022	Undue or overdue up to 10 days	From 30 March 2020 to before 30 June 2022	Retain the debt groups that have been classified at the most recent date before 23 January 2020.
From 23 January 2020 to before 1 August 2021		Undue or overdue up to 10 days	From 17 May 2021 to before 17 July 2021 or from 7 September 2021 to 30 June 2022	Retain the debt groups that have been classified at the most recent date before the date of first rescheduling.
Before 23 January 2020		Overdue	From 23 January 2020 to 29 March 2020	Retain the debt groups that have been classified at the most recent date before 23 January 2020.
From 23 January 2020 to before 10 June 2020		Overdue	From 23 January 2020 to before 17 May 2021	Retain the debt groups that have been classified at the most recent date before the date the outstanding debts are categorised as overdue debts.
From 10 June 2020 to before 1 August 2021		Overdue	From 17 July 2021 to before 7 September 2021	

If the outstanding debts after rescheduling and retaining debt categories are overdue and not granted another debt rescheduling, the Bank shall classify the debt groups and make provision for credit risk under Circular 11.

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4. Summary of significant accounting policies (continued)

4.6 Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other financial institutions and credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches
(continued)

Circular 03 requires the Bank to make the specific provision for borrowers whose debts are rescheduled or granted interest exemption or reduction based on 2 scenarios of debt classification: (1) loan groups are retained as the same as before being restructured, given interest exemption/reduction; (2) loan groups are classified in accordance with prevailing regulations of the SBV on debt classification. In case the difference in specific provision between scenario (2) and (1) is positive, the Bank shall make additional provision as follows:

Additional provisions	Period ended
At least 30% of the additional specific provision	31 December 2021
At least 60% of the additional specific provision	31 December 2022
100% of the additional specific provision	31 December 2023

From 1 January 2024, pursuant to prevailing the SBV's regulations on debt classification and provision making, the Bank shall make provision for all the outstanding debts and off-balance sheet commitments including the outstanding debts that are rescheduled, granted interest exemption/reduction and kept debt groups unchanged under the scope of Circular 03.

4.7 Investment securities

4.7.1 Classification

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. The Bank initially recognises investment securities at cost and classifies investment securities into proper categories at purchase date. According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, for investment securities, the Bank is allowed to reclassify maximum of one time after initial recognition.

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities with fixed maturities and fixed or determinable payments, where the Bank has positive intention and ability to hold until maturity.

Available-for-sale investment securities

Available-for-sale investment securities are debt or equity securities which are held for an indefinite period and may be sold at any time.

4.7.2 Recognition

The Bank recognises investment securities on the date that it acquires substantially all the risks and rewards of ownership of these securities.

4.7.3 Measurement

Equity securities

Listed available-for-sale equity securities are recorded at cost less provision for diminution in value of securities determined.

As for listed securities, the actual market price of securities is the price on a nearest closing day having transactions to the end of the reporting period. If the listed securities are not traded in 30 days before making provisions, provisions are made for each securities investment in accordance with regulations prescribed in Note 4.9.

As for listed securities of unregistered public companies and state-owned enterprises equitised through public

offering (Upcom), the actual market price is the average price within the last 30 transaction days before the end of the reporting period announced by the Stock exchange. If the listed securities of a joint-stock company in Upcom are not traded in 30 days before the end of the reporting period, provisions are made for each securities investment in accordance with regulations prescribed in Note 4.9.

For other equity securities, provision for diminution is determined as prescribed in Note 4.9.

Debt securities

Debt securities are initially stated at cost, including transaction costs and other directly attributable costs. They are subsequently recognised at amortised cost (affected by premium/discount amortisation) less provision for credit risk and diminution. Premium and discounts arising from purchases of debt securities are amortised to the consolidated income statement on a straight-line basis from the acquisition date to the maturity date.

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities is recognised in the consolidated income statement on an accrual basis. The accrued interest before the Bank purchases debt securities will be deducted from the value of the accrued interest account when received.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular 48. Provision for diminution is recognised in the "Net gain/(loss) from investment securities" item of the consolidated income statement.

For Government bonds, the actual bond prices on the market are the average of prices set by market makers, commercial banks and securities companies announced and selected by the Ministry of Finance, pledge to bid in the bid session. In the absence of the aforementioned price commitment, the actual bond price on the market is the latest trading price at the Stock Exchange within 10 days to the end of the reporting period. If there is no transaction within 10 days to the end of the reporting period, no provision is calculated for these investments.

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4. Summary of significant accounting policies (continued)

4.7 Investment securities (continued)

4.7.3 Measurement (continued)

Debt securities (continued)

For municipal bonds, Government-guaranteed bonds, and corporate bonds that are listed, registered for transactions, the market price of bonds is the latest transaction price at the Stock Exchange within 10 days to the end of the reporting period. If there is no transaction within 10 days to the end of the reporting period, no provision is calculated for these investments.

Other unlisted debt securities (excluding unlisted investment securities) are stated at cost less provision for diminution in value determined by market value of securities. If there is no market value or market value cannot be determined reliably, these securities will be recognised at their carrying amount.

The Bank is required to make provision for credit risk for corporate bonds (including bonds issued by credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading system under Circular 11 as described in Note 4.6.

Provision for investment securities mentioned above will be reversed when a subsequent increase in the recoverable amount of the investment securities is due to an objective event occurring after the provision is recognised. Provision is reversed only up to the carrying amount of these securities before provision has been made.

4.7.4 De-recognition

Investment securities are derecognised when the contractual rights to the cash flows from these securities expired or when the substantial risks and rewards of ownership of these securities have been transferred.

4.8 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specific date in the future are not derecognised from the consolidated financial statements. The corresponding cash received is recognised as a borrowing in the consolidated balance sheet. The difference between the sale price and repurchase price is recognised in the consolidated income statement based on the interest rate stipulated in the contract.

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognised in the consolidated financial statements. The corresponding cash payment is recognised as an investment in the consolidated balance sheet and the difference between the purchase price and resale price is recognised in the consolidated income statement based on the interest rate stipulated in the contract.

4.9 Long-term investments

4.9.1 Other long-term investments

Other long-term investments represent investments in other entities in which the Bank holds less than or equal to 11% of voting rights. These investments are initially recorded at cost at the investment date and recognised subsequently at cost less provision for diminution in the value of other long-term investments (if any).

4.9.2 Provision for impairment of other long-term investments

For listed securities or unlisted but registered for trading securities on unlisted public company market (Upcom), provision for diminution in value is made when the actual market price is the average price within the last 30 transaction days before the end of the reporting period announced by the Stock Exchange is lower than the carrying value of the securities at the end of the reporting period as regulated in Circular 48.

In other cases, provision for diminution in the value of other long-term investment is made when the investee suffers loss, except that such loss had been forecasted in the investee's business plan before the investment. Provision for impairment is determined as the total actual contributed capital of parties to the investee company less (-) the actual owner's equity multiplied (x) by the Bank's ownership percentage in the investee company as regulated in Circular 48. Provision is reversed when the recoverable amount of the investments increases after the provision is made. A provision is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no provision had been recognised.

4.10 Tangible fixed assets

4.10.1 Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated income statement for the year in which the costs are incurred. Where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use

of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

In case the rental period accounts for more than 90% of the assets' useful life, the Bank is allowed to record the total rental expense as fixed assets if all of the following conditions are simultaneously satisfied:

- The lessee is not entitled to cancel the lease contract and the lessor has no obligation to repay the amount received in advance under any circumstances and forms;
- The amount prepaid to the lessor is not less than 90% of the total value of rental contract and the lessee must make payment for the remaining amount within 12 months from the beginning of the lease;
- Almost all the risks and benefits associated with ownership of the leased asset are transferred to the lessee; and
- The lessor must estimate the relatively full cost of the lease.

4.10.2 Depreciation

Depreciation of fixed assets is computed on a straight-line basis over the estimated useful lives of tangible fixed assets which are as follows:

Buildings and structures	8 - 50 years
Machines and equipment	3 - 10 years
Vehicles	6 - 10 years
Other fixed assets	4 - 10 years



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4. Summary of significant accounting policies (continued)

4.11 Intangible fixed assets

4.11.1 Computer software

The cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software costs are amortised on a straight-line basis for the period from 4 to 8 years.

4.11.2 Land use rights

Definite land use rights

Definite land use rights are stated at cost less accumulated amortisation. The initial cost of a land use right comprises its purchase price in conjunction with securing the land use right and expenses for compensation for site clearance, ground leveling and registration fees. Amortisation is computed on a straight-line basis over the time using land.

Indefinite land use rights

Indefinite land use rights are stated at cost and are not amortised. The initial cost of land use rights comprises its purchase price in conjunction with securing the land right and expenses for compensation for site clearance, ground leveling and registration fees.

4.11.3 Other intangible fixed assets

Other intangible fixed assets are stated at cost less accumulated amortisation. Amortisation is computed on a straight-line basis for the period from 4 to 8 years.

4.12 Investment property

4.12.1 Cost

Investment property is stated at cost less accumulated depreciation. The initial cost of an investment property comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating. Expenditure incurred after investment property has been put into operation, such as repairs and maintenance, is charged to the consolidated income statement for the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditure is capitalised as an additional cost of investment property.

4.12.2 Depreciation

Depreciation of investment property is computed on a straight-line basis over the estimated useful life of investment property which is as follows:

Building	10 - 40 years
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4.13 Operating lease payments

Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated income statement as an integral part of the total lease expense.

4.14 Other receivables

Accounts receivable other than receivables from credit activities of the Bank are initially recognised at cost and subsequently presented at cost less provision.

Receivables are subject to review for impairment based on the number of overdue months from the original maturity date of receivables or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors who are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in "Other operating expenses" item of the consolidated income statement in the year.

For overdue receivables, the Bank uses provision rates based on the overdue months in accordance with Circular 48 as below:

Status of aging	Provision rate
From six (6) months up to under one (1) year	30%
From one (1) year up to under two (2) years	50%
From two (2) years up to under three (3) years	70%
From three (3) years and above	100%

4.15 Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net

fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over five-year period on a straight-line basis.

4.16 Other provisions

A provision other than provisions described in Notes 4.3, 4.4, 4.5, 4.7, 4.9 and 4.14 is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the specific risk exposure to the liability.

4.17 Other payables

Other payables are stated at cost.

4.18 Share capital

4.18.1 Charter capital

Charter capital of the Bank is recorded when the rights and obligations of the shareholders and the Bank relating to charter capital are established. Charter capital is recognised at par value. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from share premium.

4.18.2 Share premium

Share premium records the difference (increase or decrease) between the issue price and the par value of the shares (including reissued treasury shares), as well as costs directly attributable to issuance of ordinary shares or sale of treasury shares.

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4. Summary of significant accounting policies (continued)

4.18 Share capital (continued)

4.18.3 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, issue or cancellation of the Bank's own equity instruments.

4.18.4 Reserves and funds

Reserves and funds of the Bank

The Bank is required to make the following reserves before distribution of profits in accordance with Law on Credit Institutions No. 47/2010/QH12 and Decree No. 93/2017/ND-CP and Charter of the Bank:

	Percentage of profit after tax	Maximum balance
Charter capital supplementary reserve	5% of profit after tax	100% charter capital
Financial reserve	10% of profit after tax	Not regulated

Financial reserve is used to cover financial losses incurred during the normal course of business. Financial reserve and charter capital supplementary reserve are non-distributable and classified as equity.

