

TODAY, TOMORROW AND ALWAYS

ANNUAL REPORT
_____ 2020

Change banking, change lives

BE GREATER 



TECHCOMBANK

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01 CHAIRMAN'S LETTER

"I'm grateful for the unfailing support of our customers and other stakeholders".

Chairman of the Board of Directors Ho Hung Anh



CHAIRMAN'S LETTER

Dear Valued Shareholders and Customers,

"We are very proud of the way the Bank successfully navigated everything 2020 threw at us".

Across the world, 2020 has been traumatic, exhausting and unusually challenging. COVID-19 wreaked havoc on individuals, families, communities and institutions, hitting the global economy very hard and reducing global economic growth to -4.3%. It led the World Bank to posit 'a lost decade'. But just as fire tests gold, adversity tests the brave, and Vietnam emerged as an 'Asian miracle'. Competent pandemic management and containment meant it was one of very few nations in the region to record growth – a solid 2.9%. The banking sector – including Techcombank – stood with people, businesses and government, playing an important role in how Vietnam weathered the storm.

As always, Techcombank focused on the customer journey. Our 11,000+ employees brought steely determination to delivering outstanding service, while ensuring business continuity. A VND 41 trillion support package

for over 3,200 customers involved interest waivers and reductions, and tailored debt restructuring and rescheduling. Our commitment to preserving a stable financial foundation was reflected in maintaining ample liquidity and managing down non-performing loans to 0.5%.

Commitment to being digital to the core was again a winning strategy. Ongoing investments in being at the forefront of digital banking – developing and bringing diverse financial products to digital banking platforms – continued to be a source of great pride. From everyday banking to pre-approved credit cards and financial management, to trading investment products; we had the solutions to save our millions of customers time and money, while ensuring safe and convenient transactions. We also maintained a consistent focus on ideal customer segments – financially sound customers in economic sectors with high

growth potential, which have been prioritised by government for Vietnam's development.

In addition, our focus on environmental, social and corporate governance (ESG) saw us continually apply our corporate values and concerns to our commitment to sustainability and making a positive impact.

As a result of our prescient investments based on customer needs over the years, we were well prepared to help our customers persevere and remain safe during a chaotic year. Our lead in digital solutions helped attract 1.1 million new customers during the pandemic, taking total customers to nearly 8.4 million by the end of 2020.

Techcombank grew strongly all round this year, with profit before tax over VND 15.8 trillion. We continued to be Vietnam's most operationally efficient bank with a return on assets of 3.1% and a current account and savings account (CASA) ratio of 46.1%. We had the highest VISA card transaction value for the third consecutive year and, reinforced our leading position in bond underwriting.

Also:

- ▶ We grew our brand value by 30% to reach USD 524 million



A VND 41 trillion support package for over 3,200 customers involved interest waivers and reductions, and tailored debt restructuring and rescheduling.

Profit before tax over VND 15.8 trillion

- Brand Finance now puts Techcombank in the world's Top 270 Highest Banking Brand Value 2021.
- ▶ Of 19 Vietnamese banks rated by Moody's Investor Services in 2020, Techcombank was the only bank that received the highest baseline credit assessment rating of Ba3 and was constrained by sovereign rating.
- ▶ The Bank was awarded 'Best Bank in Vietnam' by Finance Asia for the second year in a row.
- ▶ The Bank was awarded 'The best companies to work for in Asia' by HR Asia.

Techcombank is prepared for whatever awaits. The Bank's transformation must continue apace, despite a 2021 forecast for more economic and social pain in the lingering wake of COVID-19. We will continue to provide tailored solutions and the best customer experience by:

- ▶ developing new technology and omni-channel platforms for individual and corporate customers
- ▶ digitalising the credit journey
- ▶ developing our data lake and capacity for advanced analytical skills to enhance digitalisation.

I'm grateful for the unfailing support of our valued stakeholders. We are very proud of the way the Bank successfully navigated everything 2020 threw at us. We did it with great resilience – assisting both Vietnam's economic recovery and the creation of a greater Vietnam. It reinforced by strong belief in the ongoing and continued success of Techcombank and Vietnam. We'll continue to spare no effort in maintaining prudent management and delivering great experience and value for all.

Best Regards,

Chairman of the Board of Directors

Ho Hung Anh

02

CEO'S STORY

"Over 2016–20, Techcombank's customer-centric strategy and focus on doing what the Bank does best within a calculated risk framework has made it Vietnam's most profitable and operationally efficient bank".

Chief Executive Officer Jens Lottner



CEO'S STORY

"Entrepreneurialism is about making the right decisions in an uncertain environment."



Dear Valued Shareholders and Customers,

Given this is the first time I have shared my thoughts with you as the CEO of Techcombank I wanted to reiterate what a great honour it is to take the CEO reigns at this pivotal moment in Techcombank's journey of transformation. The Bank's enviable track record and bold history of successes – driven by its former and existing management team – has drawn wide acclaim from the Vietnamese and global investment communities.

Key to my decision to accept the role of CEO in August, is my unwavering belief in Vietnam's economic potential. Its macroeconomic environment, fuelled by rapid modernisation, holds enormous promise for any company with a business model tailored to being part of its promising future. Techcombank is already such a company and my plans to take it to the next level have the Board's full backing. I will be assisted by a highly capable management team with the internal investment savvy to choose the right banking strategies and business models.

My passion for innovation and digital transformation was forged over a near 30-year career in financial services, with world-leading organisations like BCG and McKinsey, and for 20 years I have proudly called Asia home. As Chief Transformation Officer and in my last role as CFO of Thailand's Siam Commercial Bank, I spearheaded the design and implementation of a large-scale digital transformation program – delivering cutting-edge digital banking platforms, redesigning the customer experience, migrating key parts of the Bank's analytics platform to the cloud, and rethinking

many customer segments for the Bank's business and operating models.

I find transformations energising. Taking calculated risks to create substantial value is very exciting. The times we live in offer shrewd, agile financial institutions the potential to create great returns, while the tectonic shifts in financial services towards digitalisation provide Techcombank with a winning narrative. The right leadership, combined with my experience in similar transformation roles, stands me in good stead to maintain, and improve on, this Bank's impressive growth trajectory.

My guiding philosophy

My guiding philosophy is simple. We will be very clear and realistic about why we choose a path and how we'll get there. Entrepreneurialism is about making the right decisions in an uncertain environment. And strategy is as much about the opportunities we pursue as it is about the areas we don't at this current time. We'll put the right people in the right places, give them the right tools and get out of their way – so they can use their imagination and skills to unlock fintech's true potential for our customers.

We've come a long way

Over 2016–20, Techcombank's customer-centric strategy and focus on doing what the Bank does best within a calculated risk framework has made it Vietnam's most profitable and operationally efficient bank. The former and current management team laid the bedrock for more growth over the next five years and created a firm platform to deliver Techcombank's amazing results in 2020.

Our financials are vastly different to those of five years ago and there are many signs we're fast becoming a market leader in Vietnam. We've enjoyed great success across specific segments and products – including affluent, to mass affluent and credit cards. We've also led innovation in selected product areas and won a strong position in sectors like real estate – becoming a leading player in mortgages. Last but not least, our bold move to offer zero-fee banking has been rewarded by an enormous growth in CASA as well as a 2.3 times growth in our active customer base during 2016–20. Our success has not gone unnoticed, having been the subject of many articles and winning us awards along the way.

Reflecting on the success of the past five years, there are three key points I'd like to highlight:

01 We achieved what we set out to achieve, reaching market-leading positions across key areas such as capital adequacy, return on assets (ROA), current account and savings account (CASA), net interest margin (NIM), non-performing loan (NPL) etc.

02 The Bank's achievements over the past five years underpinned its resilience, strength and defiant growth during a pandemic year that crippled many similar businesses across the globe. Unprecedented results in unprecedented times.

03 Techcombank's success gives us the confidence to double down on our investments and expand our customer reach with new business models.

CEO'S STORY (CONTINUED)

You can always bank on us

In 2020, Techcombank underwent in one year what would normally take four or five. First quarter GDP growth saw a step down from the typical 6-7% of recent years, while the second experienced an even more dramatic slowdown to almost flat growth. The onset of recovery emerged in the third quarter, with reasonable – but far from typical – growth returning in the fourth. Needless to say, we were not alone. It has been a difficult and anxious year for many.

While no one could have foreseen the COVID-19 pandemic, we were well placed to respond to many of its effects – one of which was the acceleration of existing trends towards investing in financial services data and technology. Techcombank's historical willingness to adopt digitalisation helped us survive a difficult year and also set us up to thrive over the next five-year phase of our development. Our focus on making customer's lives easier, made our response to the pandemic easier.

The elusive dual objectives of disease control and economic development confirmed Vietnam as a preferred destination for Asian foreign direct investment, and a new hub for low-cost manufacturing across Asia's shifting supply chains. This too will help fuel the Bank's rapid recovery and ongoing growth, and again validates our hard work since 2016 to digitalise operations.

COVID-19 has also shown the structural differences between us and our competitors – while the banking industry overall has fared better than expected during these unprecedented times we have been able to break ahead from most of our peers. Our funding costs and non-performing loans were notably down and there were increases in profit share and return on assets.



We achieved what we set out to achieve, reaching market-leading positions across key areas such as capital adequacy, ROA, CASA, NIM, NPL, etc.

Responding to our community, staff and customers

At a community level, our remote banking offer meant customers could avoid crowded environments and maintain a safe social distance. To protect our employees, we shifted to remote working within days of COVID-19 being declared a pandemic. Staff were given the equipment and connectivity they needed to do their jobs safely and productively from home. We stayed in regular contact with our teams so they could continue listening to, learning from and interacting with each other. I was immensely proud of how our teams stayed focused on serving our customers, while managing the challenges of home schooling, isolation and caring for family members, and also dealing with their shared concerns for friends and communities.

Importantly, our relief programs allowed struggling customers to restructure credit commitments and minimise the impacts of the pandemic on cashflow, so they could more comfortably weather the COVID-19 storm.

Environmental, social and governance (ESG)

The events of 2020 bluntly reminded all of us of the important connection between strong ESG outcomes, and a sustainable economy. The Bank recognises the important role of issues such as climate change, health and diversity to Vietnam's rapidly modernising economy. Techcombank will continue to commit resources to ESG efforts between 2021–25 and beyond.

CEO'S STORY (CONTINUED)

Unprecedented year, unprecedented results

As COVID-19 spread its dark clouds across the globe, governments responded in varied ways, and the cold waves of volatility buffeted economies. However, Vietnam's success in tackling COVID-19 not only showed the world its capacity for competent governance, but also drove financial gains that made it one of few countries to post positive growth in 2020. This, combined with the rapid uptake of Techcombank's digital services over the past five years, has delivered our shareholders great results in an extraordinary 12 months:

<p>Strong profit before tax of</p> <p>VND 15,800 billion</p> <p>(up 23.1%)</p>	<p>Total operating income of</p> <p>VND 27,042 billion</p> <p>(up 28.4%)</p>	<p>Market leading return on assets</p> <p>3.1%</p> <p>(from 2.9% at end 2019)</p>
<p>Reached</p> <p>21st consecutive quarter</p> <p>of Year on Year (YoY) revenue growth</p>	<p>Basel II capital adequacy ratio of</p> <p>16.1%</p>	<p>Approximately</p> <p>8.4 million</p> <p>customers (up 14.6% YoY)</p>

There is no doubt uncertainty will continue in our lives for some time. I trust that our actions and results during 2020 demonstrate to our shareholders, customers and investors Techcombank's rich capacity for adapting and growing, even in turbulent markets. Achieving what we did gives me the confidence to continue the Bank's transformation, knowing we're on the right track.

Away from COVID-19...

We're always on the lookout for strong win-win partnerships with companies that share our vision and aspirations. For example, we are already successfully working alongside Visa and Manulife. Excitingly, 2020 saw us create a new alliance with One Mount Group, Vietnam's largest digital ecosystem. Agreements with companies like One Mount Group give us access to the new ecosystems and technologies we need to drive further growth.

To round off a great year, Techcombank was named the 2020 'Best Bank in Vietnam' by Finance Asia and 'The best companies to work for in Asia' by HR Asia. Other awards we won in 2020 included:

To round off a great year, Techcombank was named the 2020 'Best Bank in Vietnam'.



Best SME Bank



Best Home Loan



Best Payments Bank in Vietnam



2020 Most Attractive Recruiter for Students



Vietnam Best Places to Work in 2020

As our track record for stronger growth than our competitors solidifies, we should see this reflected in the share price as we also see a rapid expansion of our shareholder base.

CEO'S STORY (CONTINUED)

Building on our successes

Banks that do not digitalise to meet the fast-growing demands of customers, will not survive. At Techcombank we've always known that. Our first strategic digital transformation plan finished profitably last year and its successor, the 2021–25 plan, will again position the Bank for strong growth.

Our plan is to build on Techcombank's solid foundations, looking particularly at digitalisation, data and talent. Our ongoing embrace of the new digital normal will see us take advantage of the sector-wide macroeconomic trends that make Vietnam one of the world's best performing markets. And we'll continue providing our customers with market-leading, digital banking solutions and services. A big goal will be to help Vietnamese people and businesses become more comfortable with digital banking.

We will double down on our biggest profit pools; like mortgages, CASA and wealth management. And we'll leverage our strengths, such as our affluent customer value proposition, our position and understanding of the real estate value chain, as well as our leading payment infrastructure and solutions to secure future growth and fortify our leadership in these domains. At the same time, we'll accelerate our diversification process in order to participate in the highest future growth areas like everyday banking and SME lending, leveraging our connectivity to big customer ecosystems and existing and new strategic partnerships. In the process we'll be able to diversify our sources of income, funding and risk to secure our future.



Our ongoing embrace of the new digital normal will see us take advantage of the sector-wide macroeconomic trends that make Vietnam one of the world's best performing markets.

CEO'S STORY (CONTINUED)

Building on our successes (Continued)

There are three key thrusts to our forward strategy:

Digital, data and talent

Digital



Internally, we'll enable and empower our staff to embrace digital platforms, like tools and dashboards. Externally our digital platform will allow us to build big data capacity so we can better understand our customers, pro-actively offer them more suitable products and encourage them to bank more with us while making it a lot more convenient for them to use our products and services – anytime, anywhere.

Data



Data capabilities allow us to create experiences at scale. Customers enjoy a simpler, more intuitive banking experience, with fewer clicks, and more personalised recommendations based on their transaction history. At the same time, our staff can much better understand individual customers to recommend them the best solutions.

Talent



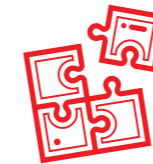
Talent continues to be key to keeping us in a leading position in the financial sector. We will double our efforts to bring in and develop people with skill sets and digital DNA that match the Bank's vision.

We have reviewed everything we've done so far to identify better models to help us expand and be more present in segments like the mass affluent and small and medium enterprises (SMEs). Trialing new approaches and deploying technology will allow us to serve more retail and institutional banking customers – going deeper with them and serving them in the way they want. More efficient business models also mean we can expand our reach to win more customers – offering a clearer banking proposition and broadening our served segments.

We want to fulfill our promise to "be greater".

Digital, data and talent will be our key enablers.

We want Techcombank to be Vietnam's leading joint stock bank which means doubling or tripling our customer base. We want to fulfill our promise to 'be greater' which means punching above our weight and consistently exceeding expectations. We'll do this by:



Providing the best customer solutions



Creating superior returns



Bringing benefits to society



Leading Vietnam towards upper middle-income country status



Seeking the regulator's advice to improve our financial system



Providing the best opportunities for the best talent

CEO'S STORY (CONTINUED)

Building on our successes (Continued)

To deliver all this, our leadership team has expanded to include even more transformation experience, deep sector expertise and in-depth knowledge. By 2025 we aim to be a USD 20 billion bank (one of the most valuable banks in the region) with:

A CASA ratio of

55%

Net fee income/total operating income (NFI/TOI) ratio of

30%

A targeted return on equity (ROE) of

20%



I expect more volatility over the coming year, and we are building contingencies into our planning. But two things remain true:

01



The inexorable shift to digital banking will only pick up pace in Vietnam – we must keep investing in, and upgrading, our technology in a considered and conservative way.

02



The best insurance against any kind of unpredictability is attracting, developing and retaining the best people. We'll continue to do this.

A sustainable development path requires us to keep up with changing demands and trends in financial services. Stay still and we wither, adapt and innovate to meet customer expectations and we thrive. Importantly we have the staff and the talent to achieve all that we must.