Other funds are appropriated from profit after tax. The allocation from profit after tax and utilisation of the other equity funds are approved by the shareholders in the Annual General Meeting of Shareholders. These funds are not required by law and are fully distributable.

Reserves and funds of subsidiaries

Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited:

According to Circular No. 27/2002/TT-BTC dated 22 March 2002 issued by the Ministry of Finance, the appropriation to reserves is made in a similar way to the Bank.

Techcom Securities Joint Stock Company and Techcom Capital Management Joint Stock Company:

According to Circular No. 146/2014/TT-BTC issued by the Ministry of Finance issued on 6 October 2014 guiding the financial regime for securities and fund management companies after compensating the prior year's loss in accordance with Corporate income tax law and corporate income tax payments, realised profit of the Company shall be distributed as follows:

	Percentage of profit after tax	Maximum balance
Charter capital supplementary reserve	5% of profit after tax	10% charter capital
Financial reserve	5% of profit after tax	10% charter capital

Financial reserve is used to compensate the damages incurred in business activities. These statutory reserves are made at year-end, non-distributable and considered as equity of the Bank.

4.19 Revenue and expenses recognition

4.19.1 Interest income

Interest income of debts which are classified in current group without any specific provision is recognised in the consolidated income statement on an accrual basis. Interest income of remaining debts (including restructured debts retained in current group under Circular 03) is recognised in consolidated income statement upon receipt.

4.19.2 Fees and commission income

Fees and commission are recognised in the consolidated income statement on an accrual basis.

4.19.3 Dividend income

Dividend receivables in cash are recognised in the consolidated income statement when the Bank's right to receive dividends is established.

In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, dividends received in the form of shares, bonus shares and rights to purchase shares of the existing shareholders, shares distributed from retained earnings are not recognised as an increase in the value of the investment and income is not recognised in the consolidated income statement. Instead, only changes in number of shares held by the Bank are updated and monitored.

4.19.4 Income and expenses from the sale and purchase of debts

Income and expenses from the sale and purchase of debts are recognised in accordance with Circular No. 09/2015/TT-NHNN ('Circular 09') providing guidance on the sale and purchase of debts of credit institutions and foreign bank branches.

According to Circular 09, the difference between the prices of debts purchased or sold and their book value is recorded as follows:

- For debts recorded in the on-balance sheet:
 - » If the sale price is higher than the book value of the debt, the difference shall be recorded as income of the Bank in the year.
 - » If the sale price is lower than the book value of the debt, the difference shall be used to offset against the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the compensation paid by the insurer, or use of outstanding provision recognised as expense previously. The remaining balance (if any) shall be recognised as other expense of the Bank in the year.
- For debts written-off and monitored off-balance sheet, the proceeds from sale of debts shall be recognised as other income of the Bank.

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4. Summary of significant accounting policies (continued)

4.19 Revenue and expenses recognition (continued)

4.19.4 Income and expenses from the sale and purchase of debts (continued)

Book value of debts purchased or sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in the consolidated balance sheet or off-balance sheet at the date of debts purchased or sold; or the book value at the date of writing-off of debts; or the book value of debts written-off previously at the date of debts purchased or sold.

The purchasing or selling price is the sum of consideration to be paid by a debt buyer to a debt seller under a debt purchase or sale contract.

4.19.5 Interest expenses

Interest expenses are recognised in the consolidated income statement on an accrual basis.

4.20 Foreign currency transactions

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the end of the reporting period. Non-monetary items arising in foreign currencies during the year are converted into VND at rates ruling on the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities into VND in the year are recognised and followed in the "Exchange rate revaluation" item under "Shareholders' equity" in the consolidated balance sheet and will be transferred to the consolidated income statement at the end of the reporting period.

4.21 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous year.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Bank's tax returns are subject to be examined by the tax authorities. Because the application of laws and regulations on taxation for different types of transactions can be interpreted in many different ways, the amounts presented on the consolidated financial statements may be subject to be changed according to final decision of the tax authorities.

4.22 Fiduciary assets

Assets held in a fiduciary capacity are not reported in the consolidated financial statements as they are not assets of the Bank.

4.23 Commitments and contingent liabilities

At any time, the Bank has outstanding commitments to extend credit. These commitments take the form of approved loans or overdraft facilities. The Bank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the commitments and contingent liabilities will expire without being advanced in whole or in part. Therefore, the amounts do not represent firm commitments of future cash flows.

Off-balance sheet commitments include guarantees, payment acceptances and other commitments with specific implementing time.

The classification of off-balance sheet commitments is made only for the purpose of managing and monitoring the credit quality under the policy applied to debt classification as described in Note 4.6.

In accordance with Circular 11, no provision is required for off-balance sheet commitments.

4.24 Derivative financial instruments

4.24.1 Foreign exchange contracts

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, modify or minimise foreign exchange risk or other market risks, and also for the business purpose of the Bank.

The currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional principal amount. The currency forward contracts are recognised at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the end of the reporting period. Gains or losses realised or unrealised are amortised on a straight-line basis to the consolidated income statement over the term of the contract.

The currency swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional principal amount. The discount or premium arising from difference between

spot exchange rate at the effective date of the contract and the forward rate is recognised at the effective date of the contract as an asset if positive or a liability if negative in the consolidated balance sheet. This difference will be amortised on a straight-line basis to the consolidated income statement over the term of the contract.

4.24.2 Interest rate swap contracts

Commitment value in interest rate swap contracts is not recognised in the consolidated balance sheet. Differences in interest rate swaps are recognised in the consolidated income statement on an accrual basis.

4.24.3 Commodity futures contracts

The Bank provides brokerage services for clients enter into the commodity future contracts, and accordingly the value of those contracts is not recognised in the consolidated balance sheet. Income arising from the brokerage transactions is recognised in the consolidated income statement.

4.25 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset financial assets against financial liabilities or vice-versa, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.26 Employee benefits

4.26.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of employees' basic salary plus other allowances. The Bank has no further obligation.

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4. Summary of significant accounting policies (continued)

4.26 Employee benefits (continued)

4.26.2 Voluntary resignation

The Bank has the obligation, under Article 46 of the Vietnam Labor Code No. 45/2019/QH14 effective from 1 January 2021, to pay allowance arising from voluntary resignation of employees, equal to a half of monthly salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Accordingly, the working time at the Bank to calculate the severance payment is the total actual working time at the Bank minus the time employees participating in the unemployment insurance in accordance with the law on unemployment insurance and the working time for which severance allowances have been paid by the employer.

4.26.3 Unemployment allowance

According to Article 57 of Law of Employment No. 38/2013/QH13 effective from 1 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance. Under Decision No. 28/2021/QD-TTg of Prime Minister, from 1 October 2021, the Bank is entitled to reduce the unemployment allowance contribution rate from 1% to 0% within 12 months.

4.27 Financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the consolidated financial position, consolidated results of operations and the nature and extent of risk arising from financial instruments in compliance with Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance, the Bank classifies its financial instruments as follows:

4.27.1 Financial assets

Financial assets recognised at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

- It is considered by management as held-for-trading. A financial asset is considered as held-for-trading if:
 - » It is acquired principally for the purpose of selling it in the near term; or
 - » There is evidence of a recent pattern of short-term profit-taking; or
 - » A derivative (except for a derivative that is financial
- Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than:

- Financial assets that, upon initial recognition, were categorised as such recognised at fair value through profit or loss statements; or
- Financial assets already categorised as available-for-sale; or
- Financial assets that meet the definitions of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- That the Bank intends to sell immediately or in the near term, which are classified as held-for-trading, and those that the entity on initial recognition designates as at fair value through profit or loss; or
- That the Bank, upon initial recognition, designates as available-for-sale; or
- For which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale investments

Available-for-sale assets are non-derivative financial assets that are designated as available-for-sale or are not classified as:

- Financial assets at fair value through profit or loss; or
- Held-to-maturity investments; or
- Loans and receivables.

4.27.2 Financial liabilities

Financial liabilities at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by management as held-for-trading. A financial liability is considered as held-for-trading if:

- » It is incurred principally for the purpose of repurchasing it in the near term; or
- » There is evidence of a recent pattern of short-term profit-taking; or
- » A derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Bank as at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

4.28 Items which have no balance

Items or balances required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV stipulating the financial reporting mechanism for credit institutions that are not shown in these consolidated financial statements indicate nil balance.

4.29 Segment reports

A segment is a component determined separately by the Bank which is engaged in providing related products or services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

According to Circular No. 49/2014/TT-NHNN, any credit institutions having public securities and currently outstanding securities in the securities market are required to prepare and present segment reports in the consolidated financial statements. The primary segment reports of the Bank are prepared based on the business segments.

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5. Cash and gold

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Cash on hand in VND	3,220,911	3,408,588
Cash on hand in foreign currencies	352,297	249,944
Gold on hand	5,435	5,083
	3,578,643	3,663,615

6. Balances with the State Bank of Vietnam

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Balances with the SBV		
In VND	4,551,663	10,231,475
In foreign currencies	356,866	21,849
	4,908,529	10,253,324

Balances with the SBV include current accounts and compulsory deposits.

Under the SBV's regulations on compulsory reserve, banks are permitted to maintain a floating balance for the compulsory reserve requirement ("CRR"). The monthly average balance of the reserve must not be less than the preceding month's average balances of deposits in scope multiplied by the CRR rates as follows:

	CRR rates	
	31 Dec 2021	31 Dec 2020
Deposits in foreign currencies with term of less than 12 months	8.00%	8.00%
Deposits in foreign currencies with term of 12 months and above	6.00%	6.00%
Deposits in VND with term of less than 12 months	3.00%	3.00%
Deposits in VND with term of 12 months and above	1.00%	1.00%

Interest rates per annum at the end of the reporting period are as follows:

	31 Dec 2021	31 Dec 2020
Deposits in VND		
Compulsory deposits	0.50%	0.50%
Amount over compulsory deposits	0.00%	0.00%
Deposits in foreign currencies		
Compulsory deposits	0.00%	0.00%
Amount over compulsory deposits	0.00%	0.05%

7. Balances with and credit granting to other financial institutions and credit institutions

7.1 Balances with other financial institutions and credit institutions

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Current accounts	8,127,786	7,027,090
In VND	224,066	719,343
In foreign currencies	7,903,720	6,307,747
	31,322,941	14,085,540
Term deposits		
In VND	23,748,166	8,477,100
In foreign currencies	7,574,775	5,608,440
	39,450,727	21,112,630

Interest rates per annum of balances with other financial institutions and credit institutions at the end of the reporting period are as follows:

	31 Dec 2021	31 Dec 2020
Current accounts		
In VND	0.00%	0.00%
In foreign currencies	0.00%	0.00%
Term deposits		
In VND	0.00% - 5.25%	0.12% - 6.00%
In foreign currencies	0.01% - 0.20%	0.05% - 0.52%

7.2 Credit granting to other financial institutions and credit institutions

	31 Dec 2021	31 Dec 2020
	VND million	VND million
In VND	30,604,703	7,399,254
In foreign currencies	459,828	483,070
	31,064,531	7,882,324

Interest rates per annum of credit granting to other financial institutions and credit institutions at the end of the reporting period are as follows:

	31 Dec 2021	31 Dec 2020
In VND	0.80% - 3.45%	0.20% - 4.23%
In foreign currencies	1.15% - 1.46%	1.25% - 1.75%

7.3 Credit quality for balances with and credit granting to other financial institutions and credit institutions

Analysis of credit quality for balances (excluding current accounts) with and credit granting to other financial institutions and credit institutions at the end of the reporting period is as follows:

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Current	62,387,472	21,967,864

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8. Held-for-trading securities

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Debt securities	5,074,479	8,357,447
Government bonds	2,841,047	4,035,936
Bonds issued by local credit institutions	2,233,432	4,321,511
<i>In which:</i>		
Bonds guaranteed by the Government for settlement	-	128,615
Provision for held-for-trading securities	(3,667)	(9,871)
Provision for diminution in value of held-for-trading securities	(3,667)	(9,871)
	5,070,812	8,347,576

Movements in provision for held-for-trading securities for the year ended 31 December 2021 are as follows:

	General provision	Provision for diminution	Total
	VND million	VND million	VND million
As at 1 January 2021	-	9,871	9,871
Provision made for the year (Note 28)	-	1,896	1,896
Use of provision in the year	-	(8,100)	(8,100)
As at 31 December 2021	-	3,667	3,667

Movements in provision for held-for-trading securities for the year ended 31 December 2020 are as follows:

	General provision	Provision for diminution	Total
	VND million	VND million	VND million
As at 1 January 2020	8,184	3,223	11,407
Provision (reversed)/made for the year (Note 28)	(8,184)	7,353	(831)
Use of provision in the year	-	(705)	(705)
As at 31 December 2020	-	9,871	9,871

The listing status of held-for-trading securities is as follows:

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Debt securities		
Listed	2,841,047	4,164,551
Unlisted	2,233,432	4,192,896
	5,074,479	8,357,447

9. Loans to customers

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Loans to local economic entities and individuals	340,602,400	275,594,164
Discounted bills and valuable papers	6,696,171	1,815,974
Loans financed by entrusted funds	41,257	113,310
Payments on behalf of customers	1,416	-
Loans to foreign economic entities and individuals	-	1,167
	347,341,244	277,524,615

Interest rates per annum of loans to customers at the end of the reporting period are as follows:

	31 Dec 2021	31 Dec 2020
In VND	0.00% - 12.00%	0.00% - 11.29%
In foreign currencies	1.50% - 5.92%	1.50% - 7.41%

9.1 Loan portfolio by quality

	31 Dec 2021		31 Dec 2020	
	VND million	%	VND million	%
Current	342,902,534	98.72	274,423,557	98.88
Special mention	2,144,836	0.62	1,805,866	0.65
Substandard	678,516	0.19	416,892	0.15
Doubtful	860,243	0.25	533,944	0.19
Loss	755,115	0.22	344,356	0.13
	347,341,244	100.00	277,524,615	100.00

9.2 Loan portfolio by term

	31 Dec 2021		31 Dec 2020	
	VND million	%	VND million	%
Short term	114,637,983	33.00	92,424,839	33.30
Medium term	93,573,522	26.94	85,255,104	30.72
Long term	139,129,739	40.06	99,844,672	35.98
	347,341,244	100.00	277,524,615	100.00

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9. Loans to customers (continued)

9.3 Loan portfolio by industrial sectors

	31 Dec 2021		31 Dec 2020	
	VND million	%	VND million	%
Loans to economic entities	185,684,143	53.44	166,385,169	59.97
Agriculture, forestry and aquaculture	911,643	0.26	240,565	0.09
Mining	1,720,167	0.50	1,242,940	0.45
Manufacturing and processing	28,719,033	8.27	19,732,665	7.11
Production and distribution of electricity, gas, hot water, steam and air-conditioning	4,590,745	1.32	3,100,097	1.12
Water supply; waste and wastewater management and processing	69,892	0.02	43,775	0.02
Construction	13,055,747	3.76	9,135,831	3.29
Wholesale and retail trade; repair of motor vehicles, motorcycles	34,711,867	9.99	29,247,061	10.54
Transportation and warehousing	2,372,041	0.68	2,700,900	0.97
Hospitality services	180,356	0.05	194,360	0.07
Information and communications	680,877	0.20	685,428	0.25
Banking, finance and insurance	1,264,161	0.36	7,794,676	2.81
Real estates	95,912,748	27.61	91,360,789	32.92
Science and technology	350,679	0.10	256,158	0.09
Administrative activities and supporting services	293,411	0.08	322,874	0.12
Education and training	181,274	0.05	186,103	0.07
Health care and social work	250,411	0.07	39,231	0.01
Art and entertainment	21,075	0.01	1,056	0.00
Other services	398,016	0.11	100,660	0.04
Loans to individuals	161,657,101	46.56	111,139,446	40.03
	347,341,244	100.00	277,524,615	100.00

9.4 Loan portfolio by ownership

	31 Dec 2021		31 Dec 2020	
	VND million	%	VND million	%
Loans to economic entities	185,684,143	53.44	166,385,169	59.97
State-owned limited liability companies	4,464,934	1.29	5,761,372	2.08
Other limited liability companies	73,641,621	21.18	66,976,430	24.15
Joint-stock state-owned companies	403,611	0.12	427,229	0.15
Other joint-stock companies	104,858,571	30.19	91,324,824	32.91
Private companies and partnership companies	347,689	0.10	275,967	0.10
Foreign-invested companies	1,949,719	0.56	1,345,667	0.48
Cooperatives and cooperative unions	14,475	0.00	7,818	0.00
Administration units, Party, unions and associations	3,523	0.00	265,862	0.10
Loans to individuals	161,657,101	46.56	111,139,446	40.03
	347,341,244	100.00	277,524,615	100.00

10. Provision for loans to customers

Provision for loans to customers is as follows:

	31 Dec 2021	31 Dec 2020
	VND million	VND million
General provision	2,599,397	1,879,473
Specific provision	1,136,266	334,775
	3,735,663	2,214,248

Movements in provision for loans to customers for the year ended 31 December 2021 are as follows:

	General provision	Specific provision	Total
	VND million	VND million	VND million
As at 1 January 2021	1,879,473	334,775	2,214,248
Provision made for the year (Note 33)	719,924	1,428,138	2,148,062
Use of provision in the year	-	(626,647)	(626,647)
As at 31 December 2021	2,599,397	1,136,266	3,735,663

Movements in provision for loans to customers for the year ended 31 December 2020 are as follows:

	General provision	Specific provision	Total
	VND million	VND million	VND million
As at 1 January 2020	1,651,666	1,265,078	2,916,744
Provision made for the year (Note 33)	227,807	2,433,267	2,661,074
Use of provision in the year	-	(3,363,570)	(3,363,570)
As at 31 December 2020	1,879,473	334,775	2,214,248

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11. Debts purchased

	31 Dec 2021	31 Dec 2020
	<i>VND million</i>	<i>VND million</i>
Debts purchased in VND	136,108	1,682
Provision for debts purchased	(2,690)	(1,682)
	133,418	-

Breakdown of debts purchased is as follows:

	31 Dec 2021	31 Dec 2020
	<i>VND million</i>	<i>VND million</i>
Principals of debts purchased	134,426	-
Interest of debts purchased	1,682	1,682
	136,108	1,682

Movements in provision for debts purchased are as follows:

	2021	2020
	<i>VND million</i>	<i>VND million</i>
Opening balance	1,682	1,682
Provision made for the year (Note 33)	1,008	-
Closing balance	2,690	1,682

Analysis of credit quality for debts purchased as at the end of the reporting period was as follows:

	31 Dec 2021		31 Dec 2020	
	<i>VND million</i>	%	<i>VND million</i>	%
Current	134,426	98.76	-	0.00
Loss	1,682	1.24	1,682	100.00
	136,108	100.00	1,682	100.00

12. Investment securities

Investment securities at the end of the reporting period include:

	31 Dec 2021	31 Dec 2020
	<i>VND million</i>	<i>VND million</i>
Available-for-sale securities	98,092,062	84,632,952
- Debt securities	97,435,523	84,177,005
- Equity securities	656,539	455,947
Held-to-maturity securities	200,000	200,000
- Debt securities	200,000	200,000
Provision for investment securities	(705,974)	(385,711)
- Provision for available-for-sale securities	(514,601)	(384,211)
- Provision for held-to-maturity securities	(191,373)	(1,500)
	97,586,088	84,447,241

12.1 Available-for-sale securities

	31 Dec 2021	31 Dec 2020
	<i>VND million</i>	<i>VND million</i>
Debt securities	97,435,523	84,177,005
Government bonds	14,437,924	17,367,757
Bonds issued by other local credit institutions	20,388,806	20,280,594
<i>In which:</i>		
<i>Bonds guaranteed by the Government for settlement</i>	4,583,639	9,568,061
Bonds issued by local economic entities	62,608,793	46,528,654
Equity securities	656,539	455,947
Equity security issued by local economic entities	651,028	450,436
Fund certificates	5,511	5,511
	98,092,062	84,632,952
Provision for available-for-sale securities	(514,601)	(384,211)
General provision for unlisted corporate bonds	(456,507)	(372,066)
Specific provision for unlisted corporate bonds	(36,519)	-
Provision for diminution in value of available-for-sale securities	(21,575)	(12,145)
	97,577,461	84,248,741

12.2 Held-to-maturity securities

	31 Dec 2021	31 Dec 2020
	<i>VND million</i>	<i>VND million</i>
Debt securities	200,000	200,000
Bonds issued by local economic entities	200,000	200,000
Provision for held-to-maturity securities	(191,373)	(1,500)
General provision for unlisted corporate bonds	-	(1,500)
Specific provision for unlisted corporate bonds	(191,373)	-
	8,627	198,500

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12. Investment securities (continued)

12.3 Provision for investment securities

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Provision for credit risk of unlisted corporate bonds	684,399	373,566
Provision for diminution in value of investment securities	21,575	12,145
	705,974	385,711

Movements in provision for investment securities for the year ended 31 December 2021 are as follows:

	General provision	Specific provision	Provision for diminution	Total
	VND million	VND million	VND million	VND million
As at 1 January 2021	373,566	-	12,145	385,711
Provision made for the year (Note 29)	82,941	227,892	11,730	322,563
Use of provision in the year	-	-	(2,300)	(2,300)
As at 31 December 2021	456,507	227,892	21,575	705,974

Movements in provision for investment securities for the year ended 31 December 2020 are as follows:

	General provision	Specific provision	Provision for diminution	Total
	VND million	VND million	VND million	VND million
As at 1 January 2020	303,935	-	2,183	306,118
Provision made for the year (Note 29)	69,631	-	10,496	80,127
Use of provision in the year	-	-	(534)	(534)
As at 31 December 2020	373,566	-	12,145	385,711

12.4 Analysis of quality of investment securities which are classified as credit risk bearing assets

Analysis of credit quality for investment securities which are classified as credit risk bearing assets is as follows:

	31 Dec 2021		31 Dec 2020	
	VND million	%	VND million	%
Current	76,749,546	99.74	47,495,542	100.00
Loss	200,000	0.26	-	0.00
	76,949,546	100.00	47,495,542	100.00

13. Long-term investments

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Other long-term investments – cost	13,962	12,466
Provision for long-term investments	(1,149)	(660)
	12,813	11,806

13.1 Other long-term investments

	31 Dec 2021		31 Dec 2020	
	Ownership %	At cost VND million	Ownership %	At cost VND million
Banking Skills Training and Consultancy JSC	10.93	1,040	10.93	1,040
National Payment Corporation of Vietnam	0.42	1,000	0.42	1,000
Vietnam Credit Information JSC	6.64	7,962	6.64	7,962
Society for Worldwide Interbank Financial Telecommunication	0.00	3,300	0.00	1,804
Vietnam Real Estate Exchange JSC	11.00	660	11.00	660
		13,962		12,466