In closing, I want to thank the Techcombank Board for its leadership and direction through a difficult year. I also wish to express my appreciation and gratitude to the Bank's very talented staff who have worked tirelessly to deliver the best possible results. Most importantly, I want to thank our rapidly growing customer base for their ongoing support of our vision – to be the best possible modern bank in Vietnam.



2020

Unprecedented year,
unprecedented results

03 ABOUT US

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GENERAL INFORMATION

Viet Nam
Technological
and Commercial
Joint-stock Bank

Trading name

Name in Vietnamese	NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN KỸ THƯƠNG VIỆT NAM
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Name in English	VIETNAM TECHNOLOGICAL AND COMMERCIAL JOINT-STOCK BANK
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Trading name	TECHCOMBANK
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Abbreviation name	TECHCOMBANK
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The Bank's Banking Licence No. 0038/GP-NHNN dated 6 March 2018 was issued by the State Bank of Vietnam, replacing the Licence No. 0040/NH-GP dated 6 August 1993.

Certificate of Business registration No	0100230800
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First registration	7 September, 1993
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The 52nd amendment	19 January, 2021
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Charter capital	35,049,062,300,000
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In word	Thirty-five trillion and forty-nine billion, sixty-two million, three hundred thousand Vietnamese dong
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General information

Address	Techcombank Tower – 191 Ba Trieu St., Le Dai Hanh Ward, Hai Ba Trung Dist., Hanoi, Vietnam
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Phone number	+84 (24) 3944 6368
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Fax	+84 (24) 3944 6395
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Website	Techcombank.com.vn
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Stock code	TCB VN
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General information

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 27 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 well over eight million retail and corporate customers in Vietnam. Our extensive network – including one head office, two representative offices and 309 transaction offices across 45 cities and provinces – satisfies both traditional banking requirements and our emphasis on security and wealth management.

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

Techcombank undertakes a mission 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:



Granting short, medium and long-term loans



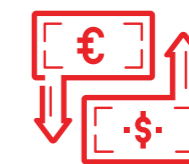
Investments in associates, joint-ventures, companies and bonds



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



Conducting State Bank of Vietnam (SBV) approved settlement, cash and other banking services



Foreign exchange

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.



TECHCOMBANK

OUR 27+ YEAR JOURNEY OF SUCCESS

1993

Established with charter capital of VND 20 billion.

2001

Globus, our launch core banking system, complies with international standards.

2003

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

2006

Reached over US\$ 1 billion in total bank assets – an important milestone.

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 cooperate 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, International Finance Corporation (IFC) and Finance Asia.
- The reliable choice for 3.7 million individuals and 48,000 corporates.

2015

Top 2 bank with 4.2 million customers and largest Visa transaction value.

2016

- Launched our highly successful 2016–20 strategy to be Vietnam's #1 bank and lead the financial lives of our millions of customers.
- Doubled 2015 profit.
- Awarded 'Best Bank in Vietnam' by Finance Asia, 'Vietnam House of the Year' from Asia Risk and 'Enterprises with Excellent HR Policies' at the Vietnam HR Awards.

2017

- Given Standard & Poor's highest credit rating received in Vietnam.
- Maintained double profit growth rate with VND 8,036 billion profit before tax.
- Ranked by Asian Banker as Vietnam's second most profitable bank – over 5 million customers.

- Leading Vietnamese bank for Visa 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), 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 - code TCB - with capitalisation of USD 6.5 billion in South East Asia's third largest ever IPO.
- Tripled charter capital to VND 34,965.9 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 profit before tax 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 in Organisational Health Index (OHI) and Employee Engagement Survey (EES).
- Became Vietnam's leading bank in terms of Visa card volume and transaction value: won seven awards from VISA – the most a Vietnam bank has ever won.
- Officially complied with Basel II on 1 July – our Capital Adequacy Ratio (CAR) is double what SBV regulations require.
- Awarded 'Vietnam House of the Year' by Asia Risk in recognition for 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

- Amid the COVID-19 pandemic, prioritised resources to protect employees and customers.
- Revamped digital and data capabilities by applying Agile working methods and establishing a Data and Analytics 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 in 2020.

- Partnership with One Mount Group to allow seamless digital experience throughout the customer journey such as a financial solution Loan Card issued for VinShop GTs, and a comprehensive mortgage experience with OneHousing.
- TOP 1 CASA ratio at 46.1%, and total CASA balance for the first time exceeded VND 100,000 billion.
- Return on assets (ROA) at 3.1% – Highest in banking industry.
- 'Number 1 brand in terms of efficiency' from Forbes.
- 'The most impressive bank brand in 2020' and 'The bank with the best brand health' from MiBrand - Brand Finance's domestic partner.

Reaching a new record profit before tax of over

VND 15.8 trillion

Techcombank was established in 1993, during the Doi Moi period of economic reform. Like Vietnam's economy, we've passed through various stages of development in our 27-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.

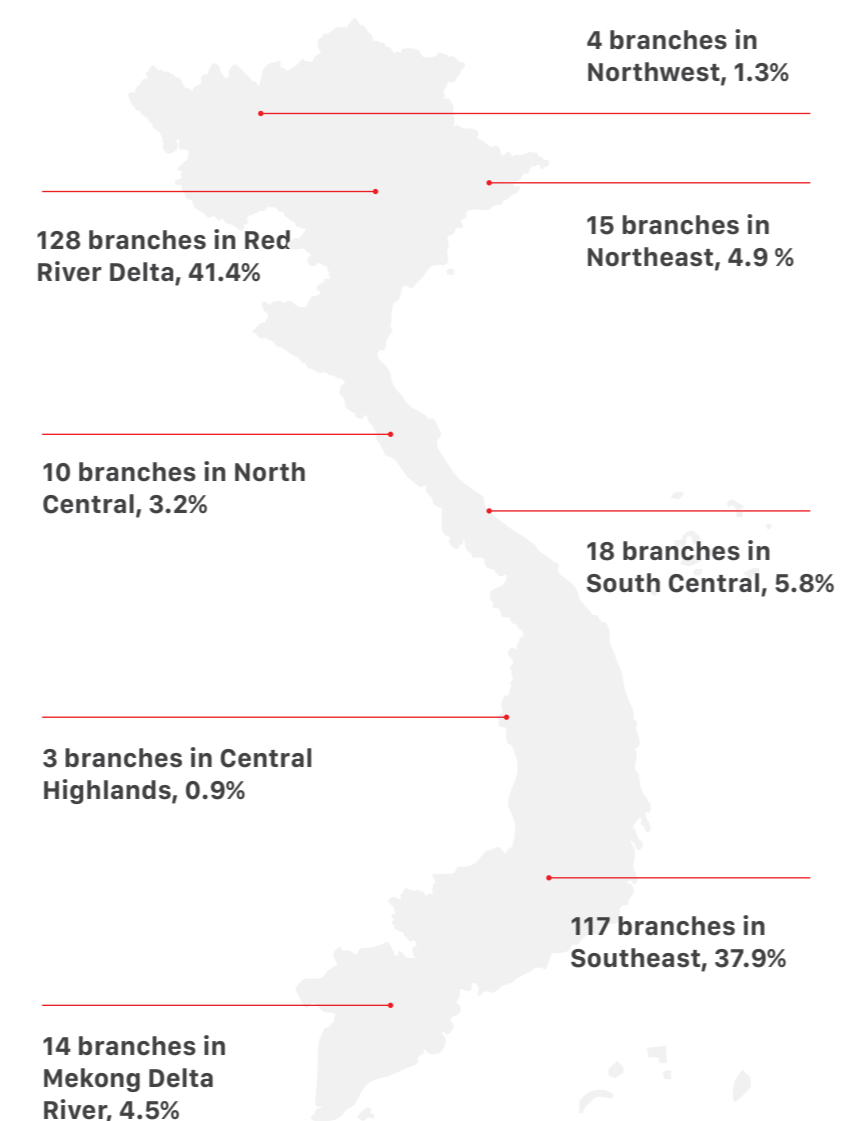
Our success will be measured by how well we complete our transformation and hit our milestones. Continuing our great achievements in 2019, Techcombank affirmed its leading position by reaching a new record profit before tax of over VND 15.8 trillion, welcoming over one million new customers, and becoming the leading bank for operating efficiency. We are confidently moving toward our 2021 targets and firmly continuing our transformation to become the best bank in Vietnam.

OUR BRANCH NETWORK AND SUBSIDIARIES

Our branch network

At 31 December 2020, Techcombank had one (1) Head Office, two (2) representative offices and three hundred and nine (309) transaction offices nationwide, with three (3) subsidiaries.

Operating in 45 of 63 provinces and cities across the country:



1

Head Office

2

Representative offices

309

Transaction offices nationwide

3

Subsidiaries

Subsidiaries

Techcom Securites Joint Stock Company (Techcom Securities – TCBS)

In 2020, Techcom Securities Joint Stock Company's (TCBS's) core businesses – Corporate Advisory and Wealth Management – conquered their four main goals from the Bank's five-year development strategy. Specifically:

- to be # 1 in Vietnam
- to add 100,000 affluent customers
- to have USD 100 million in revenue
- a market capitalisation of USD 1 billion.

TCBS 2020 highlights:

Corporate Advisory revenue grew 47% in 2020, hitting VND 1,717 billion – 53% of TCBS's total revenue

Wealth Management revenue grew a robust 54%, reaching VND 1,542 billion

Arranged corporate bonds for a foreign bank in Vietnam – specifically, in August helped HSBC successfully issue VND 600 billion in three-year bonds

For the fifth consecutive year, The Asset and Finance Asia magazines awarded TCBS "The best bond advisor in Vietnam"



Corporate Advisory revenue

VND 1,717 billion

▲47%

Pioneered a 100% online account opening service attracting 107,000 new customers – 27% of the market

TCBS's fifth year as HOSE's #1 market share for bond trading

Techcom Bond Fund remained Vietnam's largest domestic open-ended fund with 88% market share

OUR BRANCH NETWORK AND SUBSIDIARIES (CONTINUED)

Subsidiaries (Continued)

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

General information	
Operating licence	37/GPĐC-UBCK, granted by State Securities Commission on 13 June 2019
Address	Floors 10 and 21, Techcombank Tower, 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi
Nature of business	Securities
Charter capital	VND 1,123,595,510,000
Percentage owned by Techcombank	89%

Strong financial ratios

TCBS recorded healthy and prudent financial ratios in 2020. Total assets and revenue having grown steadily from 2016 to 2020. Total revenue and profit before tax was VND 3,260 billion and VND 2,692 billion in 2020, up 50% and 48% compared to 2019, respectively. Net profit margin remained stable at 83%. ROE reached 40%. Total assets increased from VND 6,304 billion to VND 8,759 billion, up 39% YoY.

Wealth management – outstanding achievements

In 2020, TCBS became a pioneer by consulting and arranging the first issuing of corporate bonds for a foreign bank in Vietnam. Specifically, on 10 August 2020, HSBC successfully issued VND 600 billion in three-year bonds under an arrangement by TCBS.

More than VND 110,000 billion of iBonds were distributed to more than 28,000 individual investors by TCBS between 2016 and 2020.

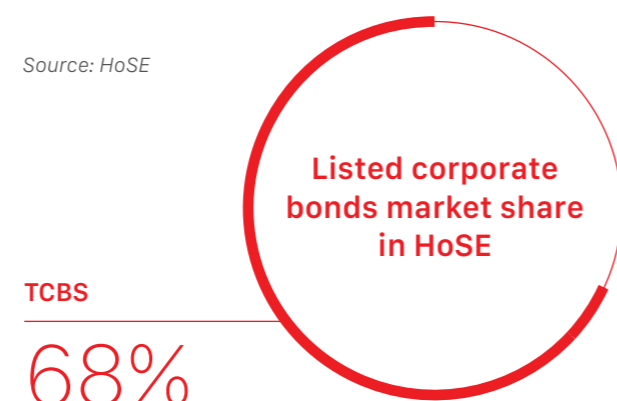
Total revenue and profit before tax

VND 3,260 billion

▲ 50%

Leading position in iBond market share

Source: HoSE



2020 Listed corporate bonds market share

VND 34,000 billion were distributed in 2020, an increase of 21% YoY. TCBS's market share for listed corporate bonds brokerage on Ho Chi Minh Stock Exchange (HoSE) is more than 68%, ranking number one for the fifth consecutive year.

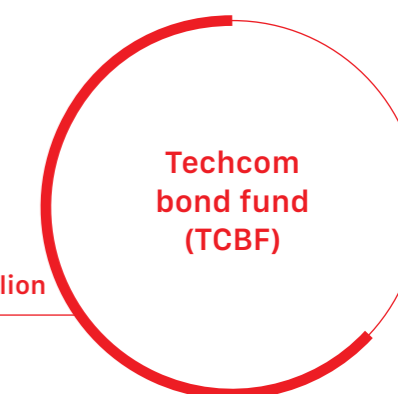
iFund – continued robust growth

Updated: 12/2020

Our iFund distribution volume reached VND 25,500 billion, up 36% YoY. Techcom Bond Fund (TCBF) was a top domestic open-ended fund in Vietnam with a total net asset value (NAV) of VND 24,130 billion (over USD 1 billion) as of 31 December 2020. It accounted for 63% of the market share of domestic funds in Vietnam.

VND 24,129 billion

63%



Domestic funds market share

Following Wealthtech strategy to develop products and services

TCBS is currently one of the investment banks pursuing the Wealthtech strategy. TCBS's goal is to become a leading financial technology company (Wealthtech) in the region during the course of the 2021–25 strategy.

The simplification of processes, procedures, paperwork, and the application of Wealthtech trends in business activities enabled TCBS to quickly grasp the customer market, thereby continuously changing to improve our service and customer experience.

TCBS is applying eKYC technology to opening online accounts in only five minutes, as well as harnessing artificial intelligence to create unique features for investing tools on the TCInvest platform. These activities helped bring TCBS 107,000 new customers in 2020, recording a rapid increase from the previous year, accounting for 27% of total accounts opened in the Vietnam market in 2020.

TCBS shows our appreciation and retains customers by offering them special benefits. For example, margin loan limits (dynamic margin) with interest rates equal to the demand deposit rate of 0.5% per year. iXu are rewarded to loyal customers. If they refer their friends or family members, both enjoy zero fees on transactions with value of VND 100 million. In 2020, TCBS rewarded over 25,407 iXu to customers, equivalent to VND 25.4 billion.

107,000

new customers in 2020

27%

market share of new accounts

TCBS rewarded our customers with

>25,407 iXu

equivalent to VND 25.4 billion

OUR BRANCH NETWORK AND SUBSIDIARIES (CONTINUED)

Subsidiaries (Continued)

Techcom Capital Joint Stock Company (Techcom Capital - TCC)

General information

Operating licence	33/GPĐC-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, Vietnam
Nature of business	Fund management
Charter capital	VND 44,943,820,000
Percentage owned by Techcombank	89%

Established in 2008, Techcom Capital Joint Stock Company (TCC) is Techcombank's subsidiary. TCC provides portfolio management and corporate finance advisory services, including corporate restructuring, fundraising and M&A.

2020 highlights

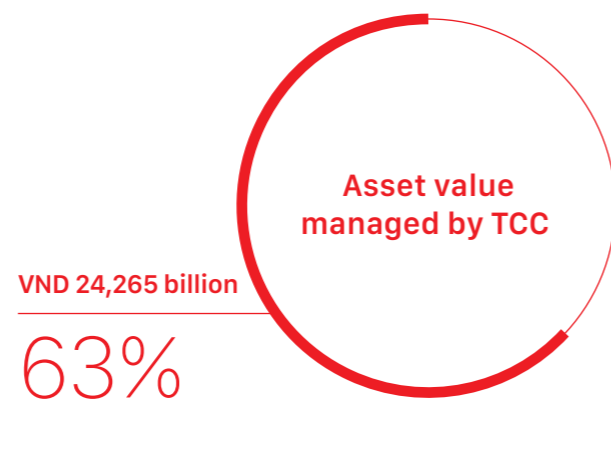
TCC's revenue and profit grew by 50% and 27% respectively compared to 2019.

TCC has assets under management (AUM) of VND 24.3 trillion. This contributes to 63% market share of domestic open-ended funds – maintaining the leading position in Vietnam.

TCBF reached 88% of Vietnamese bond open funds.

Techcom capital in 2020

In 2020, TCC's revenue and pre-tax profit were VND 330 billion and VND 234 billion, respectively, up 50% and 27% over the same period in 2019. Total assets increased by 69% to VND 488 billion. The pre-tax profit margin was maintained at the high level of 71%. ROE was 53%.



Pre-tax profit

VND 234 billion

▲ 26%

over the same period in 2019

Fund management

Techcom Bond Fund (TCBF)

Fund type: Open-ended, established in Vietnam

Total assets under management:

VND 24,129 billion as of 31 December, 2020

Investment strategy: TCBF aims to create long-term profit via principal and yield growth by investing in fixed-income assets, e.g. corporate bonds issued by enterprises with a high credit rating and bonds guaranteed by prestigious banks.

Performance: In 2020, TCC distributed VND 25,000 billion of TCBF fund certificates. As of 31 December, 2020, TCBF's net asset value increased by 57% YoY to VND 24,129 billion. TCBF remained Vietnam's top domestic investment fund in 2020 with 63% of market share.

NAV/fund unit

Year	2019	2020	Growth (%)
NAV/ fund unit (VND)	13,765	14,649	6.4%

Established: 8 September, 2015

Techcom Vietnam Real Estate Investment Trust (TCREIT)

Fund type: Listed closed-end, established in Vietnam

Total assets under management:

VND 62 billion as of 31 December, 2020

Investment strategy: TCREIT aims for long-term investor profit via regular and stable income from real estate and long-term real estate capital growth based on a flexible, effective real estate strategy. TCREIT invests in fixed-income assets with good quality credit such as: bank deposits, government bonds, corporate bonds, municipal bonds, top listed HOSE and HNX stocks.

Performance: TCREIT continued to maintain stable operations in 2020.

NAV/fund unit

Year	2019	2020	Growth (%)
NAV/fund unit (VND)	12,261	12,445	1.5%

Established: 29 June, 2016

Techcom FlexiCash Fund (FlexiCA\$H)

Fund type: Open-ended, established in Vietnam

Total assets under management:

VND 60 billion as of 31 December, 2020

Investment strategy: FlexiCA\$H aims to maximise profit from short-term corporate and individual customer cash flow. Investors get a 6% yield from 'idle money', commonly deposited at banks at the demand interest rate of <0.5% per year, for one or more weeks.

Performance: FlexiCA\$H focuses on highly liquid assets, e.g. term deposits, government bonds and short-term corporate bonds. VND 492 billion worth of FlexiCA\$H fund units were sold to more than 1,400 customers in 2020.

NAV/fund unit

Year	2019	2020	Growth (%)
NAV/ fund unit (VND)	10,678	11,163	4.5%

Established: 5 December, 2018

Techcom Equity Fund (TCEF)

Fund type: Open-ended, established in Vietnam

Total assets under management:

VND 76 billion as of 31 December, 2020

Investment strategy: TCEF aims for long-term investor profit through principal and yield growth of stocks of industry leaders or potential leaders (including those with large market capitalisation) and bonds issued by enterprises with a high credit rating or guaranteed by prestigious banks, potential long-term growth stocks and/or stocks of strong players, high-value stocks, stocks with a high, stable yield.

Performance: In 2020, the market dropped sharply at the beginning of the year due to the impact of the COVID-19 pandemic, but then recovered positively. In that context, TCEF continued to invest in stocks of leading enterprises, concentrated in the VN30 index basket, achieving a 2020 growth rate of 13.5%.

NAV/fund unit

Year	2019	2020	Growth (%)
NAV/fund unit (VND)	13,364	15,170	13.5%

Established: 8 September, 2015

OUR BRANCH NETWORK AND SUBSIDIARIES (CONTINUED)

Subsidiaries (Continued)

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

Techcombank AMC is a market leader in debt settlement and asset management.

General information

Operating licence	0102786255, granted by Hanoi Department of Planning and Investment on 18/06/2008, 22nd amendment on 3 May 2019
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%

Vietnam Technological and Commercial Joint Stock Bank – Asset Management Company Limited (Techcombank AMC) takes over the Bank's bad or overdue debts. With a strong team of nearly 300 young, highly skilled professionals, it's a market leader in debt settlement and asset management. Techcombank AMC's remarkable 2020 result made a significant contribution to our stellar overall performance.



Specifically, cash collection was VND 2,830 billion, including VND 1,260 billion recoveries contributing to Techcombank's profit and VND 1,570 billion on-balance-sheet, ensuring the non-performing loan ratio and the capital adequacy ratio of Techcombank were on track.

In 2020, Techcombank AMC focused on and upgraded the management software, which was a supporting tool for core debt management activities. In 2021, besides its financial targets, Techcombank AMC aims at optimising debt management by innovating models, upgrading the software system, digitalising and automating recovery forecasts in order to meet the Bank's credit objectives.

Cash collection

VND 2,830 billion

Recoveries contributing to
Techcombank's profit

VND 1,260 billion

04

TODAY,
TOMORROW
AND ALWAYS**Today**

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Today

Our transformation during
2016–20 starts to bear fruit

TODAY

The success of our 2016–20 transformation journey

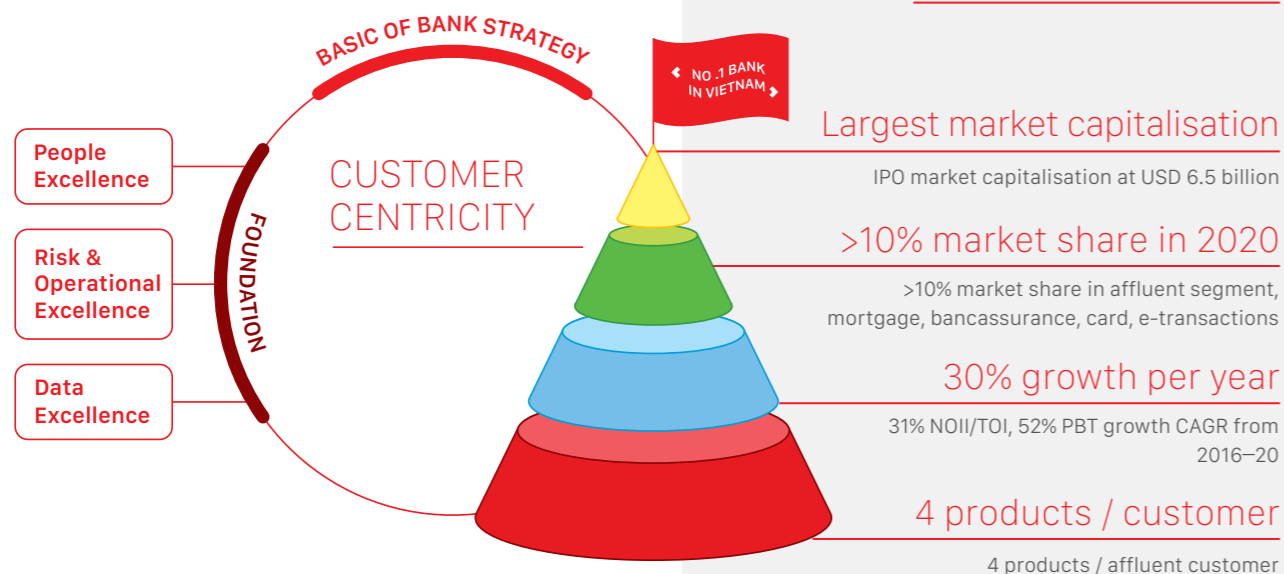
Thanks to our vision of 'Change banking, change lives. Uplifting everyone to reach their full potential', Techcombank is committed to creating value for all parties including customers, employees, shareholders and other stakeholders. Techcombank aspires to become the most chosen, reliable and trusted financial partner of customers, providing employees with the best working environment and bringing in shareholders through attractive, long-term benefits.

Techcombank aspires to become the most chosen, reliable and trusted financial partner of customers

Techcombank's 2016–20 Strategy

In 2016, Techcombank set bold and ambitious aspirations with a clear strategy – customer-centricity.

The Bank's relentless efforts



- ▶ To achieve this aspiration, we have put all of our efforts into understanding and responding to our customers' needs by providing outstanding products and services to help them realise their dreams and succeed in their own way. Whatever we do, we always ask ourselves, "Is this helping our customers?" Because we can succeed only when customers succeed; the success of customers is the success of the Bank. As a result, the number of customers using Techcombank's services has increased significantly, with more than 8 million individual customers and almost 160,000 corporate customers, of which nearly 2,000 are large corporate customers, but more important is the huge increase in the number and value of transactions.
- ▶ We create the best working environment for employees, with many opportunities to develop capabilities, contribute values and build successful careers. At Techcombank, we recruit, develop and retain the best candidates. We build a clear career roadmap, motivating more than 11,000 employees to make their best efforts to devote themselves to the organisation. Competitive salaries, bonuses, professional and skills training courses are definitely worthy investments for the future of each employee, and for the whole Bank in general. The Bank renewed its focus on building and promoting a culture of 'customer-centricity', by adopting a new Agile working method and environment, as well as fostering an ever-changing and innovative mindset to stay on top.

8.2 million individual customers 159,886 corporate customers

individual customers corporate customers

- ▶ In order to provide shareholders with attractive long-term benefits, the Bank has implemented a strong business development strategy in parallel with strict application of corporate governance and risk management practices following international standards.

Non-stop efforts in five years of strategic transformation (2016–20) have helped the Bank get to the forefront of operational efficiency, affirming both the success of its focus on customer-centricity and that steadfastly pursuing digital transformation is the right direction.

#1	Player in local fund AUM and Bond	2016	2020
		TOI VND Trillion	11.8 → 27.0 (+23.0% p.a.)
#1	Bank in Vietnam on VISA cards		
#1	CASA ratio in the market	ROA	1.5% → 3.1% (+160 bps)
8X	Increase in e-banking customers	CASA ratio	22.7% → 46.1% (+23.4% pts)

TODAY

The success of 2016–20 transformation journey (Continued)

The value and solid foundation created by Techcombank has been recognised by major organisations in the world with awards including: 'The best bank' in Vietnam by Finance Asia, 'The most attractive employer in 2020' by Anphabe, and 'The best transaction bank' in Vietnam by Asian Banker.

External recognition



Best Bank in Vietnam



Vietnam House of the year

Awarded the highest credit rating in Vietnam



Employer of choice



Top 2 Most valuable Brand in banking industry



Ba3



- ▶ Best SME bank in Vietnam
- ▶ Best Home Loan products in Vietnam
- ▶ Best Payment Bank in Vietnam



BB-/Stable/B

The success of the 2016–20 strategic journey has laid a solid foundation for the next five-year transformation (2021–25) of the Bank with its ambition to become a USD 20 billion bank by 2025.

To realise this aspiration, Techcombank needs to focus on:



Doubling down

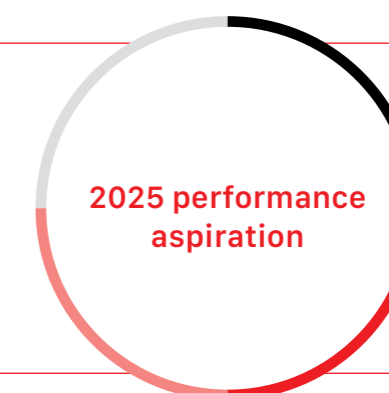
- ▶ Focusing on the biggest sources of returns such as mortgages, CASA and wealth management
- ▶ Promoting strong areas such as affluent, real estate, and payments.

CASA ratio
~55%

NFI/TOI ratio
~30%

Market value
USD
20 billion

Target ROE
~20%



Diversifying

- ▶ Ensuring the future growth of core areas
- ▶ Participating in future growth areas such as daily banking activities, partnerships and ecosystems
- ▶ Diversifying sources of income, capital and risks to ensure future sustainability

The Bank will continue investing in three key enablers: digital, data, and talent to execute the 2021–25 strategy.

TODAY

2020 – Unprecedented year, unprecedented results

Achievements in 2020

A leading position in many areas



#1 in bond market

68% market share in corporate bond brokerage on HoSE



#1 among listed banks in CAR

16.1%



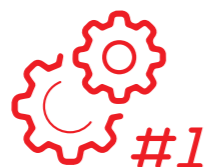
Lowest non-performing loan ratio

NPL: 0.5%



#1 in Visa cards

c.30% market share



#1 in efficiency

ROA: 3.1%



#1 in CASA ratio

46.1%



#3 in profit before tax

VND 15,800 billion

Credit rating

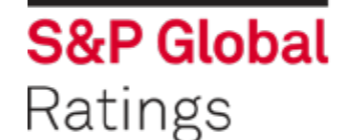
In December 2020, Moody's Investor Service reaffirmed Techcombank's rating at Ba3 (BCA), reflecting the Bank's stable asset quality, solid profitability and strong capitalisation. Among the 19 banks rated by Moody's in Vietnam, Techcombank is the only one with a BCA constrained by the sovereign rating.



*Source: www.moody's.com, updated on 18 March, 2021

Category	Rating
Outlook	Positive
Counterparty Risk Rating	Ba2
LT Bank Deposits – Foreign Currency	Ba3
LT Bank Deposits – Foreign Currency	Ba3
Baseline Credit Assessment	ba3
Adjusted Baseline Credit Assessment	ba3
Counterparty Risk Assessment	Ba2(cr)
Issuer Rating	Ba3

Also in 2020, Standard & Poor's (S&P) maintained Techcombank's rating at BB-/B with a "Stable" outlook. According to S&P, the rating reflects "Techcombank's good franchise particularly in the retail and SME segments in Vietnam", and the Bank "will maintain its entrenched retail franchise and above industry average profitability".



*Source: www.standardandpoors.com, updated on 11 September, 2020

Category	Rating
Issuer Credit Ratings	BB-/Stable/B
Outlook	Stable
Local Currency LT	BB-
Local Currency ST	B
Foreign Currency LT	BB-
Foreign Currency ST	B

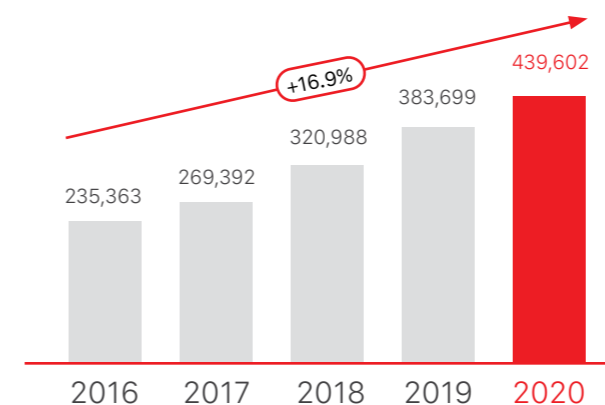
TODAY

2020 – Unprecedented year, unprecedented results (Continued)

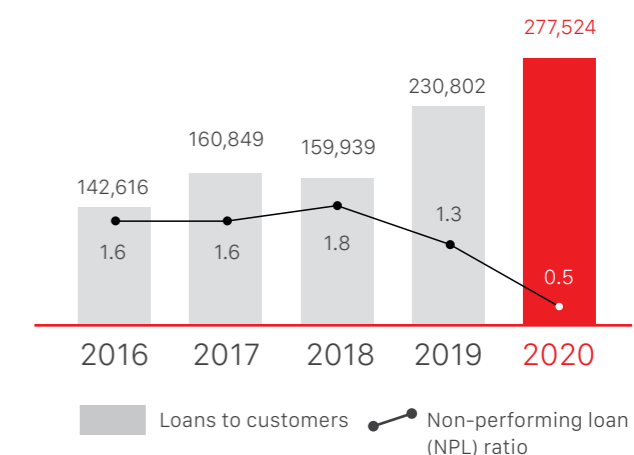
Financial highlights

Indicator (VND million)	2016	2017	2018	2019	2020
Balance sheet					
Deposits from customers	173,448,929	170,970,833	201,414,532	231,296,761	277,458,651
Loans to customers	142,616,004	160,849,037	159,939,217	230,802,027	277,524,615
Total assets	235,363,136	269,392,380	320,988,941	383,699,461	439,602,933
Total shareholders' equity	19,586,476	26,930,745	51,782,705	62,072,767	74,614,786
Profit or losses					
Net interest income	8,142,221	8,930,412	11,389,939	14,257,844	18,751,209
Net fee and commission income	1,955,764	3,926,084	3,272,580	3,253,353	4,188,778
Total operating income	11,833,153	16,457,988	18,349,768	21,068,145	27,042,526
Profit before tax	3,996,640	8,036,297	10,661,016	12,838,268	15,800,296
Provision expenses	(3,661,091)	(3,609,226)	(1,846,245)	(917,368)	(2,611,035)
Profit after tax	3,148,846	6,445,595	8,473,997	10,226,209	12,582,467
Profitability					
CASA balance	39,395,634	41,243,055	57,801,153	79,715,616	128,038,427
CASA ratio	22.7%	24.1%	28.7%	34.5%	46.1%
Net interest margin (NIM LTM)	4.1%	4.0%	3.7%	4.2%	4.9%
Cost to income ratio (CIR)	35.3%	29.2%	31.8%	34.7%	31.9%
ROA LTM	1.5%	2.6%	2.9%	2.9%	3.1%
ROE LTM	17.5%	27.7%	21.5%	17.8%	18.3%
Capital adequacy and asset quality					
CAR (Basel II)	N/A	9.4%	14.6%	15.5%	16.1%
Non-performing loan (NPL) ratio	1.6%	1.6%	1.8%	1.3%	0.5%
Liquidity					
Loan to deposit ratio (LDR)	71.8%	76.6%	65.5%	76.3%	78.1%
Short-term funding to medium and long-term loans	41.5%	43.0%	31.5%	38.4%	33.9%