13.2 Provision for long-term investments

	2021	2020
	VND million	VND million
Opening balance	660	660
Provision made for the year (Note 32)	489	-
Closing balance	1,149	660

14. Fixed assets

14.1 Tangible fixed assets

Movements in tangible fixed assets for the year ended 31 December 2021 are as follows:

	VND million				
	Buildings and structures	Machines and equipment	Vehicles	Others	Total
Cost					
As at 1 January 2021	261,028	1,886,204	267,759	1,358	2,416,349
Additions	221,394	441,594	34,558	184	697,730
Transfers from advances for fixed assets purchases and construction in progress	1,438,664	411,378	18,667	-	1,868,709
Disposals	(5,652)	(143,800)	(10,895)	(111)	(160,458)
Other movements	-	1,762	-	-	1,762
As at 31 December 2021	1,915,434	2,597,138	310,089	1,431	4,824,092
Accumulated depreciation					
As at 1 January 2021	36,436	803,902	104,078	991	945,407
Charges for the year	79,510	298,431	29,283	37	407,261
Disposals	(2,798)	(143,773)	(10,704)	(33)	(157,308)
As at 31 December 2021	113,148	958,560	122,657	995	1,195,360
Net book value					
As at 1 January 2021	224,592	1,082,302	163,681	367	1,470,942
As at 31 December 2021	1,802,286	1,638,578	187,432	436	3,628,732

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14. Fixed assets (continued)

14.1 Tangible fixed assets (continued)

Movements in tangible fixed assets for the year ended 31 December 2020 are as follows:

	VND million				
	Buildings and structures	Machines and equipment	Vehicles	Others	Total
Cost					
As at 1 January 2020	232,696	1,316,879	210,219	1,674	1,761,468
Additions	1,471	440,079	24,709	-	466,259
Transfers from advances for fixed assets purchases and construction in progress	40,183	361,226	55,772	-	457,181
Disposals	(13,322)	(231,980)	(22,941)	(316)	(268,559)
As at 31 December 2020	261,028	1,886,204	267,759	1,358	2,416,349
Accumulated depreciation					
As at 1 January 2020	33,147	831,559	102,003	1,275	967,984
Charges for the year	4,814	204,088	23,321	32	232,255
Disposals	(1,525)	(231,745)	(21,246)	(316)	(254,832)
As at 31 December 2020	36,436	803,902	104,078	991	945,407
Net book value					
As at 1 January 2020	199,549	485,320	108,216	399	793,484
As at 31 December 2020	224,592	1,082,302	163,681	367	1,470,942

Additional information on tangible fixed assets:

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Cost of tangible fixed assets which have been fully depreciated but still in active use	382,466	474,904

14.2 Intangible fixed assets

Movements in intangible fixed assets for the year ended 31 December 2021 are as follows:

	VND million			
	Land use rights	Computer software	Others	Total
Cost				
As at 1 January 2021	2,622,454	1,296,198	4,551	3,923,203
Additions	958	241,042	265	242,265
Transfers from advances for fixed assets purchases and construction in progress	-	372,409	7,106	379,515
Disposals	(885)	(160)	-	(1,045)
Other movements	-	(2,797)	-	(2,797)
As at 31 December 2021	2,622,527	1,906,692	11,922	4,541,141
Accumulated amortisation				
As at 1 January 2021	476	778,003	2,243	780,722
Charges for the year	14	165,013	61	165,088
Disposals	(258)	(160)	-	(418)
As at 31 December 2021	232	942,856	2,304	945,392
Net book value				
As at 1 January 2021	2,621,978	518,195	2,308	3,142,481
As at 31 December 2021	2,622,295	963,836	9,618	3,595,749

Movements in intangible fixed assets for the year ended 31 December 2020 are as follows:

	VND million			
	Land use rights	Computer software	Others	Total
Cost				
As at 1 January 2020	2,064,499	1,016,803	4,846	3,086,148
Additions	-	214,908	-	214,908
Transfers from advances for fixed assets purchases and construction in progress	557,955	75,341	-	633,296
Disposals	-	(9,546)	(295)	(9,841)
Other movements	-	(1,308)	-	(1,308)
As at 31 December 2020	2,622,454	1,296,198	4,551	3,923,203
Accumulated amortisation				
As at 1 January 2020	447	668,932	2,476	671,855
Charges for the year	29	118,617	62	118,708
Disposals	-	(9,546)	(295)	(9,841)
As at 31 December 2020	476	778,003	2,243	780,722
Net book value				
As at 1 January 2020	2,064,052	347,871	2,370	2,414,293
As at 31 December 2020	2,621,978	518,195	2,308	3,142,481

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14. Fixed assets (continued)

14.2 Intangible fixed assets (continued)

Additional information on tangible fixed assets:

	31 Dec 2021 VND million	31 Dec 2020 VND million
Cost of intangible fixed assets which have been fully amortised but still in active use	492,485	396,941

15. Investment property

Movements in investment properties for the year ended in 31 December 2021 are as follows:

	Building VND million
Cost	
As at 1 January 2021	1,435,699
As at 31 December 2021	1,435,699
Accumulated depreciation	
As at 1 January 2021	310,975
Charges for the year	35,800
As at 31 December 2021	346,775
Net book value	
As at 1 January 2021	1,124,724
As at 31 December 2021	1,088,924

Movements in investment properties for the year ended in 31 December 2020 are as follows:

	Building VND million
Cost	
As at 1 January 2020	1,435,699
As at 31 December 2020	1,435,699
Accumulated depreciation	
As at 1 January 2020	275,175
Charges for the year	35,800
As at 31 December 2020	310,975
Net book value	
As at 1 January 2020	1,160,524
As at 31 December 2020	1,124,724

Investment property mainly includes Techcombank Building with cost and accumulated depreciation amounting to VND 1,435,699 million and VND 346,775 million respectively, as at 31 December 2021.

16. Other assets

	31 Dec 2021 VND million	31 Dec 2020 VND million
Other receivables	28,117,180	16,572,411
Internal receivables	79,016	65,888
External receivables	28,038,164	16,506,523
- Deposits for office rental (i)	898,432	115,162
- Deposits for purchase of office	-	377,397
- Receivables related to Interest Subsidy Program	20,006	20,006
- Advances for contracts	428,541	250,120
- Deposits for gold, commodity and foreign currencies trading in future markets	50,747	92,078
- Advances for fixed assets purchase and construction in progress (ii)	2,061,761	2,891,060
- Receivables from loans sold contract	449,939	449,939
- Receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) (iii)	23,915,577	12,061,855
- Other external receivables	213,161	248,906
Accrued interest and fee receivables	5,807,801	5,184,822
Deferred income tax assets	17,460	-
Other assets	1,448,617	1,268,562
- Materials	22,107	19,415
- Prepaid expenses	1,424,814	1,246,616
- Other assets	1,696	2,531
Provision for other on-balance sheet assets (iv)	(680,423)	(189,892)
	34,710,635	22,835,903

(i) These are deposits for office rental of the Bank's headquarter and branches.

(ii) These are payments to purchase fixed assets and construct the Bank's offices.

(iii) Receivables from UPAS L/C (Usance Payable At Sight Letter Of Credit) comprise of imported payable at sight letter of credit and domestic payable at sight letter of credit. These are receivables from the Bank's customers from advances for goods or services under payment terms of letters of credit issued by the Bank. Accordingly, the Bank made payment to the beneficiaries of these letters of credit prior to their matured dates and charged fees for advanced settlement services.

(iv) Provision for other assets, comprising of provision for overdue receivables, receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) and receivables from loans sold is as follows:

	31 Dec 2021 VND million	31 Dec 2020 VND million
Provision for receivables from loans sold contract	449,939	24,439
- Specific provision	449,939	24,439
Provision for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	179,367	89,334
- General provision	179,367	89,334
Provision for other assets	51,117	76,119
	680,423	189,892

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16. Other assets (continued)

Movements in provision for other assets during the year are as follows:

	2021	2020
	VND million	VND million
Opening balance	189,892	228,908
Provision made/(reversed) for receivables from loans sold contracts for the year (Note 33)	425,500	(76,240)
General provision	-	(4,255)
Specific provision	425,500	(71,985)
Provision made/(reversed) for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) for the year (Note 33)	90,033	26,201
General provision	90,033	26,272
Specific provision	-	(71)
Provision (reversed)/made for other assets for the year (Note 32)	(25,002)	11,023
Closing balance	680,423	189,892

Analysis of credit quality for balances of receivables from loans sold contracts as at the end of the reporting period is as follows:

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Loss	449,939	449,939

17. Deposits and borrowings from other financial institutions and credit institutions

17.1 Deposits from other financial institutions and credit institutions

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Demand deposits	518,192	882,329
- In VND	375,303	881,447
- In foreign currencies	142,889	882
Term deposits	45,087,950	20,349,760
- In VND	35,788,000	18,111,000
- In foreign currencies	9,299,950	2,238,760
	45,606,142	21,232,089

Interest rates per annum of deposits from other financial institutions and credit institutions at the end of the reporting period are as follows:

	31 Dec 2021	31 Dec 2020
In VND	0.80% - 3.00%	0.10% - 0.80%
In foreign currencies	0.19% - 0.40%	0.12% - 0.18%

17.2 Borrowings from other financial institutions and credit institutions

	31 Dec 2021	31 Dec 2020
	VND million	VND million
In VND	12,004,051	1,261,569
In foreign currencies	54,848,498	24,991,154
	66,852,549	26,252,723

Interest rates per annum of borrowings from other financial institutions and credit institutions at the end of the reporting period are as follows:

	31 Dec 2021	31 Dec 2020
In VND	1.50% - 8.00%	0.18% - 6.00%
In foreign currencies	0.70% - 4.38%	0.06% - 3.99%

18. Deposits from customers

18.1 Analysis by category of deposits

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Current accounts	147,861,145	122,972,489
Current accounts in VND	140,018,181	116,113,684
Current accounts in foreign currencies	7,842,964	6,858,805
Term deposits	155,894,254	149,420,224
Term deposits in VND	151,837,741	144,128,288
Term deposits in foreign currencies	4,056,513	5,291,936
Margin deposits	10,997,126	5,065,938
Margin deposits in VND	10,940,538	4,987,448
Margin deposits in foreign currencies	56,588	78,490
	314,752,525	277,458,651

Interest rates per annum of deposits from customers at the end of the reporting period are as follows:

	31 Dec 2021	31 Dec 2020
Demand deposits in VND	0.00% - 0.20%	0.00% - 0.30%
Demand deposits in foreign currencies	0.00% - 0.10%	0.00% - 0.10%
Term deposits in VND	0.20% - 7.10%	0.20% - 7.10%
Term deposits in foreign currencies	0.00% - 0.60%	0.00% - 0.60%

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18. Deposits from customers (continued)

18.2 Analysis of deposits portfolio by ownership

	31 Dec 2021		31 Dec 2020	
	VND million	%	VND million	%
Deposits from organisations	94,673,691	30.08	81,818,931	29.49
State-owned limited liability companies	3,986,470	1.27	4,718,936	1.70
Other limited liability companies	36,478,425	11.59	32,255,924	11.63
Joint-stock state-owned companies	92,415	0.03	65,328	0.02
Other joint-stock companies	46,191,977	14.68	37,882,889	13.65
Private enterprises and partnership companies	147,299	0.05	194,889	0.07
Foreign-invested enterprises	4,779,856	1.52	4,249,447	1.53
Cooperatives and cooperative unions	11,933	0.00	7,141	0.00
Administration units, Party, unions and associations	1,937,124	0.61	1,903,013	0.69
Others	1,048,192	0.33	541,364	0.20
Deposits from individuals	220,078,834	69.92	195,639,720	70.51
	314,752,525	100.00	277,458,651	100.00

19. Derivatives and other financial assets/(liabilities)

VND million

	31 Dec 2021		31 Dec 2020	
	Total contract nominal value	Total net carrying value of assets/(liabilities)	Total contract nominal value	Total net carrying value of assets/(liabilities)
Foreign exchange forward contracts	117,920,007	(28,828)	79,566,587	(18,160)
Foreign exchange swap contracts	138,102,399	197,924	91,058,259	(344,094)
Cross-currency swap contracts	43,642,094	124,672	59,736,465	95,328
	299,664,500	293,768	230,361,311	(266,926)

Total contract nominal value is translated at the contractual exchange rates.