Total assets (VND billion)



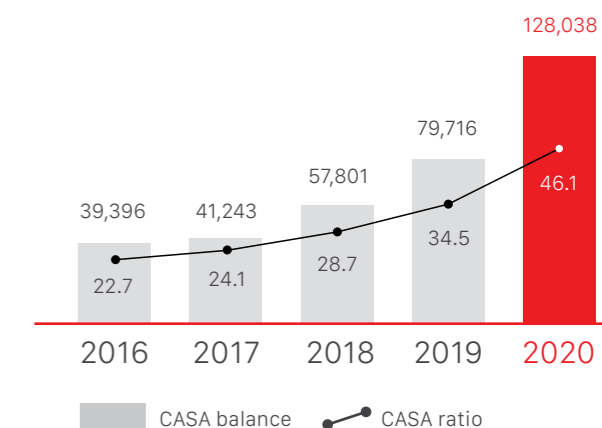
Loans to customers (VND billion) and Non-performing loan (NPL) ratio (%)



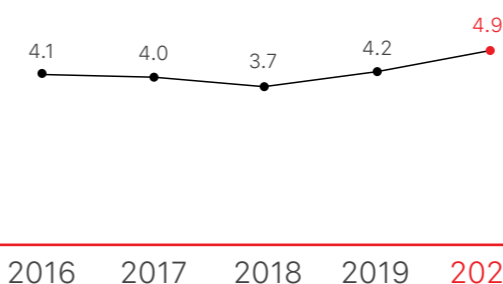
Profit after tax (VND billion)



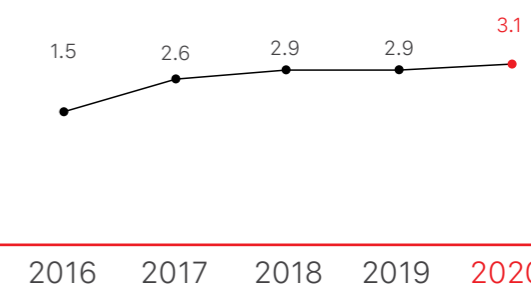
CASA balance (VND billion) and CASA ratio (%)



NIM* (%)



ROA* (%)



(*) Last 12 months

TODAY

Management report

Techcombank has strong results over an extraordinary year

Total operating income
VND 27.0 trillion

▲ 28.4%

Profit before tax
VND 15.8 trillion

▲ 23.1%

A Basel II capital
adequacy ratio
16.1%

CASA ratio reached
a new record of
46.1%

Unprecedented year, unprecedented results

Governments responded in different ways as COVID-19 brought significant volatility to world economies. However, Vietnam's success in tackling COVID-19 not only showed a capacity for competent governance, but also drove financial gains, making it one of few countries to record positive growth in 2020. This, combined with the rapid uptake of Techcombank's digital services over the past five years, delivered our shareholders strong results over an extraordinary year. Highlights include:

- ▶ Strong profit before tax (PBT) of VND 15,800 billion (up 23.1%) on total operating income (TOI) of VND 27 trillion (up 28.4%).
- ▶ 21 consecutive quarters of YoY revenue growth
- ▶ A record CASA to deposit ratio of 46.1%
- ▶ A market leading 3.1% return on assets
- ▶ A Basel II capital adequacy ratio of 16.1% – Techcombank is very well capitalised to support customers and enable economic growth in a post-pandemic rebound
- ▶ 14.6% YoY rise in customers (total now is approximately 8.4 million).

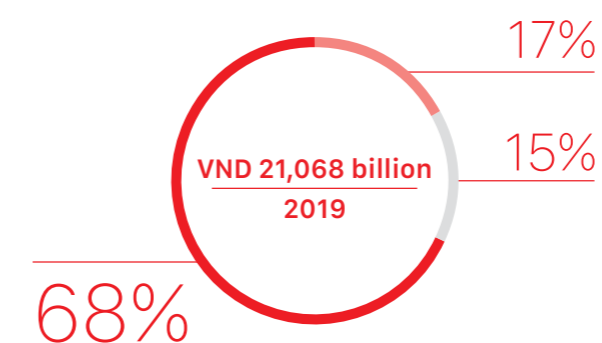
Items	2020	2019	YoY Growth	
	VND billion	VND billion	VND billion	%
Total Operating Income (TOI)	27,043	21,068	5,975	28.4%
▶ Net interest income	18,751	14,258	4,493	31.5%
▶ Net fee and commission income	4,189	3,253	936	28.8%
▶ Other non-interest income	4,103	3,557	546	15.3%
Operating expenses	(8,631)	(7,313)	1,318	18.0%
Provision expenses for credit loss ⁽¹⁾	(2,611)	(917)	1,694	184.7%
Profit before tax (PBT)	15,800	12,838	2,962	23.1%

⁽¹⁾ Excluding impacts of debts regulated by Circular 1

Highest TOI growth for the last five years with steady rises in interest and fee income.

2019–20 TOI structure

- Net interest income
- Net fee and commission income
- Other non-interest income

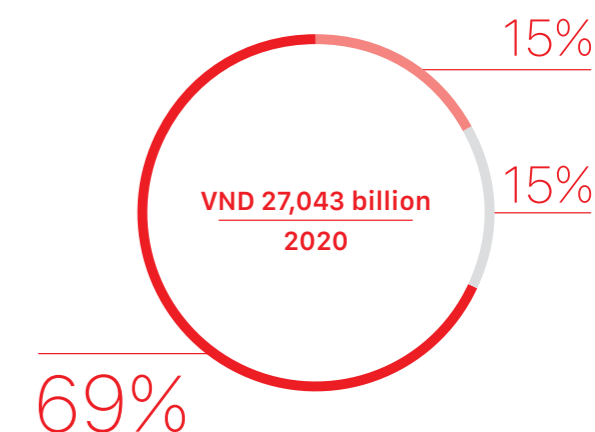


2020's TOI grew 28.4% YoY, reaching VND 27.0 trillion. The structure of TOI remained a healthy mix of interest and non-interest income.

Net interest income grew 31.5%, led by four main drivers:

- ▶ Reaching SBV's 23.3% credit limit
- ▶ A shift in credit structure
- ▶ Lower funding costs from declining term deposit rates
- ▶ Increased CASA balances.

Net fee income grew 28.8% in 2020 despite COVID-19 slowing business activity. Bond related fee income was the largest contributor at 51.6%, as we helped some of our large corporate customers access capital via local bond markets and investors seek higher bond yields in a declining interest rate environment.



TODAY

COVID-19 drove a shift in our credit mix

At the end of 2020, Techcombank's separate credit balance was VND 318,035 billion, reflecting credit growth of 23.3% YoY. This was one of the highest limits the SBV granted, and helped to maintain the Bank's unrivalled capital position and strong franchise, thanks to our robust risk management.

Against the COVID-19 backdrop, retail and SME credit demand was subdued in the first part of 2020 before recovering over the last few months to reach 5.6% and 15.4% by the end of 2020, respectively. Our large corporate customers continued to demonstrate strength and resilience, growing credit through loans and bonds by 45% YoY.

Techcombank's separate credit balance was

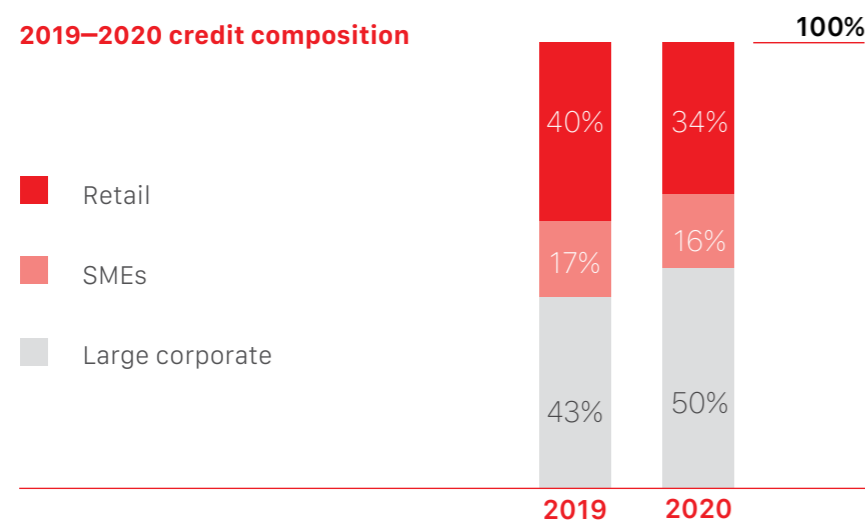
VND
318,035
billion

reflecting credit growth of

23.3%

This helped to maintain the Bank's strong capital position and business orientation.

2019–2020 credit composition



A key target of our five-year strategy (2016–20) is shifting the deposit structure from term deposits to CASA to reduce funding costs and deliver sustainable growth.

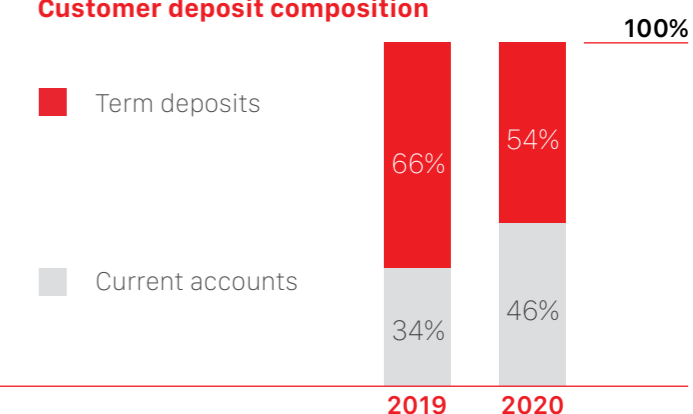
As at 31 December 2020, customer deposits reached VND 277,459 billion, a 20% YoY growth driven mainly by the significant 60.6% increase in current accounts through continuous improvement and new solutions on our digital platform to meet their increasing demands. A 42.9% rise in retail e-banking customers reflects the rapid shift to e-banking, with transaction volume and value up 108.8% and 84.2% YoY, respectively. These were the main factors contributing to the continuous growth and a record CASA ratio of 46.1% at the year end. Meanwhile Techcombank proactively lowered our term deposit balance, a decrease 1.4% YoY, to lower the overall cost of funds. Lastly, with interest rates lower in 2020, both CASA rates and term deposit rates declined, helping us to further boost NIM.

Our 46.1% CASA ratio – the best in Vietnam.

Customer deposits reached

VND
277,459
billion

Customer deposit composition



Deposit composition by customer segment	31/12/2020		31/12/2019	
	VND billion	Proportion	VND billion	Proportion
Term deposits	149,420	100.0%	151,581	100.0%
Individual	119,550	80.0%	121,187	79.9%
Institutional	29,870	20.0%	30,394	20.1%
Current accounts⁽¹⁾	128,038	100.0%	79,716	100.0%
Individual	76,089	59.4%	46,025	57.7%
Institutional	51,949	40.6%	33,691	42.3%

⁽¹⁾Inclusive of marginal deposits

TODAY

Management report (Continued)

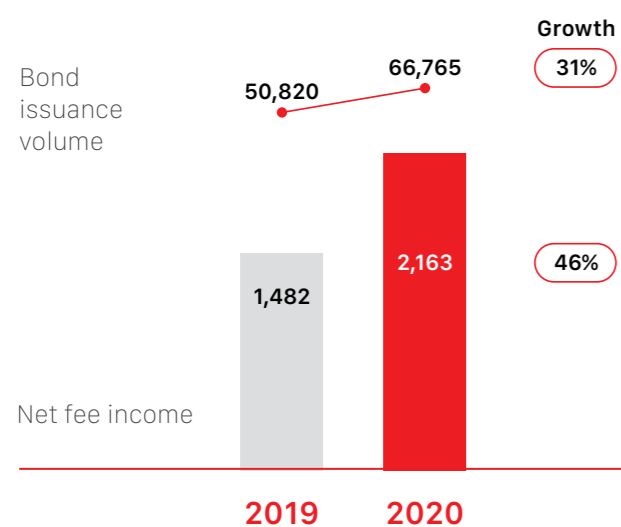
Unprecedented year, unprecedented results (Continued)

Net fee income from service activities increased 28.8% YoY with a significant change in the proportion of fee products.

Net fee and commission income has been identified as key to sustainable growth and ROA improvement. Our aim is to ensure we hit growth targets while prudently managing our balance sheet. Accordingly, 2020 net fee income grew 28.8% with a significant increase in consulting fees and our bond distribution agency.

Lower term deposit rates have led to higher demand from large corporate and retail customers, who are seeking new investment channels. Techcombank continued to promote bond-related services with a wide range of products tailored to each segment's needs. Bond issuance value (excluding credit institution bonds) was VND 66.8 trillion, up 31.5% YoY, and bond distribution value through channels was VND 78.9 trillion, up 32.2% YoY. As a result, bond-related services income (including bond underwriting, trustee and agency, brokerage and fund management) grew 45.6% YoY. The contribution of these fees grew from 45.5% in 2019 to 51.6% in 2020.