Total net carrying value is translated at the foreign exchange rates as at the end of the reporting period.

20. Valuable papers issued

Valuable papers issued categorised by terms are as follows:

	31 Dec 2021 VND million	31 Dec 2020 VND million
From 12 months to 5 years (i)	32,979,824	27,199,640
Over 5 years (ii)	700,000	700,000
	33,679,824	27,899,640

(i) These bonds and certificates of deposits bear interest rates ranging from 3.50% to 8.45% per annum (2020: 3.80% to 8.50%).

(ii) These bonds bear interest rates at 7.80% per annum (2020: 7.80%).

21. Other liabilities

	31 Dec 2021 VND million	31 Dec 2020 VND million
Accrued interest and fee payables	3,121,881	3,252,009
Other liabilities	11,673,715	8,626,109
Internal payables	12,937	9,322
External payables	11,660,778	8,616,787
- Remittance payables	1,910,257	2,872,105
- Payables to employees	2,263,619	1,308,369
- Taxes payable (Note 22)	1,373,333	1,287,627
- Deferred income	633,051	665,248
- Bonus and welfare funds	21,481	9,862
- Deferred proceeds from sale of collaterals	44,386	90,238
- Accrued operating expenses	873,783	1,010,921
- Disbursements awaiting settlement	1,108	8,169
- Deposit certificates and funds kept for customers awaiting settlement	32,370	128,294
- Settlement on behalf of other credit institutions	1,538,616	700,510
- Other awaiting settlement	79,323	160,689
- Payables for securities trading activities	2,361,816	-
- Other payables	527,635	374,755
	14,795,596	11,878,118

22. Obligations to the state budget

VND million

	Opening balance	Incurred during the year		Closing balance
		Payables	Paid	
Value added tax	27,407	272,709	(257,680)	42,436
Corporate income tax	1,179,555	4,840,371	(4,829,911)	1,190,015
Other taxes	80,665	1,505,917	(1,445,700)	140,882
Taxes payable	1,287,627	6,618,997	(6,533,291)	1,373,333

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22. Obligations to the state budget (continued)

22.1 Current corporate income tax

Current corporate income tax payables are determined based on taxable income of the current year. Taxable income may be different from the amount reported in the consolidated income statement since taxable income excludes income which is eligible for tax or expenses which are subtracted in prior years due to the differences between the Bank's accounting policies and the current tax policies, and also excludes tax-exempted income and non-deductible expenses. The current corporate income tax payable of the Bank is calculated based on the statutory tax rates applicable at the end of the year.

The tax returns filed by the Bank are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change upon final determination by the tax authorities.

Current corporate income tax for the year ended 31 December 2021 and 31 December 2020 is computed as follows:

	2021 VND million	2020 VND million
Profit before tax	23,238,293	15,800,296
Less:		
- Non-taxable dividend income	(4,063)	(4,191)
- Other non-taxable income	(730,790)	(404,152)
Add:		
- Adjustment to profit for consolidation purpose	117,305	13,809
- Non-deductible expenses	1,207,065	720,888
Taxable corporate income	23,827,810	16,126,650
- Corporate income tax expense calculated on taxable income of current year	4,765,562	3,225,330
- Adjustment for under/(over) provision of corporate income tax expense in prior year	74,426	(7,501)
- Corporate income tax adjusted for prior year	383	-
Current corporate income tax expense for the year	4,840,371	3,217,829
Opening corporate income tax payable	1,179,555	848,194
- Corporate income tax paid for the year	(4,829,911)	(2,881,901)
- Corporate income tax adjusted from prior year	-	(4,567)
Closing corporate income tax payable	1,190,015	1,179,555

22.2 Applicable tax rate

The Bank's income tax rate for this year is 20% (2020: 20%).

23. Capital and reserves

23.1 Statement of changes in equity

For the year ended 31 December 2021:

	Charter capital	Share premium	Charter capital supplementary reserve	Financial reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interests	Total
As at 1 January 2021	35,049,062	476,507	1,872,102	4,917,067	474	6,789,643	31,815,808	483,766	74,614,786
Capital increase for the year	60,086	(33)	-	-	-	-	-	-	60,053
Net profit for the year	-	-	-	-	-	-	18,052,250	363,132	18,415,382
Appropriation to reserves for the year	-	-	792,334	1,584,668	-	2,377,002	(2,377,002)	-	-
Appropriation to welfare fund for the year	-	-	-	-	-	-	(38,000)	-	(38,000)
Use of reserves for the year	-	-	-	(10,749)	-	(10,749)	-	-	(10,749)
As at 31 December 2021	35,109,148	476,474	2,664,436	6,490,986	474	9,155,896	47,453,056	846,898	93,041,472

VND million

For the year ended 31 December 2020:

	Charter capital	Share premium	Charter capital supplementary reserve	Financial reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interests	Total
As at 1 January 2020	35,001,400	476,567	1,332,891	3,839,319	474	5,172,684	21,131,391	290,725	62,072,767
Capital increase for the year	47,662	(60)	-	-	-	-	-	651	48,253
Net profit for the year	-	-	-	-	-	-	12,324,991	257,476	12,582,467
Appropriation to reserves for the year	-	-	539,211	1,078,363	-	1,617,574	(1,617,574)	-	-
Appropriation to welfare fund for the year	-	-	-	-	-	-	(23,000)	-	(23,000)
Dividend paid for the year	-	-	-	-	-	-	-	(65,086)	(65,086)
Use of reserves for the year	-	-	-	(615)	-	(615)	-	-	(615)
As at 31 December 2020	35,049,062	476,507	1,872,102	4,917,067	474	6,789,643	31,815,808	483,766	74,614,786

VND million

23.2 Share capital

Breakdown of share capital at the end of the reporting period:

	31 Dec 2021 VND million	31 Dec 2020 VND million
Charter capital	35,109,148	35,049,062
Share premium	476,474	476,507
	35,585,622	35,525,569

Number of shares at the end of the reporting period:

	31 Dec 2021	31 Dec 2020
Registered share capital	3,510,914,798	3,504,906,230
Issued share capital	3,510,914,798	3,504,906,230
Ordinary shares	3,510,914,798	3,504,906,230

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23. Capital and reserves (continued)

23.2 Share capital (continued)

Movement of number of shares in circulation in the year:

	2021	2020
Number of shares in circulation		
Ordinary shares at 1 January	3,504,906,230	3,500,139,962
Ordinary shares issued during the year	6,008,568	4,766,268
Ordinary shares at 31 December	3,510,914,798	3,504,906,230

Nominal value of the Bank's ordinary share is VND 10,000. Each share is entitled to one vote at General Shareholders Meetings of the Bank. All shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets.

23.3 Dividends

Dividends payout shall be decided at Annual General Meeting of Shareholders.

24. Interest and similar income

	2021 VND million	2020 VND million
Interest income from deposits	266,751	346,650
Interest income from loans	27,259,759	21,590,084
Income from debt investment securities	7,068,841	6,252,814
Income from guarantee services	360,644	316,749
Income from debt factoring services	7,400	-
Other income from credit activities	539,856	495,615
	35,503,251	29,001,912

25. Interest and similar expenses

	2021 VND million	2020 VND million
Interest expenses for deposits	6,256,038	8,195,501
Interest expenses for borrowings	829,396	599,493
Interest expenses for valuable papers issued	1,635,280	1,419,134
Other expenses for credit activities	83,924	36,575
	8,804,638	10,250,703

26. Net fees and commission income

	2021 VND million	2020 VND million (Reclassified)
Fees and commission income from	8,239,494	6,048,443
Settlement and cash services	3,739,055	2,914,167
Cashier services	3,055	2,679
Trustee and agency services	662,083	553,472
Consulting services	221,285	126,673
Bancassurance services	1,558,318	827,321
Securities issuance guarantee services	860,488	1,037,650
Brokerage services	746,828	210,495
Fund management services	428,685	295,194
Other services	19,697	80,792
Fees and commission expenses for	(1,857,254)	(1,523,503)
Settlement and cash services	(1,532,395)	(1,336,251)
Cashier services	(71,398)	(68,962)
Brokerage services	(166,005)	(38,576)
Consulting services	(136)	(10,495)
Other services	(87,320)	(69,219)
	6,382,240	4,524,940

27. Net gain from trading foreign currencies

	2021 VND million	2020 VND million
Gain from trading of foreign currencies	1,543,299	2,683,578
Gain from spot foreign exchange trading	339,506	1,278,966
Gain from currency derivatives	1,203,793	1,404,612
Loss for trading of foreign currencies	(1,311,883)	(2,682,833)
Loss for spot foreign exchange trading	(209,406)	(1,198,056)
Loss for currency derivatives	(1,102,477)	(1,484,777)
	231,416	745

28. Net gain from held-for-trading securities

	2021 VND million	2020 VND million
Income from trading of held-for-trading securities	567,239	828,500
Expenses for trading of held-for-trading securities	(413,038)	(507,934)
Provision reversed for credit risk of unlisted corporate bonds (Note 8)	-	8,184
Provision made for diminution in value of held-for-trading securities (Note 8)	(1,896)	(7,353)
	152,305	321,397

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29. Net gain from investment securities

	2021	2020
	VND million	VND million
Income from trading of investment securities	2,639,664	2,563,876
Expenses for trading of investment securities	(512,693)	(986,752)
Provision made for credit risk of unlisted corporate bonds (Note 12.3)	(310,833)	(69,631)
Provision made for diminution in value of investment securities (Note 12.3)	(11,730)	(10,496)
	1,804,408	1,496,997

30. Net gain from other operating activities

	2021	2020
	VND million	VND million
Other operating income	4,343,731	5,460,013
Income from other derivatives	2,814,928	3,914,316
Recovery of loans previously written-off	1,121,235	1,259,653
Other income	407,568	286,044
Other operating expenses	(2,540,485)	(3,180,804)
Expenses for other derivatives	(2,081,690)	(2,908,170)
Expenses for corporate social responsibility	(316,337)	(75,515)
Other expenses	(142,458)	(197,119)
	1,803,246	2,279,209

31. Income from investments in other entities

	2021	2020
	VND million	VND million
Dividends from other long-term investments	4,063	4,191

32. Operating expenses

	Notes	2021 VND million	2020 VND million
Salaries and related expenses	36	6,356,228	5,151,106
Publication, marketing and promotion		1,234,037	701,490
Office and asset rental		533,743	512,142
Depreciation and amortisation of fixed assets		608,149	386,763
Tax, duties and fees		146,640	120,749
Tools and equipment expenses		141,227	123,127
Telecommunication expenses		90,494	48,181
Maintenance and repair of assets expenses		331,295	272,834
Utilities expenses		87,629	87,082
Customers' deposits insurance expenses		313,727	267,524
Per diem expenses		45,542	60,421
Provision made for long-term investments	13.2	489	-
Provision (reversed)/made for other assets	16	(25,002)	11,023
Consultancy expenses		370,963	377,392
Training and education expenses		47,545	78,014
Conference expenses		11,108	42,859
Other operating expenses		879,581	726,650
		11,173,395	8,967,357

33. Provision expenses for credit losses

	Notes	2021 VND million	2020 VND million
General provision made for loans to customers	10	719,924	227,807
Specific provision made for loans to customers (*)	10	1,428,138	2,433,267
General provision made for debts purchased	11	1,008	-
Provision made/(reversed) for receivables from loans sold contracts	16	425,500	(76,240)
Provision made for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	16	90,033	26,201
		2,664,603	2,611,035

(*) For the year ended 31 December 2021, the Bank made 100% required specific provision for customers whose debts are rescheduled or granted interest exemption or reduction in accordance with Circular 03 as described in Note 4.6.

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34. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders holding ordinary shares of the Bank (after adjusting for appropriation to bonus and welfare fund) by the weighted average of the number of common shares outstanding for the year.

Diluted earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders holding ordinary shares of the Bank (after adjusting for the dividends of convertible preferred shares) by the total of weighted average number of ordinary shares outstanding for the year and the weighted average number of ordinary shares which are issued in case all potential ordinary shares which have a diluting impact are converted into ordinary shares.

The Bank uses the following information to calculate earnings per share:

	2021	2020
Profit after tax attributable to ordinary shareholders (VND million)	18,052,250	12,324,991
Adjust for appropriation to bonus and welfare funds	(38,000)	(23,000)
Profit after tax attributable to ordinary shares shareholders for calculating basic earnings per share (VND million)	18,014,250	12,301,991
Adjusted profit after tax attributable to ordinary shareholders for calculation of diluted earnings per share (VND million)	18,014,250	12,301,991
Weighted average number of ordinary shares used for calculation of basic earnings per share	3,506,552,413	3,500,335,301
Weighted average number of ordinary shares used or calculation of diluted earnings per share	3,506,552,413	3,500,335,301
Earnings per share (VND)		
Basic earnings per share	5,137	3,515
Diluted earnings per share	(*)	(*)

(*) As at 31 December 2021 and 31 December 2020, earnings per share of the Bank are not affected by dilutive factors.

35. Cash and cash equivalents

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Cash and gold	3,578,643	3,663,615
Balances with the SBV	4,908,529	10,253,324
Securities with maturity period not exceeding 3 months from the acquisition date	143,497	771,430
Balances with other financial institutions and credit institutions with original terms of 3 months or less	38,973,561	20,907,530
	47,604,230	35,595,899

36. Employee benefits

	2021	2020
	VND million	VND million (Reclassified)
Total employees as at 31 December (person)	12,506	11,802
I. Average number of employees for the year (person)	12,154	11,479
II. Employees' remuneration		
1. Basic salaries	5,300,287	4,166,558
2. Allowances and other income	1,055,941	984,548
3. Total (1+2)	6,356,228	5,151,106
4. Average salary/month	36	30
5. Average remuneration/month	44	37

37. Assets, valuable papers, mortgaged, pledged, discounted and rediscounted

37.1 Assets, valuable papers, mortgaged, pledged, discounted and rediscounted to the Bank

	31 Dec 2021	31 Dec 2020
	VND million	VND million
From customers	813,520,691	639,964,460
Real estates	522,747,005	383,624,900
Movable assets	20,954,840	20,685,030
Valuable papers	123,966,832	125,741,532
Other collaterals	145,852,014	109,912,998
From other credit institutions	25,544,268	3,488,425
Valuable papers	25,535,950	2,730,000
Other collaterals	8,318	758,425
	839,064,959	643,452,885

37.2 Assets, valuable papers, mortgaged, pledged, discounted and rediscounted by the Bank

	31 Dec 2021	31 Dec 2020
	VND million	VND million
Deposits	1,828,000	1,616,800
	1,828,000	1,616,800

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38. Significant transactions with related parties

Related party transactions are transactions undertaken with other entities to which the Bank is related. A party is considered to be related to the Bank if:

- Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank (including holding companies, subsidiaries and fellow subsidiaries);
- Associates (see Vietnamese Accounting Standards No. 07 "Accounting for Investments in Associates");
- Individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, and close members of the family of any such individual. Close members of the family of an individual are those that may be expected to influence, or be influenced by, that person in their dealings with the Bank, for example: parent, spouse, progeny, siblings;
- Key management personnel having authority and responsibility for planning, directing and controlling the activities of the Bank, including directors and officers of the Bank and close members of the families of such individuals;
- Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Bank and enterprises that have a member of key management in common with the Bank.

Significant transactions and balances with related parties of the Bank for the year ended 31 December 2021 are as follows:

Bond transactions

VND million

Related party	Relationship	2021			
		Opening balance	Increase	Decrease	Closing balance
Masan Group Corporation Joint Stock Company (i)					
Face value		430,136	10,588,774	(10,633,913)	384,997
Interest receivables		5,068	61,235	(63,677)	2,626
Nui Phao Mining Company Limited (iii)					
Face value		240,518	5,626,423	(5,597,363)	269,578
Interest receivables		3,676	12,060	(12,703)	3,033
Masan High-Tech Materials Joint Stock Company (iii)					
Face value		67,855	3,336,004	(3,122,361)	281,498
Interest receivables		683	14,159	(12,527)	2,315

Loans to customers

VND million

Related party	Relationship	2021			
		Opening balance	Increase	Decrease	Closing balance
European Plastic Window Joint Stock Company (ii), (iii)					
Loans to customers		522,087	513,671	(551,867)	483,891
Interest receivables		1,938	46,236	(46,339)	1,835
Nui Phao Mining Company Limited (iii)					
Loans to customers		1,130,011	1,517,028	(1,389,664)	1,257,375
Interest receivables		675	44,199	(44,173)	701
Masan Tungsten Limited Liability Company (iii)					
Loans to customers		-	98,858	-	98,858
Interest receivables		-	969	(916)	53
WinEco Agricultural Investment Development and Production Limited Liability Company (iii)					
Loans to customers		-	573,036	(445,939)	127,097
Interest receivables		-	5,729	(5,643)	86

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38. Significant transactions with related parties (continued)

Term deposits from customers

VND million

Related party	Relationship	2021			
		Opening balance	Increase	Decrease	Closing balance
One Mount Group Joint Stock Company (ii)					
Term deposits from customers		2,500	165,000	(127,500)	40,000
Interest payables		4	451	(377)	78
One Mount Distribution Joint Stock Company (ii)					
Term deposits from customers		1,000	100,000	(1,000)	100,000
Interest payables		2	201	(8)	195
Mobicast Joint Stock Company (ii)					
Term deposits from customers		-	25,000	(15,000)	10,000
Interest payables		-	169	(109)	60
Online Mobile Services Joint Stock Company (ii)					
Term deposits from customers		-	1,050,000	(100,000)	950,000
Interest payables		-	2,034	(1,276)	758
TC Advisors Corporation (iii)					
Term deposits from customers		-	67,328	(36,120)	31,208
Interest payables		-	1,127	(304)	823
ISADO Business Cooperation and Development Company Limited (iii)					
Term deposits from customers		-	2,000	-	2,000
Interest payables		-	46	(43)	3
Masan Group Corporation Joint Stock Company (i)					
Term deposits from customers		150,000	5,972,860	(6,122,860)	-
Interest payables		46	16,121	(16,167)	-
A group of companies related to Masan Group Corporation Joint Stock Company (iv)					
Term deposits from customers		1,201,225	18,032,893	(15,024,418)	4,209,700
Interest payables		1,875	44,677	(44,317)	2,235
Members of the Board of Directors, Board of Supervision, Management and other related individuals					
Term deposits from customers		671,842	2,603,691	(2,242,047)	1,033,486
Interest payables		17,147	31,530	(35,063)	13,614

Guarantee, Letter of credit contracts

Related party	Relationship	VND million	
		31 Dec 2021	31 Dec 2020
European Plastic Window Joint Stock Company	(ii), (iii)	96,959	26,725
Mobicast Joint Stock Company	(ii)	450,175	-
Nui Phao Mining Company Limited	(iii)	50,929	72,597

Demand deposits from customers

VND million

Related party	Relationship	VND million	
		31 Dec 2021	31 Dec 2020
European Plastic Window Joint Stock Company	(ii), (iii)	10,688	6,938
One Mount Group Joint Stock Company	(ii)	26,841	5,465
One Mount Real Estate Joint Stock Company	(ii)	969	1,807
One Mount Distribution Joint Stock Company	(ii)	13,479	41,679
One Mount Consumer Joint Stock Company	(ii)	17,013	-
Online Mobile Services Joint Stock Company	(ii)	78,142	621
FCE Vietnam Joint Stock Company	(iii)	377	1,651
Viet Thanh - Sai Dong Company Limited	(iii)	457	86
TC Advisors Corporation	(iii)	8,487	-
ISADO Business Cooperation and Development Company Limited	(iii)	2,832	-
Mobicast Joint Stock Company	(ii)	133,032	-
Masan Group Corporation Joint Stock Company	(i)	1,233,572	6,545
Masan Tungsten Limited Liability Company	(ii)	1,804	-
WinEco Agricultural Investment Development and Production Limited Liability Company	(iii)	3,737	-
A group of companies related to Masan Group Corporation Joint Stock Company	(iv)	68,993	477,994
Members of the Board of Directors, Supervision, Management and other related individuals		194,580	146,726

Fee and commission income

VND million

Related party	Relationship	VND million	
		2021	2020
Masan Group Corporation Joint Stock Company	(i)	188,478	354,731
Nui Phao Mining Company Limited	(iii)	22,963	77,695
Masan High-Tech Materials Joint Stock Company	(iii)	19,011	679

Remuneration of Board of Directors, Supervision and Executive Team

	VND million	
	2021	2020
Remuneration of Board of Directors, Supervision and the Executive Team	318,386	245,456
Remuneration of Board of Directors and Supervision	36,435	34,363
Remuneration of the Executive Team	281,951	211,093

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38. Significant transactions with related parties (continued)

Remuneration of Board of Directors, Supervision and Executive Team (continued)

- (i) Shareholder has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or Board of Members, or Management or Board of Supervision of the Bank.
- (ii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or Board of Members, or Management or Board of Supervision of the Bank.
- (iii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision or significant shareholders being related to members of the Board of Directors, or Board of Members, or Management or Board of Supervision of the Bank.
- (iv) Group of related companies of Masan Group Corporation Joint Stock Company which has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or Board of Members, or Management or Board of Supervision of the Bank; or members of the Board of Directors, or Management or Board of Supervision of these companies are related to members of the Board of Directors, or Management or Board of Supervision of the Bank.

39. Geographical dispersion of assets, liabilities and off-balance sheet items

Concentration of assets, liabilities and off-balance sheet items by geographical region of the Bank's partners as at 31 December 2021 are as follows:

	Total loans	Total deposits	Other credit commitments	Derivatives (*)	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million
Domestic	378,405,775	358,299,185	322,067,502	292,732,461	103,366,541
Overseas	-	2,059,482	55,616	6,932,039	-
	378,405,775	360,358,667	322,123,118	299,664,500	103,366,541

(*) Nominal contract value

40. Risk management disclosure

This section provides details of the Bank's exposure to risks and describes the policies, the methods used by management to control risks. The most important types of financial risks to which the Bank is exposed are credit risk, liquidity risk and market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibility, the Board of Directors appropriately promulgates risk management policies and strategies, establishes business limit, directly approves high-value business transactions in accordance with both legal and internal requirement, and determine organisational structure and key managing directors.