Bond-related fees (VND billion)



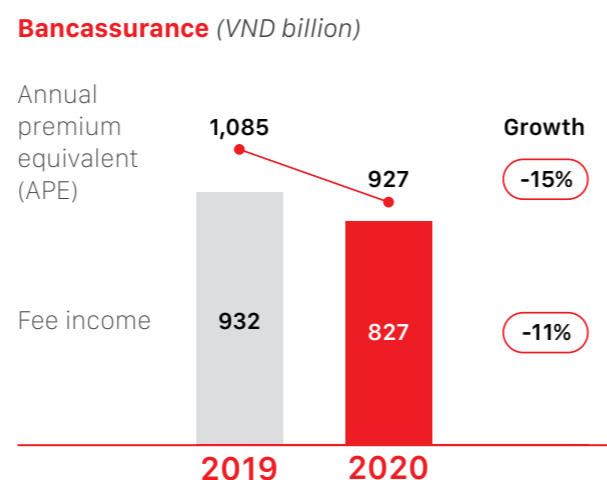
Net fee and commission income structure	2020		2019	
	VND billion	Proportion	VND billion	Proportion
Income related to bond (bond underwriting, trustee and agency, brokerage and fund management)	2,163	51.6%	1,482	45.5%
Income from bancassurance	827	19.8%	932	28.6%
Card services	474	11.3%	443	13.6%
Payment and cash services (excluding card services)	767	18.3%	525	16.1%
Other services	(43)	-1.0%	(128)	-3.9%
Net fee and commission income	4,189	100.0%	3,253	100.0%

TODAY

Management report (Continued)

Unprecedented year, unprecedented results (Continued)

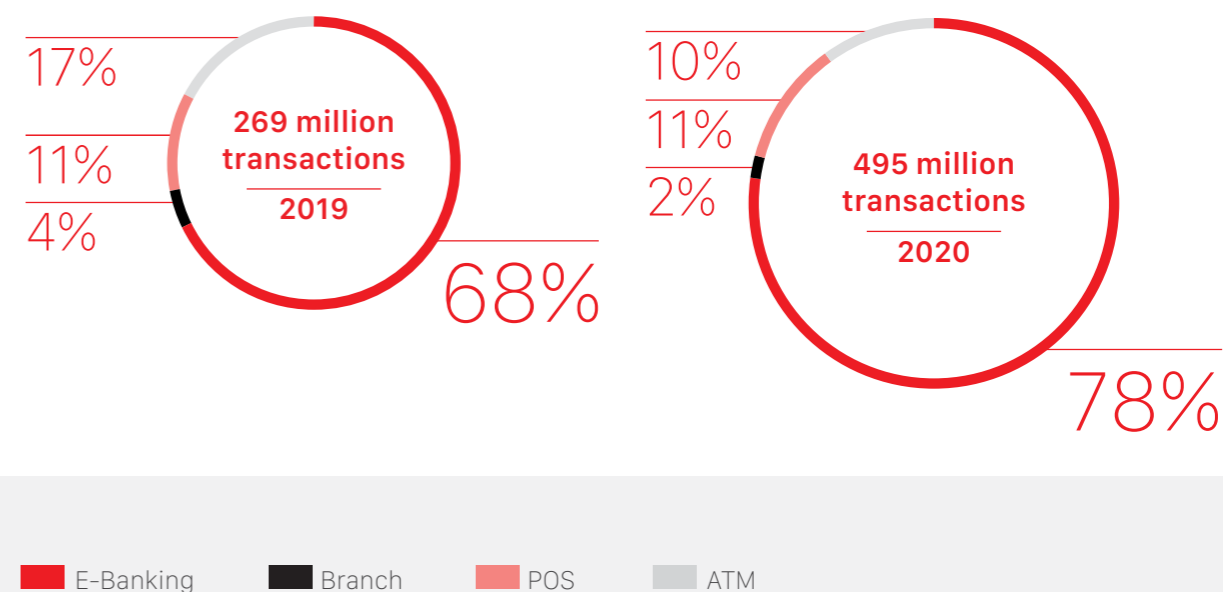
Social distancing saw bancassurance fees decrease slightly by 11.2% YoY, to end 2020 at VND 827 billion. However, as economic activities rebounded, Techcombank's efforts in restructuring the bancassurance operating model started to yield positive initial results. Annual premium equivalent (APE) in Q4/2020 improved, with higher sales productivity than previous quarters. With our end-to-end customer digitalisation journey and self-discovery sales tools, we expect to soon regain our top position in the insurance business.



One positive impact of COVID-19 for the Bank is the rise of online experiments and transactions. Businesses already on digital transformation journeys enjoyed an immediate competitive advantage. With a well-established digital foundation, Techcombank was able to make full use of this trend as reflected in the impressive 39.7% growth of credit and debit cards (with

transaction volume and value growth of 43.2% and 56.2% YoY, respectively). At the same time, we saw a clear shift from traditional transaction channels to digital – from 68.2% in 2019 to 77.5% in 2020. As a result, Techcombank firmly maintains our #1 position for Visa transaction volume and value – growing card and payment service fees by 28.3%, with total net fee and commission income maintained at 29.6%.

Share of retail transactions by channel



TODAY

Management report (Continued)

Unprecedented year, unprecedented results (Continued)

Cost efficiency

We continue to manage costs and optimise resources to deliver outstanding financial performance, and invest in technology to improve efficiency and effectiveness, promote growth and better serve clients.

Items	2020		2019		YoY Change	
	VND billion	Proportion	VND billion	Proportion	VND billion	
Salaries and related expenses	5,172	60.0%	4,415	60.4%	757	17.1%
Office and asset rental, tools and equipment, utilities, depreciation and amortisation expenses	1,382	16.0%	1,193	16.3%	189	15.8%
Publication, marketing and promotion	344	4.0%	288	3.9%	56	19.4%
Payment of insurance premium for customers' deposits	268	3.0%	229	3.1%	39	17.0%
Training and education expenses	78	1.0%	57	0.8%	21	36.8%
Administrative expenses	103	1.0%	154	2.0%	-51	-33.1%
Consultancy expenses	377	4.0%	231	3.2%	146	63.2%
Other operating expenses	907	11.0%	746	10.2%	162	21.7%
Total operating expenses	8,631	100.0%	7,313	100.0%	1,319	18.0%
Average number of employees (person)	11,479		10,457		1,022	9.8%
TOI/employee/year	2.4		2.0		0.3	16.9%
Cost/employee/year	0.8		0.7		0.1	7.5%
CIR	31.9%		34.7%		-280bps	

Under instruction No. 02/CT-NHNN dated 31 March 2020 by the Governor of the SBV on urgent solutions to strengthen prevention, combat and overcome difficulties of the COVID-19 pandemic, the Bank committed to manage operating expenses and reduce discretionary costs. This slowed operating expenses, with an increase of 18% YoY, down from 25.2% last year. The cost to income ratio decreased to 31.9% from 34.7% and was below our 2020 target of around 35%.

Cost to income ratio

▼ 31.9% in 2020
34.7% in 2019

Staff expenses

We believe staff are key to our success and we're attracting, developing and retaining the most talented people. Personnel expenses grew 17.1% YoY, driven by a 9.8% headcount increase and a 7.5% increase in average cost per staff due to reshaping our workforce to execute the 2021–25 strategy.

Our business is promoted through education and leadership development programs and business skills training programs. The pandemic took this online to ensure all employees had the skills and expertise to meet client needs and their own career aspirations. The online shift grew training and education expenses by 36.8% YoY.



Premises and equipment, depreciation and amortisation

Investment in technology is critical to keep us flexible and competitive, while creating opportunities to develop new business models. Premises and equipment, depreciation and amortisation expenses grew to VND 1,382 billion driven by the higher depreciation expenses of transformation projects and upgrading of IT infrastructure.

Other operating expenses

2020 was a milestone on our transformation journey as the Bank prepared to execute the 2021–2025 strategy. The increased costs involved were partly offset by per diem decreases and lower conference expenses with events cancelled and travel restricted.

TODAY

Management report (Continued)

Unprecedented year, unprecedented results (Continued)

Effective balance sheet and liquidity risk management

Balance sheet management

Despite COVID-19 ravaging the global and Vietnamese economy, Techcombank's balance sheet grew sustainably. Highlights include:

- ▶ Total consolidated assets at 31 December 2020 reached VND 439,603 billion, a VND 55,903 billion increase (up 14.6% YoY).
- ▶ Lending and corporate bonds grew by VND 62,583 billion (up 24%).
- ▶ Deposits and valuable papers issuance increased by VND 56,601 billion (up 22.8%) compared to 2019.
- ▶ Strong, rapid CASA growth in the deposits structure to optimised funding costs, CASA accounting for 46.1% of total customer deposits at year end.
- ▶ Asset quality stayed healthy as reflected in NPL ratio going from 1.3% to 0.5% due to a prudent write off of legacy loans totaling VND 3,364 billion.
- ▶ Robust capital total equity grew by VND 12,542 billion (up 20.2%) compared to 2019.



Indicator	2020	2019	YoY Change	
	VND billion	VND billion	VND billion	
Credit	324,253	261,400	62,853	24.0%
Market 1 lending	277,525	230,802	46,723	20.2%
Corporate bonds	46,729	30,598	16,130	52.7%
Customer deposit and valuable paper issuance	305,358	248,757	56,601	22.8%
Market 1 deposits	277,459	231,297	46,162	20.0%
Valuable papers	27,900	17,461	10,439	59.8%
Capital and funds	74,615	62,073	12,542	20.2%
Capital	35,526	35,478	48	0.1%
Reserves	6,790	5,173	1,617	31.3%
Retained earnings	31,816	21,130	10,686	50.6%
Non-controlling interests	484	292	192	66.0%



Capital management

On 1 July 2019, SBV certified that Techcombank had complied with the the Basel II standards, Pillar I. We implemented all three pillars before deadline – the Internal Capital Adequacy Assessment Process (ICAAP) was officially issued at Techcombank at the end of 2020. Techcombank's consolidated CAR under Circular 41 reached 16.1% as at 31 December 2020, 8.1% above the SBV requirement of 8%. Based on our CAR, Techcombank remains among Vietnam's best capitalised bank. The results are supported by steadily high profit growth in 2020 and our no cash dividend policy. High CAR ratio is our outstanding competitive advantage, helping us to actively manage the balance sheet in the best interest of customers, shareholders and employees.



Liquidity management

Techcombank always complies with SBV's liquidity ratio limit under Circular 36/2014/TT-NHNN, replaced by Circular 22/2019/TT-NHNN. Additionally, Techcombank has developed internal liquidity management ratios, boosting and improving our liquidity forecasts capacity and capabilities.



A sound framework of liquidity management policies and regulations was established and approved by the Board of Directors. Liquidity risk management, measurement, monitoring, and forecast systems are overseen by the Risk Committee, an advisory body supporting the CEO in issuing the Bank-wide liquidity risk limit. The ALCO is the executing and monitoring committee for implementing liquidity risk management, compliance to limits, and warning on limit thresholds as regulated by the Risk Committee.

TODAY

Management report (Continued)

Unprecedented year, unprecedented results (Continued)

Liquidity management (Continued)

The liquidity stress test was conducted, based on large scale, market-wide liquidity event scenarios and Techcombank-specific scenarios, especially in the context of 2020's COVID-19 complications. The monthly liquidity stress test aims at forecasting cash flow in a given period, with the assumption that the Bank faces situations like withdrawal increases or under limited interbank funding access. Our liquidity contingency plan (LCP) was also prepared, providing timely response as preventive measure against liquidity crisis.

In 2020, Techcombank mobilised USD 500 million of medium and long-term resources from international markets. This diversifies our capital structure, optimises capital costs and fully complies with SBV prudential ratio regulations.

Liquidity ratios	2020 SBV limit	Actual 31/12/2020	2019 SBV limit	Actual 31/12/2019
Liquidity reserve ratio	≥ 10%	14.4%	≥ 10%	22.1%
30 days solvency ratio – VND	≥ 50%	60.0%	≥ 50%	71.3%
Lending deposit ratio	≤ 85%	78.1%	≤ 80%	76.3%
Short-term funding for MLT loans ratio	≤ 40%	33.9%	≤ 40%	38.4%

Techcombank achieved all 2016–20 main targets by determined execution of our transformation strategy. The Executive team and our employees are confident we're on the right track and set up to deliver ongoing success.

Results of Business Units

Retail Banking Group

2020 was a triumphant year for Techcombank's Retail Banking Group (RBG), having acquired over one million new customers. This led to 4.9 million customers using at least one product/service, of which affluent and mass affluent accounted for 16%, in line with the Bank's 2016–20 strategy target.

Individual customer deposits grew impressively in both number and volume. Online deposit products (Online Savings) saw an increase of 65% YoY. The phenomenal expansion of CASA and deposit volume was built on Techcombank's free online transaction program (Big Zero Fee) and debit cash-back (1% for debit card transactions). As a result, total deposit volume grew 17%, and the CASA balance grew 65.3% YoY. Contributing 70%, affluent and mass affluent customers remained the major depositors. Outstanding products and services for target customers and continuous investment in technology, particularly digital banking, also drove sustainable deposit growth, especially online savings.

Techcombank continued our leading position in card franchise and e-banking. In 2020, among 3.8 million customers using FMB/FIB and e-banking, the total number of transactions reached 383 million and individual customer's card transactions totaled 69.5 million. To round off 2020, National Payment Corporation of Vietnam (NAPAS) again awarded Techcombank, market leader in merchant electronic transfer and domestic card payments. The most important awards we won for outstanding cashless payment services in the domestic market were:



2020 Outstanding Bank Performance



Leading Bank in 24/7 Interbank Fast Transfer



Bank with Most Active Customer Base in 2020.



TODAY

Management report (Continued)

Results of Business Units (Continued)

Retail Banking Group (Continued)

NAPAS applauded Techcombank for helping regulators implement non-cash payment policies such as our breakthrough Zero Fees for e-Banking, 1% cash-back debit card and other card payment and e-bank transaction promotions. These policies, developed in line with NAPAS standards and the SBV national payment system, drove considerable transaction volumes, high customer satisfaction and better risk management. We're now installing chips on our cards, further complying with SBV requirements.

As per SBV requirements, Techcombank also actively participated in devising relevant policies and directions, in line with NAPAS' Operational Condition Standards in the gradual chip-standard domestic card transformation journey.

As 2020 concluded, Visa again honoured Techcombank with the most prestigious award 'Best Issuing and Payment Bank in 2020' for the third consecutive year. This award, together with six others, make Techcombank the most awarded bank, affirming our efforts to deliver the best possible card services. Visa also recognised Techcombank's steady and sustainable growth since 2016, with our new customer and market engagement programs, including a safe, modern payment solution.



The six awards Visa granted us are

Leading Bank
in Online Card
Payment Volume

Leading Bank
in Debit Card
Transaction
Volume

Leading Bank
in Credit Card
Transaction
Volume

Leading Bank
in Total Card
Transaction
Volume

Leading Bank
in Transaction
Volume Growth
in 2 years

Leading Bank
in Visa Token
– Transaction
Volume via
Samsung Pay

Our impressive bundle of Visa and NAPAS awards reaffirms Techcombank's relentless efforts to deliver convenient payment services and to realise Government and SBV aims of promoting cashless payment.

TODAY

Management report (Continued)

Results of Business Units (Continued)

Retail Banking Group (Continued)

Despite the up and downs of 2020, Techcombank's outstanding retail loan balance increased slightly to VND 111,139 billion. The focal product – residential mortgages – reached VND 87,309 billion.

These results come from the success of our customer-centricity strategy to improve the customer experience. They also show the effectiveness of outstanding lending solutions/policies with a modern approval process on Intelligence Decision Computing's platform, among others. Techcombank has gradually redefined our pricing policies, making our rates more competitive based on customers' profile and credit quality.

In February 2021, Asian Banker awarded Techcombank 'Best Mortgage/Home Loan Product' in retail banking for the second time. The award is a testament to Techcombank's continuous product development, process improvements and our risk management model for mortgage products in recent years.

Outstanding loan balance

VND
111,139
billion

The focal product – residential mortgages

VND
87,309
billion

At the same time, our insurance business saw encouraging improvements. A stronger strategic partnership with Manulife is delivering customers the possible best life insurance services, namely ED, UL2019, ILP, Titan 1.0 and digital insurance consulting services via iTCBlife.

Using a customer referral model, Techcombank continues to work closely with our subsidiary, TCBS, to provide products and services aligned to individual investment demands. TCBS's offers include:

- ▶ Corporate bonds
- ▶ Certificates of fund
- ▶ Insurance-linked investment products
- ▶ Investment products bundled with lending products
- ▶ Customer demands and an improved experience.

These efforts paid off in early 2021, with TCBS's investment product recognised as 'Best Investment Product' by The Asian Banker.

Techcombank also finalised our 2021–2025 strategy in 2020, defining the vision, mission and actions/initiatives to achieve our retail banking targets. Developing this strategy saw us further devise, fine-tune and revise our retail banking model. In late 2020, Techcombank completed the restructuring of retail banking units into the single RBG. RBG will centralise management across these pillars and functions:

- ▶ Customer segmentation
- ▶ Solution development
- ▶ Omni channel
- ▶ Operational and risk management compliance.

These changes will set the path for our ambitious 2021–25 retail banking strategy.

Some key data/indicators achieved in 2020:

Indicator	2020	2019	Growth
Total operating income (VND billion)	10,303	8,017	28.5%
Loans to customers (VND billion)	111,139	105,247	5.6%
CASA (VND billion)	76,090	46,025	65.3%
Term deposits (VND billion)	119,551	121,187	-1.3%
Number of customers holding product	4,933,315	4,756,286	3.7%
Total number of remittance transactions	338,013,178	154,387,251	118.9%



THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR THE FINANCIAL SERVICES COMMUNITY

Best Mortgage/Home Loan Product in Vietnam

TODAY

Management report (Continued)

Results of Business Units (Continued)

Business Banking

COVID-19 upended the economy on an unprecedented scale. Increasing containment measures combined with the pandemic's uncertain course, created significant uncertainty and instability across financial markets, businesses and individuals around the globe.

Our Business Banking Division (BB) thoroughly reviewed our operations and carefully planned various scenarios relating to its severity and duration, to ride out the ongoing pandemic and emerge stronger than in 2019. We did this through:

- ▶ Our strategic choice of customer segments and sector focus
- ▶ Cost management (funding costs, risk costs and operating expenses)
- ▶ Our focus on going digital.

Total operating income (TOI) for BB grew 17.6% YoY with CASA growth of 35% YoY. Net fee and commission income rose 35.8% YoY.