Risk management strategies and policies are adhered to the Bank's Charter and Annual General Meeting of Shareholders resolution.

The Board Risk Committee ('BRC') is a committee established by the Board of Directors to perform a number of specialised functions and tasks assigned by the Board of Directors related to the supervision and risk management of banking activities.

BRC is responsible for proposing and advising the Board of Directors in preparing and organising the implementation of risk management policies; supervising the risk management of the whole system; analysing and giving warnings about the Bank's safety against potential risks that may affect and take preventive measures; advising the Board of Directors in approving decisions on investments, related transactions, governance policies and risk treatment plans within the scope of their functions.

41. Credit risk

The Bank is subject to credit risk through its lending, investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. The risk that counterparties might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, the Bank attempts to deal with counterparties with good credit standing, and, when appropriate, obtains collaterals. The Bank's primary exposure to credit risk arises through its loans. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the consolidated balance sheet. In addition, the Bank is exposed to off-balance sheet credit risk through commitments to extend credit and guarantees issued.

The Bank manages credit risk by using various tools: development and issuance of internal policies and regulations on credit risk management; development of credit procedures and manuals; regular review of credit risk; development of a credit rating system and loan classification; setting up authorisation levels within the credit approval process.

The Bank has maintained a policy of credit risk management to ensure the following basic principles: set up an appropriate credit risk management environment; operate in a healthy process for granting credit facilities; maintain an appropriate management, measurement and credit monitoring process; and ensure adequate controls for credit risk.

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41. Credit risk (continued)

The following table presents the maximum exposure to credit risk from balance sheet, before taking into account of any collaterals held or other credit risk enhancements:

	31 Dec 2021 VND million	31 Dec 2020 VND million
Balances with and credit granting to other financial institutions and credit institutions – gross	70,515,258	28,994,954
Held-for-trading securities – gross	5,074,479	8,357,447
Loans to customers – gross	347,341,244	277,524,615
Debts purchased – gross	136,108	1,682
Investment securities – gross (*)	97,635,523	84,377,005
Other financial assets – gross	30,437,225	18,152,762
	551,139,837	417,408,465

(*) Excluding equity securities

41.1 Financial assets that are neither past due nor impaired

Information about credit quality of financial assets that are neither past due nor impaired is as follows:

	31 Dec 2021 VND million	31 Dec 2020 VND million
Balances with and credit granting to other financial institutions and credit institutions – gross	70,515,258	28,994,954
Held-for-trading securities – gross	5,074,479	8,357,447
Loans to customers – gross	338,169,496	274,423,557
Debts purchased – gross	134,426	-
Investment securities – gross	97,112,243	84,377,005
Other financial assets – gross	29,936,060	17,611,956
	540,941,962	413,764,919

The Bank's financial assets, which are neither past due nor impaired, include debts in group 1 (Current), securities, receivables and other financial assets which are not overdue.

The Bank believes that those financial assets can be fully and timely recovered in the future.

41.2 Financial assets that are past due but not impaired

Information about financial assets that are past due but not impaired as at 31 December 2021 is as follows:

	Overdue				Total
	Under 90 days	From 91-180 days	From 181-360 days	Over 360 days	
Loans to customers – gross	160,967	26,000	45,656	61,960	294,583
	160,967	26,000	45,656	61,960	294,583

These past-due loans are not impaired because they are secured by adequate collaterals.

Information about financial assets that are past due but not impaired as at 31 December 2020 is as follows:

	Overdue				Total
	Under 90 days	From 91-180 days	From 181-360 days	Over 360 days	
Loans to customers – gross	221,102	26,330	51,420	78,809	377,661
	221,102	26,330	51,420	78,809	377,661

41.3 Financial assets that are impaired

Information about financial assets that are impaired as at 31 December 2021 is as follows:

	Not past due	Overdue				Total
		Under 90 days	From 91-180 days	From 181-360 days	Over 360 days	
Loans to customers – gross	4,733,038	1,983,869	652,516	814,587	693,155	8,877,165
Investment securities – gross	323,280	-	-	-	200,000	523,280
Debts purchased – gross	-	-	-	-	1,682	1,682
Other financial assets – gross	-	-	-	-	501,165	501,165
	5,056,318	1,983,869	652,516	814,587	1,396,002	9,903,292

Information about financial assets that are impaired as at 31 December 2020 is as follows:

	Not past due	Overdue				Total
		Under 90 days	From 91-180 days	From 181-360 days	Over 360 days	
Loans to customers – gross	-	1,584,764	390,562	482,524	265,547	2,723,397
Debts purchased – gross	-	-	-	-	1,682	1,682
Other financial assets – gross	-	-	-	-	540,806	540,806
	-	1,584,764	390,562	482,524	808,035	3,265,885

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42. Market risk

42.1 Interest rate risk

Interest rate risk arises when there is a difference of term in repricing of interest rate between assets and liabilities. All credit activities, mobilisation activities, investment activities of the Bank create interest rate risk.

On the basis of the state of “interest rate sensitivity” according to periodic changes in interest rates, the items which are assets, equity and off-balance sheet assets are classified by terms into the table “interest gap” of the Bank.

Interest rate repricing terms for items with fixed interest rates are the remaining period until maturity date of assets, as for floating interest rates are the remaining period until the nearest repricing date.

The followings assumptions and conditions are applied when constructing “interest gap” table:

- Cash and gold, capital contribution, long-term investments, fixed assets, other assets and other liabilities are classified as “Non-sensitive to interest rate” items;
- Balances with the SBV, demand balances with other financial institutions and credit institutions are classified as “Non-sensitive to interest rate” items;
- Interest rate repricing terms of held-for-trading securities and investment securities are based on the actual maturity date at the end of the reporting period if such securities have a fixed interest rate or based on the nearest repricing date if such securities have a floating interest rate;

Interest rate repricing of balances with and credit granting to other financial institutions and credit institutions; derivatives and other financial assets/ (liabilities); loans to customers; debts purchased; due to the Government; deposits and borrowings from other financial institutions and credit institutions, deposits from customers are identified as follows:

- » Items with fixed interest rates for the duration of contract: interest rate repricing terms based on actual maturity date since the end of the reporting period of the consolidated financial statements;
- » Items with floating interest rates: interest rate repricing terms based on the nearest repricing date since the end of the reporting period of the consolidated financial statements.

Interest rate repricing terms of valuable papers issued based on the actual maturity date of each type of valuable papers if there is a fixed interest rate or the nearest repricing date if there is a floating interest rate.

Interest rate sensitivity

Assuming that all other variables remain constant, the effects of fluctuation in interest rates of the items with floating interest rates on profit before tax and shareholders’ equity of the Bank and its subsidiaries is as follows:

	Increase in interest rate	Effect on	
		Profit before tax VND million	Equity VND million
As at 31 December 2021			
USD	1.50%	(428,685)	(342,948)
VND	3.00%	7,088,430	5,670,744

The following table presents the assets and liabilities of the Bank based on “interest gap” as at the end of the reporting period:

	Overdue	Non-sensitive to interest rate	Interest re-pricing during the year					Over 5 years	Total
			Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 to 5 years		
Assets									
Cash and gold	-	3,578,643	-	-	-	-	-	-	3,578,643
Balances with the SBV	-	4,908,529	-	-	-	-	-	-	4,908,529
Balances with and credit granting to other financial institutions and credit institutions	-	8,086,405	44,811,189	13,752,179	3,388,319	477,166	-	-	70,515,258
Held-for-trading securities (*)	-	-	-	357,554	355,959	452,186	1,417,716	2,491,064	5,074,479
<i>In which:</i>									
Government bonds	-	-	-	-	-	52,012	297,971	2,491,064	2,841,047
Derivatives and other financial assets	-	(5,585)	(5,250,034)	(8,172,526)	1,051,113	2,816,916	9,853,884	-	293,768
Loans to customers (*)	4,438,710	-	120,529,304	76,423,837	48,650,980	37,550,120	58,628,338	1,119,955	347,341,244
Debts purchased (*)	1,682	-	-	134,426	-	-	-	-	136,108
Investment securities (*)	200,000	2,392,705	12,247,339	15,708,222	12,215,560	22,470,438	21,140,694	11,917,104	98,292,062
<i>In which:</i>									
Government bonds and bonds guaranteed by the Government for settlement	-	923,992	100,000	450,000	200,000	223,410	5,287,256	11,659,700	18,844,358
Long-term investments (*)	-	13,962	-	-	-	-	-	-	13,962
Fixed assets and investment property	-	8,313,405	-	-	-	-	-	-	8,313,405
Other assets (*)	501,165	34,889,893	-	-	-	-	-	-	35,391,058
Total assets	5,141,557	62,177,957	172,337,798	98,203,692	65,661,931	63,766,826	91,040,632	15,528,123	573,858,516
Liabilities									
Due to the Government	-	842	-	-	-	-	-	-	842
Deposits and borrowings from other financial institutions and credit institutions	-	518,192	51,719,468	40,921,745	14,121,589	5,018,555	156,986	2,156	112,458,691
Deposits from customers	-	-	228,564,899	37,777,700	27,940,491	15,820,805	4,590,011	58,619	314,752,525
Valuable papers issued	-	-	2,464,863	9,742,100	10,973,000	4,200,000	6,299,861	-	33,679,824
Other liabilities	-	14,795,596	-	-	-	-	-	-	14,795,596
Total liabilities	-	15,314,630	282,749,230	88,441,545	53,035,080	25,039,360	11,046,858	60,775	475,687,478
Interest sensitivity gap	5,141,557	46,863,327	(110,411,432)	9,762,147	12,626,851	38,727,466	79,993,774	15,467,348	98,171,038

(*) These amounts exclude provision

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42. Market risk (continued)

42.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam with VND as its reporting currency. The major currency in which the Bank transacts is VND. The Bank's asset - liabilities structure included different types of currencies (such as USD, EUR, AUD, etc.), which is the main cause of currency risk. The Bank has set limits on positions by currency based on internal risk assessment process and regulations of the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Exchange rate sensitivity

Assuming that all variables remain constant, the following table shows the effects on profit before tax and equity of the Bank due to possible changes in exchange rates. Risk due to changes of exchange rates to other currencies of the Bank is not significant.

	Level of increase	Effects on	
		Profit before tax VND million	Equity VND million
As at 31 December 2021			
USD	1.00%	(77,920)	(62,336)
EUR	1.00%	59	47
Gold	3.00%	163	130

The table in the next page shows the analysis of assets and liabilities in foreign currencies translated into VND as at 31 December 2021.