We increased monitoring risk across our loan portfolio, identifying customers with deteriorating businesses and cash flow. We applied risk mitigation factors where needed, and continued to build liquidity to support customers through the difficult times. Our cautious and prompt actions paid off with improved NPL, which declined to 0.2% at end 2020, from 0.9% one year earlier.

TOI for Business Banking Division grew 17.6% YoY

CASA

▲ 35.0% YoY

Net fee and commission income

▲ 35.8% YoY

81%

of our BB customers are active online

BB e-banking transaction value

▲ 68% YoY

70%

OTT customers are using Fast e-bank for transactions

We rolled out Business Continuity Plans with specific and timely measures to ensure business continuity to support our customers and the Bank. These plans were tested and refined from late January 2020 to ensure safety of employees and customers. In addition, adopting advancements in internet banking, especially overseas remittance and FX transactions, brought convenience and safety to our customers' daily banking needs, as well as further growing the already strong adoption of our digital channels:

- ▶ 81% of our BB customers are active online (versus 65% in 2019)
- ▶ BB e-banking transaction value increased by 68% YoY
- ▶ 70% of overseas remittance (OTT) customers are using Fast e-bank for transactions.

Sustainable growth in 2020's highly unpredictable environment has bolstered our confidence to begin the next five-years transformation journey. It will redefine customer banking across all channels, driving sustainable growth and enhancing risk management with digital transformation and data analytics. Customer-centricity will stay a core value as we aim to serve our customers throughout their journey to Be Greater.



TODAY

Management report (Continued)

Results of Business Units (Continued)

Wholesale Banking

Despite the unyielding challenges of COVID-19, our 'One bank' approach of combining wholesale, business and retail banking produced strong results in 2020. Credit provided to Wholesale Banking (WB) customers rose 45% YoY – part of 23.3% growth in credit across the Bank. Wholesale customers went beyond our purely financial services, seeking legal, marketing, sales and human resources management. In a pleasing first for the Bank, CASA for wholesale banking exceeded VND 25 trillion — an 81.2% YoY increase.

Our WB client service team model allows customers to access our best internal resources. Senior experts, with a deep understanding of our customer value proposition, provide suppliers, distributors and end-users with complete solutions. WB leverages our strengths, focusing on activities important to customers, like:

- ▶ Real estate
- ▶ Fast moving consumer goods (FMCGs)
- ▶ Utilities.

Current account and savings accounts for wholesale banking

exceeded

VND 25 trillion

Credit provided to wholesale banking customers

▲ 45% YoY

WB credit

VND 161,259 billion

In 2020, the TOI of FMCGs and utilities grew robustly by 35% and 19% YoY, respectively. It's the first time both showed a net fee income profit. The launch of our comprehensive FMCG retailer package was a particular success. This collaboration between wholesale and business banking and our partner, Vinshop of One Mount Group further digitalises the customer journey with pre-approved credit facilities for faster processing and lower operating costs and risk.

Amid healthy credit demand across all sectors, total credit to WB customers grew 45% YoY to VND 161 trillion. This grew CASA by 81.2% YoY to over VND 25 trillion and was a big contributor to the Bank's unrivalled 60.6% CASA growth, that saw 2020 end with a 46.1% CASA ratio.

2020 also saw us provide customers who struggled through the pandemic with a variety of structured loan packages. About 5% of WB customers received loan moratoriums and lowered preferential rates. The Bank and our customers worked together to create solutions under the 'new normal'. Despite all the challenges and expenses incurred to support customers due to COVID-19, WB's TOI per customer increased 26.7% YoY and total TOI improved 30.6% YoY.

WB deposit

VND 43,051 billion

While COVID-19 impact severely, some of our customers in hard-hit sectors like travel and leisure decided to draw down and invest in order to be well-positioned when vaccines are rolled out and economic activities resume as normal.

CASA

▲ 81.2% YoY

TODAY

Management report (Continued)

Results of Business Units (Continued)

Global Transaction Services

In September 2019, as part of Techcombank's customer-centric strategy, we merged Transaction Banking, the Transaction Banking Transformation Office and Treasury into the Global Transaction Banking Services Division (GTS). GTS will be creating comprehensive multi-channel financial solutions and offer the most complete experience across all customer development journeys. Despite 2020's turbulence, GTS reached and exceeded its budgets. Specifically key actual results versus 2019 are:

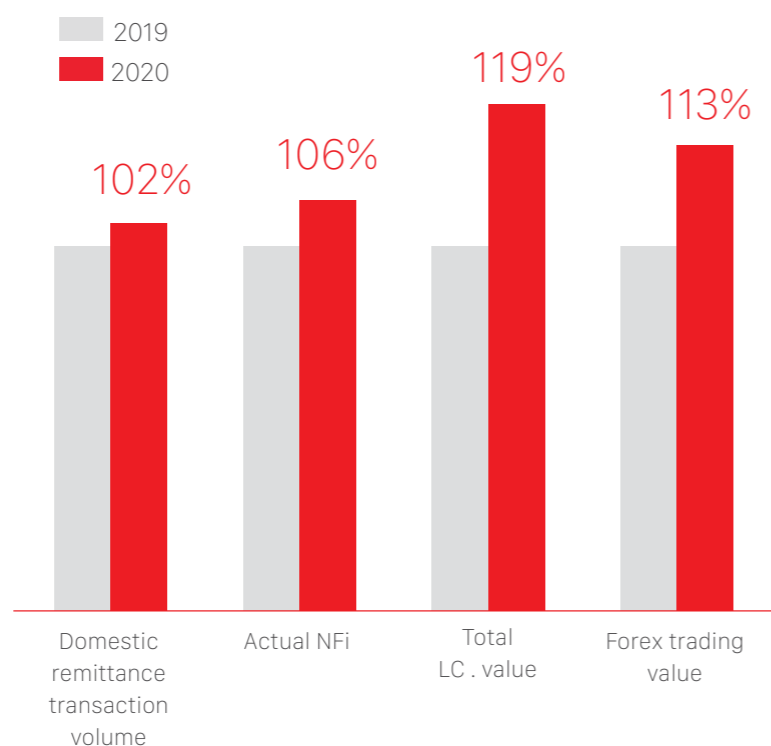
- ▶ CASA NII was 102%
- ▶ NFI was 106%
- ▶ Domestic transaction volume was 102%
- ▶ FX transaction volume was 113%,
- ▶ Total LC value was 119%.

The success of GTS can be attributed to:

- ▶ Strategies for digitalising technology and services
- ▶ Systemising the handling of simple and complex customer needs
- ▶ Optimising Techcombank's existing processes and solutions.

Digital age customer support

2020 is the third time The Asia Risk named Techcombank as 'Vietnam House of the Year' For Derivative Products and Customer Risk Management, and the second consecutive year The Asian Banker named us 'Vietnam's Best Payment Bank'.



In addition to the talking numbers, GTS's use of technology in designing corporate customer solutions is a significant non-financial achievement. For example, Host-to-Host (H2H) directly connects Enterprise Resource Planning (ERP) to the Bank, and has provided tremendous practical benefits such as:

- ▶ Improved operational efficiency
- ▶ Fewer manual operations
- ▶ Stronger security
- ▶ Allowing for data reconciliation for customers
- ▶ Regular execution of high-volume payment orders.

H2H has not only increased customers' satisfaction, but also grew TOI through CASA, creating more revenue from fees and cross-selling for business units. In just over 10 months, H2H processed over 10 million transactions worth VND 242 trillion. H2H also connects automatic insurance payments to Manulife customers and a 24/7 NAPAS payment portal.

Techcombank rolled out SmartOTP, an international remittance platform for corporate customers via F@ST E-BANK, that supported over 25,000 international remittance transactions online in 2020. By continuously optimising and upgrading this new feature we grew our transaction volume by 4% and value by 20% YoY.

Improving customer experience was also a top GTS priority. Following customer research, GTS established new general terms and conditions and set-up a call centre to simplify service processes and allow quicker responses to a variety of business needs.

TODAY

Management report (Continued)

Results of Business Units (Continued)

Global Transaction Services (Continued)

Total transaction volume and value on F@ST E-BANK respectively increased by

4% and 20%

YoY

>25,000

International remittance transactions online in 2020

HOST-TO-HOST connect

>10,000,000

Successful transactions

Total transaction value

VND 242,000

billion

In October 2020 Techcombank officially launched a State budget collection system. As one of Vietnam's first commercial joint-stock banks to be bilaterally connected to Vietnam State Treasury's electronic payments, this important milestone reflects our market leadership in modernising products and services with technology – driving non-cash payments and strengthening administrative reform to better support payments to the State budget.

The enduring efforts of GTS were recognised by the internationally prestigious The Asian Risk as 'Vietnam House of the Year' and The Asian Banker's 'Best Payment Bank' in September and October 2020 respectively. This was a result of our strengths in designing and delivering large-scale derivative products and for creating local and international automatic, fast payment solutions.

Over the Bank's next transformation phase, GTS will continue upgrading product capabilities and designing and strengthening technology platforms for corporate customers to keep up with ongoing, and rapidly changing digitalisation. Service improvement and operational optimisation are a top priority. 2021 will be important for GTS in preparing services, solutions and technological platforms to

help achieve the five-year plan. In addition to fostering further cooperation with Vietnam State Treasury, 2021 will see us rolling out more features for the H2H solution, like tax and online bill payments. At the same time, GTS will standardise our business processes and collaborate with the Transformation Office in improving and launching omni-

channel e-banking solutions. By working closely with the Data and Analytics Division, GTS will develop a profound understanding of customers' needs and segments by business type, to design specialised product bundles. This will improve and upgrade our customers' end-to-end financial transaction journeys.



2021 will be important for GTS in preparing services, solutions and technological platforms to help achieve the five-year plan.

TECHCOMBANK 



Tomorrow
Data, digitalisation and talent

TOMORROW

Data, Digitalisation and Talent: The main foundation for implementing the 2021-25 strategy

Data

Techcombank aims to transform in the next five years, investing in three pillars – Data, Digital and Talent. It is in this context, that the Data and Analytics Division (DnA) was set up in October 2020. It is staffed with world-class talent and has extensive global experience across a variety of leading banks and Fortune 10 companies. DnA positions Techcombank as a pioneer using data to ‘differentiate’ us from our competitors. More importantly, with data at the core of our strategy, Techcombank can better understand and serve customers’ needs. This is another great example of how Techcombank puts customers at the heart

of banking and embraces hyper-personalised services. To accomplish this we appointed a Chief Data and Analytics Officer and set up five departments:

- ▶ Data Engineering and Delivery
- ▶ Business Intelligence
- ▶ Data Governance
- ▶ Advanced Analytics and Innovation
- ▶ Data Academy.

The Bank’s objectives are to:

▶ Establish Data as an enterprise asset that will be available to all employees and customers.

▶ Unlock the value of Techcombank’s data assets with new technologies, tools, approaches and methodologies.

▶ Define and drive the enterprise-wide analytics vision across People, Process, Strategy and Technology.

▶ Manage data as a strategic asset and operationalise data governance, data quality and other controls to sustain its integrity.

▶ Serve as trusted partner to key business executives focused on customer, business segments, enterprise risk management, regulatory compliance, HR and finance.

▶ Remain at the cutting edge of data developments and risks, and drive future insight programs.

▶ Deliver top-line growth by monetising data in partnership with our business and functions colleagues.

▶ Be heavily involved in the business transformation, change and education needed to embed analytics into the culture and become insight-driven.

▶ Foster innovation leveraging cloud, ML, AI, big data and analytics technologies.

▶ Institutionalise a Data Academy to drive enterprise-wide adoption and usage of data.

Data Engineering and Delivery

This team will build our data strategy and architecture, while fostering a culture of confidence in making data-based decisions. As well as improving operational effectiveness and making data easy to use, the team will help with tools and frameworks for data mining, data modeling and reporting. One of its critical initiatives for 2021 is building an enterprise data lake to store all data, both on-premises and in the cloud.

Business Intelligence team

Analysing and understanding customers’ data will help business divisions create measurable values and customer “wow”.

Business Intelligence (BI) division deals with the ‘known-unknown’. It helps to standardise definitions and ensures that metrics and measures used across the organisation are consistent across every division.

Overall, the role of BI is to translate business unit requirements into data for timely reporting and analysis and ensure the Bank has a true 360-degree view of customers.

TOMORROW

Data (Continued)

Advanced Analytics and Innovation team

This team is in charge of performing advanced and predictive analytics, machine learning coupled with AI, and building data products across the Bank to support a data driven culture. To deliver these responsibilities, the team will build partnerships with internal technology and business leaders to identify and handle unstructured text data, and develop and execute new data opportunities.

The team's data scientists hold PhDs across a multitude of disciplines including, but not only, mathematics, law, physics and computer science. Data science uses a variety of tools, mathematics and statistics to solve needs that are not straight forward.

Data Governance

The recent data boom has seen customers demand better on data security and share concerns around data leakage. Data governance acts as a custodian and second line of defence against this. To protect both customers and Bank data, the Data Governance team will:

- ▶ Build governance standards, policies and procedures
- ▶ Embed information security strategy with data governance programs
- ▶ Enforce Bank-wide data quality metrics.

Data Academy

Our Data Academy spreads data literacy across the Bank, growing awareness and teaching all our people how to use and harness data's potential. This will see us create person-based learning, backed by curated e-learning and classroom training. Our Chief Data and Analytics Officer says, "Data is not oil, data is oxygen".



Digitalisation & IT

Digitalisation

Ready, set, breakthrough in 2021

For many years now Techcombank has sat at the vanguard of the digitalisation of Vietnam's financial market. Our quickly expanding customer network provides a distinct competitive advantage and shores up our position as Vietnam's leading digital bank. 2020 continued to deliver important technology milestones and outstanding achievements.

Techcombank has always been very clear on our ambition to be the first Vietnamese bank to use a core banking system. The global pandemic of 2020 rocked world economies but, bolstered by our trusted strategy and steely determination to create better digital customer experience, we emerged relatively unscathed from an extraordinarily volatile banking market. It was a pivotal year for us and we will continue to strive for breakthroughs as we implement the new

five-year strategy over 2021–25. The current system continues to improve customer safety and security while delivering convenience, speed and accuracy to investment transactions and financial management, ensuring convenience, speed and accuracy to assist clients in investment transactions as well as financial management.

Techcombank will launch a new platform in 2021. In preparation, we have invested in selecting partners with a reputation and experience in technology platforms, and recruited the best people from in and outside of Vietnam. To enter another transformation journey with confidence, Techcombank has built a new office and will apply the Agile method to working. All these factors will create the best environment to implement Techcombank's customer-centric strategy, a key project on the quest to lead Vietnam's digitalisation.

TOMORROW

Digitalisation & IT (Continued)

Techcombank e-banking

As of December 2020, 46.9% of customers held individual e-banking accounts. That's equal to 3.9 million customers – up 42.8% YoY. Active customers accounted for 71.7%. In 2020 there were 383 million individual customer electronic transactions (up 109% YoY), moving around VND 5 quadrillion (up 84% YoY). The percentage of transfer transactions dominates at 82% while payment transactions accounted for 18%, having improved from 14% in 2019. This shows customers are slowly but surely embracing e-banking services for their daily necessities, not just transfers.

Additionally our long-time zero fee program has created a spillover effect with more and more commercial banks offering free transactions over 2020. The SBV policy also encourages this as a way to help people/businesses stabilise in this pandemic - influenced time. We are proud our policy has led to customer and societal benefits. Our free customer supports for new digital banking services, with friendly interfaces, drove impressive growth for the last three years, taking us from 1.5 million to 3.9 million digital customers. Outstandingly the CASA of customers using e-banking in 2020 is 12 times higher than those who don't and it's only growing.

These impressive figures in 2020 were helped by our customer-centric strategy for operating and developing our e-banking services. All product and service research and development is creating a more comprehensive and complete customer ecosystem – a guiding core value. In 2020, Techcombank's development of e-banking services focused on four main goals:

- 01 Keep the system stable and secure while adding more customers
- 02 Encourage more customers to use bill payment on F@st Mobile
- 03 Give Priority Customers new exclusively - designed experiences
- 04 Ensure business efficiency, increase revenue, reduce costs

Sticking to these goals in 2020 delivered outstanding results, including:



Continued to serve nearly 1.2 million new e-banking customers and existing customers through many innovative developments like:

- ▶ Upgraded T24 system
- ▶ Improved card system
- ▶ Upgraded mobile platform
- ▶ Server technology changes
- ▶ Rolling out the eKYC solution for better access to core customer segments.