VND million

	USD VND equivalent	EUR VND equivalent	Gold VND equivalent	Other currencies VND equivalent	Total
Assets					
Cash and gold	257,251	30,499	5,435	64,547	357,732
Balances with the SBV	356,866	-	-	-	356,866
Balances with and credit granting to other financial institutions and credit institutions	14,860,044	534,812	-	543,467	15,938,323
Derivatives and other financial assets	11,614,570	(14,997)	-	(1,904)	11,597,669
Loans to customers – gross (*)	18,425,969	-	-	-	18,425,969
Other assets (*)	19,209,032	264,020	-	765,529	20,238,581
Total assets	64,723,732	814,334	5,435	1,371,639	66,915,140
Liabilities					
Deposits and borrowings from other financial institutions and credit institutions	63,262,929	264,027	-	764,381	64,291,337
Deposits from customers	10,851,098	541,153	-	563,814	11,956,065
Other liabilities	406,632	3,225	-	21,063	430,920
Total liabilities	74,520,659	808,405	-	1,349,258	76,678,322
FX position on balance sheet	(9,796,927)	5,929	5,435	22,381	(9,763,182)
FX position off-balance sheet	2,004,945	-	-	3,574	2,008,519
Total FX position on and off-balance sheet	(7,791,982)	5,929	5,435	25,955	(7,754,663)

(*) These amounts exclude provision

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42. Market risk (continued)

42.3 Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. Liquidity risk is caused by the Bank inability to fulfill debt obligations at maturity; or the Bank being able to fulfill debt obligations at maturity, but at higher costs than the average market costs, as specified in the Bank's internal regulations.

The maturity term of assets and liabilities represents the remaining period from the date of the consolidated financial statements to the contractual maturity date of assets and liabilities.

The following assumptions and conditions are applied in the analysis of overdue status of the Bank's assets and liabilities:

- Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's deposits from customers;
- The maturity term of held-for-trading securities and investment securities is calculated based on the maturity date of each category of securities. In which, securities issued/guaranteed by the Government, despite the classification based on residual maturity, they are considered as liquid assets in the market that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value;

- The maturity term of balances with and credit granting to other financial institutions and credit institutions; and loans to customers is determined on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended/prepaid;
- The maturity term of equity investments is considered as more than five (5) years because these investments do not have specific maturity date;
- The maturity term of deposits and borrowings from financial institutions and credit institutions, deposits from customers, due to Government and other assets is determined based on features of these items or the maturity date as stipulated in contracts. Demand deposits are transacted as required by customers and therefore being classified as current accounts, however, a large proportion of these deposit types of customers remain stable at the Bank over one (1) year. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated and therefore they last beyond the original maturity date;
- The maturity term of fixed assets is determined on the remaining useful life of assets;
- The maturity term of valuable papers issued is calculated based on the maturity date of each category of valuable papers;
- The maturity term of other liabilities is determined on the actual maturity date of each liability.

The table in the next page shows the analysis of assets and liabilities of the Bank according to their maturities as at 31 December 2021.

	Overdue		Current					Total
	Up to 3 months	Over 3 months	Up to 1 month	From 1-3 months	From 3-12 months	From 1-5 years	Over 5 years	
<i>VND million</i>								
Assets								
Cash and gold	-	-	3,578,643	-	-	-	-	3,578,643
Balances with the SBV	-	-	4,908,529	-	-	-	-	4,908,529
Balances with and credit granting to other financial institutions and credit institutions	-	-	57,391,594	10,558,179	2,565,485	-	-	70,515,258
Held-for-trading securities (*)	-	-	-	357,554	808,146	1,417,715	2,491,064	5,074,479
<i>In which:</i>								
Government bonds	-	-	-	-	52,012	297,971	2,491,064	2,841,047
Derivatives and other financial assets	-	-	191,010	(171,156)	154,997	118,917	-	293,768
Loans to customers (*)	2,144,836	2,293,874	17,954,331	38,569,071	98,328,889	55,997,117	132,053,126	347,341,244
Debts purchased (*)	-	1,682	-	2,496	23,391	83,579	24,960	136,108
Investment securities (*)	-	200,000	2,935,760	1,353,137	24,700,114	56,426,514	12,676,537	98,292,062
<i>In which:</i>								
Government bonds and bonds guaranteed by the Government for settlement	-	-	162,950	451,015	426,177	5,385,083	12,419,133	18,844,358
Long-term investments (*)	-	-	-	-	-	-	13,962	13,962
Fixed assets and investment property	-	-	23,559	259	16,334	896,408	7,376,845	8,313,405
Other assets (*)	-	501,165	13,180,954	9,253,640	10,919,865	1,289,956	245,478	35,391,058
Total assets	2,144,836	2,996,721	100,164,380	59,923,180	137,517,221	116,230,206	154,881,972	573,858,516
Liabilities								
Due to the Government	-	-	842	-	-	-	-	842
Deposits and borrowings from other financial institutions and credit institutions	-	-	42,286,299	26,247,506	16,345,744	27,576,986	2,156	112,458,691
Deposits from customers	-	-	227,005,490	38,883,779	44,057,519	4,746,600	59,137	314,752,525
Valuable papers issued	-	-	-	-	10,147,000	23,532,824	-	33,679,824
Other liabilities	-	-	9,124,246	755,374	4,231,088	679,781	5,107	14,795,596
Total liabilities	-	-	278,416,877	65,886,659	74,781,351	56,536,191	66,400	475,687,478
Net liquidity gap	2,144,836	2,996,721	(178,252,497)	(5,963,479)	62,735,870	59,694,015	154,815,572	98,171,038

(*) These amounts exclude provision

42.4 Other market price risk

Securities held by the Bank are affected by market price risk arising from the uncertainty of future value of investment in securities.

Information about securities diminution in value at the end of the reporting period as follows:

	31 Dec 2021 <i>VND million</i>	31 Dec 2020 <i>VND million</i>
Held-for-trading securities – gross	725,351	786,344
Investment securities – gross	1,588,608	2,284,965
	2,313,959	3,071,309

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43. Financial assets and financial liabilities

Book value and fair value of financial assets and financial liabilities of the Bank and its subsidiaries as at 31 December 2021 are as follows:

	Book value					VND million	
	Fair value through Profit & Loss statement	Held-to-maturity	Loans and receivables	Available-for-sale	Other financial assets/ (liabilities) at amortised cost	Total book value	Fair value
Financial assets							
Cash and gold	-	-	3,578,643	-	-	3,578,643	3,578,643
Balances with the SBV	-	-	4,908,529	-	-	4,908,529	(*)
Balances with and credit granting to other financial institutions and credit institutions	-	-	70,515,258	-	-	70,515,258	(*)
Held-for-trading securities	5,074,479	-	-	-	-	5,074,479	(*)
Derivatives and other financial assets	293,768	-	-	-	-	293,768	-
Loans to customers	-	-	347,341,244	-	-	347,341,244	(*)
Debts purchased	-	-	136,108	-	-	136,108	-
Available-for-sale securities	-	-	-	98,092,062	-	98,092,062	(*)
Held-to-maturity securities	-	200,000	-	-	-	200,000	(*)
Other long-term investments	-	-	-	13,962	-	13,962	(*)
Other financial assets	-	-	30,437,225	-	-	30,437,225	(*)
	5,368,247	200,000	456,917,007	98,106,024	-	560,591,278	
Financial liabilities							
Due to the Government	-	-	-	-	842	842	(*)
Deposits and borrowings from other financial institutions and credit institutions	-	-	-	-	112,458,691	112,458,691	(*)
Deposits from customers	-	-	-	-	314,752,525	314,752,525	(*)
Valuable paper issued	-	-	-	-	33,679,824	33,679,824	(*)
Other financial liabilities	-	-	-	-	14,795,596	14,795,596	(*)
	-	-	-	-	475,687,478	475,687,478	

(*) The Bank has not determined the fair value of these items due to insufficient information and lack of detailed guidance on fair value under Vietnamese Accounting Standards and Vietnamese Accounting System for Credit Institutions.

44. Segment report

Segment report by operating activities for the year ended 31 December 2021:

Criteria	VND million					
	Bank	Trading Securities	Assets Management	Fund Management	Elimination (*)	Total
I. Revenue	48,011,828	5,146,777	250,712	483,906	(1,052,483)	52,840,740
1. Interest revenue	34,141,267	1,333,358	2,865	53,119	(27,358)	35,503,251
2. Fee and commission income	5,316,840	2,673,152	-	428,685	(179,183)	8,239,494
3. Revenue from other business activities	8,553,721	1,140,267	247,847	2,102	(845,942)	9,097,995
II. Expense	(25,625,898)	(1,336,891)	(199,068)	(208,061)	432,074	(26,937,844)
1. Interest expense	(8,419,584)	(391,262)	(22,265)	-	28,473	(8,804,638)
2. Depreciation and amortisation expenses	(557,059)	(14,414)	(36,676)	-	-	(608,149)
3. Expenses directly related to business activities	(16,649,255)	(931,215)	(140,127)	(208,061)	403,601	(17,525,057)
Profit before provision expenses for credit losses	22,385,930	3,809,886	51,644	275,845	(620,409)	25,902,896
Provision expenses for credit losses	(2,566,912)	-	4	-	(97,695)	(2,664,603)
Profit before tax	19,819,018	3,809,886	51,648	275,845	(718,104)	23,238,293
III. Assets	546,067,077	24,547,255	1,228,606	710,220	(3,824,208)	568,728,950
1. Cash and gold	3,578,643	-	-	-	-	3,578,643
2. Fixed assets and investment property	7,135,986	88,486	1,090,796	-	(1,863)	8,313,405
3. Other assets	535,352,448	24,458,769	137,810	710,220	(3,822,345)	556,836,902
IV. Liabilities	461,532,524	15,302,011	425,304	40,248	(1,612,609)	475,687,478
1. External liabilities	461,532,524	15,302,011	425,304	40,248	(1,612,609)	475,687,478

(*) Elimination of internal transactions

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45. Profit movements

The consolidated profit after tax for the year ended 31 December 2021 of the Bank increased by VND 5,832,915 million, equivalent to an increase of 46.36% compared to the year ended 31 December 2020 due to the following reasons:

	Profit after tax VND million
Increase of profit after tax as a result of:	
Increase in net interest and similar income	7,947,404
Increase in net fee and commission income	1,857,300
Increase in net gain from trading foreign currencies	230,671
(Decrease) in net gain from held-for-trading securities	(169,092)
Increase in net gain from investment securities	307,411
(Decrease) in net gain from other operating activities	(475,963)
(Decrease) in income from investments in other entities	(128)
(Increase) in operating expenses	(2,206,038)
(Increase) in provision expenses for credit losses	(53,568)
(Increase) in corporate income tax expense	(1,605,082)
Increase in profit after tax	5,832,915

46. Corresponding figures

Certain corresponding figures stated in the prior year were reclassified to conform to the current year's presentation:

	VND million		
	2020 (As previously reported)	Reclassified	2020 (Reclassified)
Consolidated income statement			
Fee and commission expenses	(1,859,665)	336,162	(1,523,503)
Operating expenses	(8,631,195)	(336,162)	(8,967,357)
Consolidated cash flow			
Net fees and commission receipts	4,140,309	336,162	4,476,471
Payments for employees and other operating expenses	(6,752,272)	(336,162)	(7,088,434)

47. Events after the end of the reporting period

There has not been any matter or circumstance that has arisen since the end of the reporting period that has affected or may significantly affect the operations of the Bank, the results of those operations or the state of affairs of the Bank that requires disclosure in the consolidated financial statements.

48. Exchange rates of applicable foreign currencies against Vietnamese dong

	31 Dec 2021 VND	31 Dec 2020 VND
AUD	16,615	17,797
CAD	17,909	17,861
CHF	25,052	26,192
CNY	3,599	3,528
DKK	3,483	3,811
EUR	25,901	28,356
GBP	30,879	31,546
HKD	2,931	2,977
JPY	199	224
NOK	2,594	2,708
SEK	2,526	2,828
SGD	16,610	17,458
THB	689	769
USD	22,850	23,080
XAU	6,127,500	5,567,500

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