Developing more service features for core affluent customers: features that first appeared on the market – Bao Loc, transfer certificates of deposit on F@st Mobile – to serve investment needs and increasing assets of customers, such as new non-financial service experience, including: booking airline tickets and hotels, to meet the increasing demands of customers.



Continuing to improve the process of digitalisation home loans, reducing the time it takes for customers to learn our decision to only 1.6 days, while reducing the processing time of online credit by 30% (now 335 minutes) compared to normal processes.



Customers using bill payment services went from 19% in 2019 to 54% in 2020. We did this by connecting to more service providers and engineering a better bill payment experience with faster and automatic payments.



Increasing F@st Mobile revenue by issuing pre-approved credit payment cards, contributing to the outstanding growth of CASA, which reached VND 76.1 trillion, reducing the cost of serving customers at the counter though the transfer of card support services for both credit cards and payment cards, counter to online, helping save more than VND 67 billion in SMS costs.

85% of our customers are entirely digital and they are growing. E-banking use improves our efficiency and reduces costs. We are fast becoming the best performer in the market and making a positive impact on the Vietnamese financial market with just shy of 27 years of continuous development.

TOMORROW

Digitalisation & IT (Continued)

Information technology

Techcombank has continued to be consistent with its customer-centric strategy in banking operations and the development of e-banking services.

For our customers

Techcombank has a history of being a first adapter of technology, providing superior customer experience. Nineteen years ago we introduced Vietnam's first core banking system and six years ago, online and mobile banking. We've maintained a leading position in the digitalisation of Vietnam's banking services and products, just shy of 27 years, with 2020 accelerating cashless payments. Retail e-banking transactions volume rose 108.8% from 2019. 2020 added over one million new customers, thanks to our ongoing investment in digital platforms, digitalising E2E customer journeys, improving underwriting capabilities and risk management.

Stability and resilience

A main priority of our technology investment is maintaining system stability and resilience, so customers can bank anytime, anywhere. 2020 also saw the first step in our cloud journey. It will improve performance, stability, cost and importantly, the speed with which we introduce new products and services, by leveraging our ecosystem partners. It'll also allow faster release of tailor-made products and services.

Cybersecurity

With COVID-19 speeding up the digitalisation of everything, privacy and security have become a top priority for any digital operation. We significantly invested in recruiting top security experts and implementing international security standards and protocols so customers feel secure.

For your employees

During the height of the pandemic in Vietnam, Techcombank moved quickly to provide a safe online working environment to ensure employee income. All the while we continued recruiting the best Vietnamese and global tech talent. We believe our employees lie at the core of success during our next five-year transformation, as in the past.

Talent development (Talent)

What differentiates us from our competitors is our fantastically talented employees.

Sheer talent differentiates us from our competitors. Our employees are our most valuable asset and their success is Techcombank's success. HR has been pivotal in supporting the Bank's growth via its 2020 initiatives and programs.

In 2020, we recruited 2,400 employees, giving us 11,802. We welcomed 37 senior leaders and experts from the US, Australia, Germany, Singapore, India and other countries. Ten are part of the Executive Management Committee.

Figures from our growing and loyal employee base include:

- ▶ An average employee tenure of 4.8 years
- ▶ 51% have been with us for over three years, 36% more than five
- ▶ Top talent segment attrition rate is at 4.3%, lower than 2019.

We welcomed 37 senior leaders and experts from the US, Australia, Germany, Singapore, India and other countries.

Successfully recruited
2,400 employees

Total number of employees
11,802



TOMORROW

Talent development (Talent) (Continued)

Learning and Development

Our learning and development culture fosters career growth and development and, despite a challenging 2020, we continued training and upskilling our people. We quickly pivoted to e-learning, internally designing courses so our people could learn safely and conveniently. We offered courses on Agile, Digital and Design in preparation for our digital transformation and in pursuit of our aim to be agile and customer-centric. In addition to intensive product, process, and digital training, we focused on leadership strength – particularly at middle and senior levels, with programs including Techcomlead and We Build.

Key results include:

- ▶ 29% increase in average training hours per employee, each completing an average of 71 hours of face-to-face and e-learning
- ▶ Total training hours – 897,792 (up 34% from 2019)
- ▶ E-learning hours up 142%
- ▶ Training costs down 40%, saving approx. VND 5.2 billion
- ▶ Over 171,960 hours spent learning about data, digital and design thinking
- ▶ 16,920 hours of leadership training.

Total number of training
in 2020

897,792 hours

E-learning hours

▲ 142%

Compensation and benefits

Our compensation and benefits program is best practice and more competitive than that of most domestic banks and multinationals in Vietnam. Our comprehensive salary, bonus, and welfare policies are tailored to our diverse talent segments, allowing us to fully meet their needs.

A key differentiator during the pandemic was the decision of our senior leadership to protect employee jobs and salaries. Special efforts were made to maintain morale while continuous, transparent communication fostered job security.

Ahead of rolling-out our new 2021–25 strategy, we've redesigned our remuneration policies to attract, motivate, and retain talent. Short-term and long-term bonus programs focus on recognising employee performance to attract, motivate, and retain our talents, our short-term and long-term bonus programs focus on recognising employee performance, both the solid performers and the top talent, who have contributed to the Bank's success.

Career growth

Employees have plenty of opportunity to grow their careers to become a specialist or manager. We tend towards promoting talent from within and building a healthy successor pool, as reflected in our strong 6% promotion rate.

Awards

We are extremely proud of the way we've looked after staff during the pandemic. Our efforts were recognised through several prestigious awards including:

HR Asia Awards

The best companies to work for in Asia

The one and only bank wins this award

Vietnam HR Awards "Responsive Human Capital Initiative"

Vietnam best places to work

Top 2 in banking industry

Employer of choice by Vietnam students

Top 3 Finance – Banking industry

These awards recognise Techcombank's focus on creating an environment that nurtures creativity, growth and pride in being a Techcomer.

TOMORROW

Talent development (Talent) (Continued)

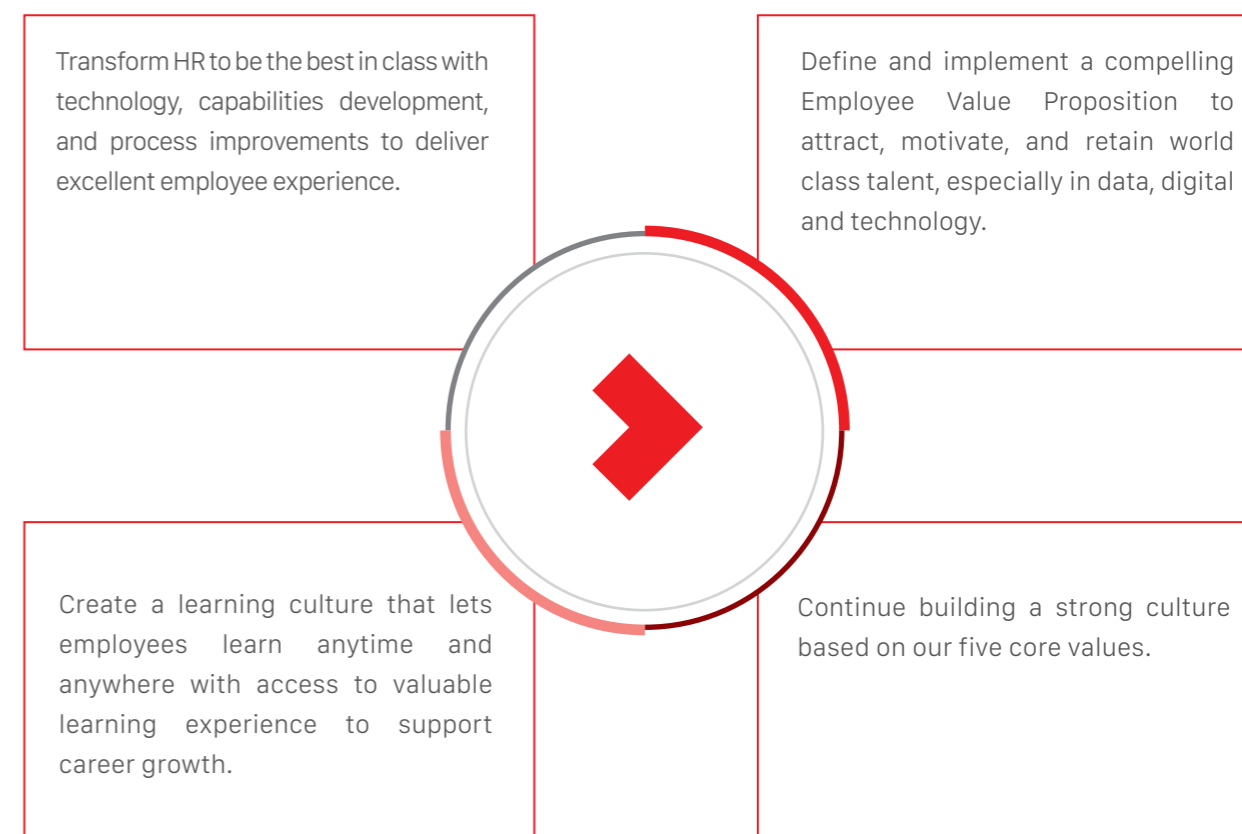


HR technology

HR has embarked on its own five-year transformation journey, aligned to the Bank's five-year digital transformation strategy. We will continue to support HR to deliver value driven talent insights that drive performance. Our aim is to transform the employee experience with a best-in-class tech platform for better management of HR programs and processes.

We recently invested VND 174 billion in a best-in-class human capital management system (HCM). Further digitalising HR processes will deliver operational excellence and faster HR services. 2020 also saw us implement Phase 1 of the HR transformation project with a new talent acquisition platform to improve internal and external recruitment and onboarding. Phase 2 has been launched and will transform the core HR, payroll, learning processes and end-to-end journey.

The Focus of 2021



We want to be the No.1 bank in Vietnam with a capitalisation of USD 20 billion. To help achieve this, HR will continue to build and invest in the three key pillars: Talent, Data, and Digitalisation to deliver excellent employee experience. We believe our ongoing commitment to, and focus on, investing and developing talent will deliver strong performance results.



Always

You can always bank on us

OUR
LEADERSHIP
TEAM



Our Board of Directors



Our
Supervisory
Board





Our
Executive Team

ALWAYS

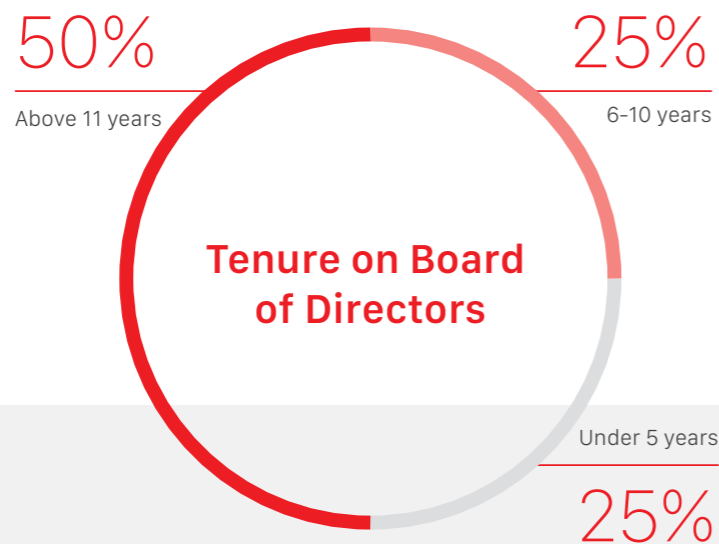
Corporate Governance

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

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

- ▶ Decree No. 71/2017/ND-CP on guiding corporate governance applied to public companies
- ▶ Circular No. 13/2018/TT-NHNN on internal control systems of commercial joint-stock banks, foreign bank branches, and other relevant regulations
- ▶ Code of Best Practices-based Corporate Governance issued in August 2019 by State Securities Commission and International Finance Corporation (IFC).

Our Board of Directors



07 Non-executive Directors

01 Independent Director

Our Board of Directors

2019 - 2024 term



Mr Ho Hung Anh

Chairman

Age: 51 | Board member since 03/2004

Mr Ho Hung Anh has been the Chairman of Techcombank's Board of Directors since May 2008. Prior to his election as Chairman, Mr Ho Hung Anh 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 Hung Anh 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: 58 | Board member since 01/2000

Mr Nguyen Dang Quang 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 Dang Quang had more than 20 years' of executive experience, including membership on the Board of Directors of Masan and key management positions at Techcombank since 1995.

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

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Our Board of Directors (Continued)

2019 – 2024 term

Mr Nguyen Thieu Quang**Vice Chairman****Age: 62 | Board member since 6/2000**

Mr Nguyen Thieu Quang has been a member of Techcombank's Board of Directors since 2000 and became Vice Chairman of Techcombank's Board of Directors from May 2008 until now. Mr Nguyen Thieu Quang has significant executive experience including various key positions at Masan, Vinaconex, and Senco.

Mr Nguyen Thieu Quang holds a degree in Civil Engineering from Donetsk Polytechnic Institute in the Ukraine (now Donetsk National Technical University).

**Mr Nguyen Canh Son****Vice Chairman****Age: 54 | Board member since 05/2008**

Mr Nguyen Canh Son 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 Canh Son has more than 20 years of experience including positions as the Chairman at Eurowindow Holding and Board member at T&M Invest Vietnam.

He holds a degree in Civil Engineering from the Moscow Institute of Civil Engineering in Russia (now Moscow State University of Civil Engineering).



Our Board of Directors (Continued)

2019 – 2024 term

Mr Do Tuan Anh**Vice Chairman****Age: 48 | Board member since 12/2012**

Mr Do Tuan Anh 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 since December 2012. Prior to his appointment to the Board of Directors, Mr Do Tuan Anh held various management positions at the SBV and Techcombank, including Deputy Director of the General 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. Effective 1 April 2020, Mr Do Tuan Anh resigned his position as Deputy CEO cum Chief Corporate Affairs Officer. He continues to hold the position of Vice Chairman of the Bank, as a non-executive director.

He holds a Bachelor's degree in Foreign Language from Hanoi Foreign Language University and a Master's degree in Wealth Management from Singapore Management University (Singapore).

**Mr Lee Boon Huat****Non-executive Director****Age: 64 | Board member since 12/2012**

Mr Lee Boon Huat has been a member of Techcombank's Board of Directors since May 2014, prior to that, he was an Independent Director of the Board of Directors from December 2012 to April 2014. Before joining Techcombank, Mr Lee Boon Huat 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 Boon Huat holds a Bachelor's degree in Business Accounting from the Western Australian Institute of Technology (now Curtin University).



ALWAYS

Our Board of Directors (Continued)

2019 – 2024 term

**Mr Saurabh Narayan Agarwal****Non-executive Director****Age: 40 | Board member since 04/2019**

Mr Saurabh Narayan Agarwal has been appointed to Techcombank's Board of Directors since April 2019. Prior to joining Techcombank, he worked for many years in finance and financial investment, where he has held positions at McKinsey Company in New Delhi, India, and New Jersey in the US; and Managing Director of Warburg Pincus, New York, the US and Singapore.

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

Mr Nguyen Nhan Nghia**Independent Director****Age: 52 | Board member since 04/2019**

Mr Nguyen Nhan Nghia was appointed as Techcombank's independent director in April 2019. He worked for many years at the SBV, Bank for Investment and Development of Vietnam (BIDV), and held managerial and executive positions such as Deputy Head of BIDV's Business Center 3, Deputy CEO and CEO of BIDV-Vietnam Partners, and Investment Management Joint Venture Company (BVIM).

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

Our Corporate Secretary

2019 – 2024 term

**Mr Nguyen Tuan Minh****Head of BOD Office****cum Corporate Secretary**

Mr Nguyen Tuan Minh joined Techcombank in May 2013 and has held many different management positions in Techcombank such as Head of Legal, Head of Compliance at Operational Risk and Legal Division, and Head of Legal Counsel at Corporate Assurance Division. Prior to that, he spent over 20 years in legal consulting – as a practising lawyer, an in-house general counsel and management positions in a private law firm, the Vietnam branch of an international law firm, and a commercial bank and securities company. Mr Nguyen Tuan Minh was appointed Head of BOD Office cum Corporate Secretary in November, 2019.

He 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.

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Our Board of Directors (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 Member, Masan Consumer BOD Chairman, VCM Services And Trading Development JSC BOD Chairman, VinCommerce General Commercial Services JSC BOD Chairman cum CEO, Masan Corporation
Mr Nguyen Thieu Quang	Vice Chairman	<ul style="list-style-type: none"> BOD Member, Masan Consumer BOD Chairman, Saigon Environmental Technology & Construction Corporation BOD Chairman, Golden Lotus Kim Huynh JSC
Mr Nguyen Canh Son	Vice Chairman	<ul style="list-style-type: none"> BOD Chairman, 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, Vega City JSC BOD Chairman, Investment and Trading Tourism JSC
Mr Lee Boon Huat	Non-Executive Director	<ul style="list-style-type: none"> Independent Director - Alliance Bank Bhd Independent Director - British Malayan Holdings Limited BOD member – Techcom Securities BOD member – Techcom Capital
Mr Saurabh Narayan Agarwal	Non-Executive Director	<ul style="list-style-type: none"> Non-Executive Director - Clean Max Enviro Energy Solutions Private Limited Managing Director - Nanhe Kadam - non-profit Society Independent Director – MoMo Payment Service JSC Non-Executive Director - Converge Information and Communications Technology Solutions Inc Non-Executive Director - Circles Asia Cayman Limited
Mr Nguyen Nhan Nghia	Independent Director	None

Activities of Board of Directors in 2020

The Board of Directors (BOD) oversees the operations of the CEO and the Bank's Executives through the authorization and delegation mechanism, as well as Techcombank's internal regulations issued by the Board. Activities that are under the authorities and decision by the Shareholders' General Assembly and the BOD, shall be reported and submitted to the BOD for approval by the CEO, upon which the BOD will make decisions promptly or authorizes the CEO and other Executives to implement.

Directors from the Board actively participated in discussions and carried-out important decisions regarding senior executives, including recruiting a new CEO and other senior staff such as the Chief

Risk Officer, Chief HR Officer, Chief Marketing Officer, Chief Data & Analytics Officer, Chief Transformation Officer, Chief Digital Officer, other senior managers, experts in banking, finance, risk management, technology, data, digitalization, etc. The Board also discussed, amended and completed the compensation and reward policy, the competitive ESOP (applicable in the Bank and linkable with performance of the Bank Unit and individual), as well as the Bank's long-term development goals and values, all of which improves the welfare of employees. In 2020, Techcombank held four Board meetings. Members' attendance at Board meetings is shown in the table below. Detailed content and issuance dates of Resolutions are also listed at the following page.

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	04	100%
Mr Nguyen Dang Quang	First Vice Chairman	13/04/2019	04	100%
Mr Nguyen Thieu Quang	Vice Chairman	13/04/2019	04	100%
Mr Nguyen Canh Son	Vice Chairman	13/04/2019	04	100%
Mr Do Tuan Anh	Vice Chairman	13/04/2019	04	100%
Mr Lee Boon Huat	Non-Executive Director	13/04/2019	04	100%
Mr Saurabh Narayan Agarwal	Non-Executive Director	13/04/2019	04	100%
Mr Nguyen Nhan Nghia	Independent Director	13/04/2019	04	100%

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Our Board of Directors (Continued)

Resolutions of the Board in 2020

Resolution no.	Issuance date	Main Content
No. 0308/2020/ NQ-HĐQT	30/3/2020	<ul style="list-style-type: none"> Review and approve 1Q20 business results. Review and approve 2020 business plan to submit in AGM 2020. Review and approve Supervisory Board's 1Q20 Report & Recommendations. Review and approve report on result of 2016-2019 strategy execution and report on 2020-2025 strategy planning & execution. Review and approve BCP's report on Covid-19 Plan. Review and approve Techcombank Regulation on organising the execution of requests from BOD member, Supervisory Board and Shareholder. Review and approve report of BOD Chairman on CEO and Key positions recruitment plans Review and approve the change in composition of NORCO.
No. 0469/2020/ NQ-HĐQT	29/5/2020	<ul style="list-style-type: none"> Review and approve business results report as of May 2020. Review and approve 2020 business plan amendment. Review and approve the report on strategy 2021-2025 strategy planning and execution. Review and approve Supervisory Board's 2Q2020 Report & Recommendations. Review and approve agenda and content of AGM 2020. Review and approve the information disclosure as request of large shareholder Masan Group. Review and approve the result of execution BOD's Resolution on partially transferment of No.6 Quang Trung str. (44 Ly Thuong Kiet) Project, Tran Huong Dao Ward, Hoan Kiem Dist, Hanoi. Approve the review, decide on candidates for CEO position of Techcombank.
No. 0788/2020/ NQ-HĐQT	18/9/2020	<ul style="list-style-type: none"> Review and approve business results report as of August 2020. Review and approve the assessment of five-years strategy execution. Review and approve in principle on 2021 business direction and plan. Assign CEO to implement in detail and report to BOD for approval in the next BOD meeting in Dec 2020. Review and approve transactions between Techcombank and affiliated persons of BOD member.
No. 1005/2020/ NQ-HĐQT	18/12/2020	<ul style="list-style-type: none"> Review and approve 2020 business results of Techcombank. Review and approve 2021 Business plan. Report BOD for approval in the next BOD meeting to submit in 2021 AGM. Review and approve 2021-2025 Strategy of Techcombank.

Activities of the Independent Director

As stipulated in the Techcombank's Charter approved by the Assembly of General Shareholders, in addition to meeting the requirements of civil act capacity, professional ethics, qualifications and experience, in accordance with current laws and regulations, an independent member of Techcombank's Board of Directors must also meet the following criteria and conditions:

- 01 Neither currently working for Techcombank or its subsidiaries nor working for Techcombank or its subsidiaries in three (03) preceding years.
- 02 Not receiving any remuneration and allowance of Techcombank other than the standard allowances for BOD members under existing regulations.
- 03 Having no spouse, parent, child, sibling and spouses of these persons being a major shareholder of Techcombank, manager or member of Supervisory Board of Techcombank or its subsidiaries.
- 04 Neither directly nor indirectly owning or representing ownership of 1% or more of Techcombank's charter capital or voting shares; together with his/her related persons not owning 5% or more of Techcombank's charter capital or voting shares.
- 05 Not being a manager or a member of Techcombank's Supervisory Board at any time in the five (05) preceding years.

The Independent Director of Techcombank has been a chairman of Nomination and Remuneration Committee (NORCO) and a member of the Audit and Risk Committee, as assigned by the BOD. In 2020, the Independent Director actively participated in reviewing, endorsing and together with members of other Board Committees, consulting the BOD on the issuance of important Resolutions regarding the functions of each Board Committee.

List of Directors with Corporate Governance certificates

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

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Corporate Governance (Continued)**Activities of committees under the BOD****Audit and Risk Committee**

ARCO reviewed and made recommendations to the BOD on the issuance of Risk Appetite in 2021, including a Risk Appetite Statement and Risk Appetite driver indicators, in order to achieve the target of sustainable business development whilst maintaining market leading capital, liquidity and prudent leverage ratios. In addition to reviewing and assessing current Risk Appetite indicators, ARCO also advised and made recommendations to the BOD on the development of RAROC, ensuring the compliance with Circular 13/2018/TT-NHNN on internal control systems of credit institutions, and branches of international banks.

ARCO also actively supervised risk management throughout the Bank, monitoring the implementation and compliance with Risk Management Policy and Risk Appetite. For each material risk type, ARCO took its role in risk management control as follows:



- ▶ Regarding credit risk and credit concentration risk:
 - (i) ARCO gave directions in impact assessment of Covid 19 pandemic in credit quality and credit risk of Techcombank; impact evaluation of loan restructuring in accordance with Circular 01/2020/TT-NHNN for customers who were affected by Covid 19; thereby, proposing next actions to accompanying customers, connecting with policies of the Vietnam Government in order to support customers overcome the difficulties and mitigate risks from Covid 19 to Techcombank

- (ii) directed to enhance the effectiveness of classifying and grouping focused industries/economic sectors/segments/sub-segments to reflect their true and special nature; together with improving the efficiency of risk management, including concentration risk in such industries/sectors/segments/sub-segments

- (iii) emphasised the improvement of credit quality reporting system, ensuring bank wide consistency and connection.

- ▶ For operational risk management: ARCO emphasised the effective implementation of the operational risk management framework into daily life, reinforcing the proactiveness of all units responsible for Techcombank's Operational risk management activities. ARCO also implemented the classification of High-Medium-Low risk criteria for more effective operational risk management.



- ▶ Related to liquidity risk management: ARCO endorsed the methodology and scenario in the liquidity stress test in the context of Covid 19 impact, and required more regular implementation the stress test in liquidity and capital for prompt emerging risk identification and mitigation.
- ▶ For other material risk types: ARCO supervised the management of these risk types through supervising the compliance of Risk Appetite and Risk Limit.

Additionally, ARCO reviewed and made recommendations to the BOD on the issuance of Internal Capital Adequacy Assessment framework (ICAAP) in order to comply with the requirements of Circular 13/2020/TT-NHNN and strengthen the effectiveness of capital adequacy and risk management at Techcombank. This demonstrates the ability to apply international standards and risk measurement and mitigation tools in recent years.

In compliance with the new amendment of the Law, in which all audit functions were separated independently with the governance activity and under Supervisory Board's functions. Therefore, since March 2021, the BOD has adopted a Resolution to adjust the name and functions of this committee, from Audit and Risk Committee to Board Risk Committee (BRC).

Chairman of ARCO

Mr Ho Hung Anh – Board Chairman

Members of ARCO:

Mr Nguyen Dang Quang – First Vice Chairman

Mr Nguyen Thieu Quang – Vice Chairman

Mr Nguyen Canh Son – Vice Chairman

Mr Do Tuan Anh – Vice Chairman

Mr Lee Boon Huat – Non-Executive Director

Mr Saurabh Narayan Agarwal –

Non-Executive Director

Mr Nguyen Nhan Nghia – Independent Director

ALWAYS

Corporate Governance (Continued)

Activities of committees under the BOD

Nomination and Remuneration Committee

In 2020, members of NORCO proactively researched, advised and consulted the BOD on matters related to personnel, talent attraction and retention and compensation and benefits policies. This enables the Bank to achieve its annual objectives and aim to implement the **People Excellence Strategy** successfully.

Talent recruitment and attraction

Members of NORCO continued to advise on recruitment for the Bank's key management positions. We developed and completed the recruitment plan for senior-level positions to ensure sufficient resources for the successful implementation of the 2021–2025 strategy.

HR development and talent retention

Members of NORCO reinforced the need to build and develop succession plans for key talent segments of the Bank. In 2020, NORCO also supported completion of the Leadership Competencies Framework across the entire Bank. The framework sets the benchmark for leadership and behavioral standards in all Bank-wide human resources processes. This will enable the Bank to develop the excellent human resources needed for the implementation of strategic objectives, strengthen the culture of high performance, and the sustainable development of the organisation.



Salary, remuneration and compensation policy

NORCO maintained its role in consulting on and directing market research relating to compensation and benefits so these remain competitive and comprehensively care for the essential needs of employees. This encourages dedication from staff and enables them to express their spirit of self-development and commitment to continuously achieving outstanding results for themselves and the Bank.

NORCO Chairman

Mr Nguyen Nhan Nghia – Independent Director

NORCO Members

Mr Ho Hung Anh – Chairman

Mr Nguyen Dang Quang – First Vice Chairman (NORCO Vice Chairman)

Mr Nguyen Canh Son – Vice Chairman

Mr Do Tuan Anh – Vice Chairman

Mr Jens Lottner – CEO

Ms Dang Nikki MyQuyen – Chief Human Resources Office

ALWAYS

Corporate Governance (Continued)

Our Supervisory Board

03
members

02
full-time
members

01
part-time
member



Mr Hoang Huy Trung
Head of Supervisory Board cum
full-time member

Mr Hoang Huy Trung has many years' experience in the banking industry and has held various management positions at the SBV and Techcombank. He has been the Head, and a full-time member of Techcombank Supervisory Board since December 2012.

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

Our Supervisory Board



Ms Bui Thi Hong Mai
Full-time member

Ms Bui Thi Hong Mai has many years' experience in accounting and finance. She was a part-time member of the Techcombank Supervisory Board from April 2010 to April 2019, and has been a full-time member since 13 April 2019.

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



Mr Mag Rec Soc Oec Romauch Hannes
Member

Mr Mag Rec Soc Oec Romauch Hannes has many years' 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 Mag Rec Soc Oec Romauch Hannes holds a Master's degree in Business Administration, majoring in Finance, Banking and Marketing, from Klagenfurt University, Austria.

ALWAYS

Corporate Governance (Continued)

Activities of Supervisory Board

Supervision activities of the Supervisory Board for the BOD, Executive Team and shareholders

- ▶ 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 system, for 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 SBV and/or major shareholders, groups of major shareholders in accordance with the law and the Bank's Charter.

Coordination of activities of the Supervisory Board, the BOD, CEO and other executives

- ▶ Based on internal audit results, the Supervisory Board and Internal Audit (IA) team have provided timely information and worked with the BOD and CEO to make decisions, and strictly address the divisions/units to prevent or promptly detect and resolve operational issues in divisions/units – coordination of these activities enhances the capacity of the internal control system, addresses regulations, processes, products and risk management in business operations, and improves the corporate governance capability of the Bank.
- ▶ The BOD and Executive Team have proactively remediated existing issues, as recommended by the Supervisory Board and IA, as well providing timely support to the Supervisory Board in the execution of its responsibilities.

In 2020, the number of Supervisory Board members appointed for the 2019–2024 term is three members. There are two full-time members and one part-time member. Meeting attendance by Supervisory Board members in 2020 is as follows:

Activities of Supervisory Board in 2020

Fullname	Position	Date became a member	No. of meetings attended	Attendance rate
Mr Hoang Huy Trung	Head of Supervisory Board cum Full-time Member	13/04/2019	04	100%
Ms Bui Thi Hong Mai	Full-time Member	13/04/2019	04	100%
Mr Mag Rer Soc Oec Romauch Hannes	Member	13/04/2019	04	100%

Resolution of Supervisory Board meetings

Documents no.	Issued Date	Main Content
01/2020/NQBKS	23/3/2020	<ul style="list-style-type: none"> ▶ Review and endorse Head of IA's report on the results of 1Q20, includes Bank operation's safety ratios, credit approval transaction of affiliated person, evaluation report of FY2019 Financial statement prepared by independent auditor EY. ▶ Produce recommendation for BOD and CEO on considering the risk assessment and measures regarding the impact from COVID-19 to certain customer groups and its collateral damage. ▶ Review and adopt Supervisory Board's report and documents relating to Annual General Shareholder Meeting in 2020.
02/2020/NQBKS	18/6/2020	<ul style="list-style-type: none"> ▶ Review and endorse Head of IA's report on the results of 2Q20, includes Bank operation's safety ratios, credit approval transaction of affiliated person. ▶ Review and approve the assignment of Head of IA to actively direct the IA team in reviewing, adjusting internal audit plan for 2020 (if needed).
03/2020/NQBKS	15/9/2020	<ul style="list-style-type: none"> ▶ Review and endorse Head of IA's report on the results of 3Q20, includes Bank operation's safety ratios, credit approval transaction to the customer under the approval authority of BOD. ▶ Review and endorse the action plan of IA to carry-out audit plan for 2021 and submit the report to Supervisory Board before 15/12/2020. ▶ Direct IA to actively supervise and promote functional units in resolving issues, as conclusions and recommendations of internal audit.
04/2020/NQBKS	15/12/2020	<ul style="list-style-type: none"> ▶ Review and approve report of Head of IA on: internal audit executions results in 4Q20, includes Bank operation's safety ratios, credit approval transaction to the customer under the approval authority of BOD. ▶ Review and approve IA execution result in 2020 and IA plan in 2021. ▶ Approve the assignment of IA to research and propose the remote monitoring operation.

Coordinating activities of the Supervisory Board and Internal Audit team addresses regulations, processes, products and risk management in business operations and improves the corporate governance capability of the Bank.

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Corporate 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 our 2021-2025 transformation.



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 five 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.

Our Executive Team

Mr Phung Quang Hung
Standing Deputy CEO

Mr Phung Quang Hung has many years of management experience in international banking. 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 Standing Deputy CEO.

Mr Phung Quang Hung holds a Master's degree in International Business from Washington State University (US) and a Bachelor's degree in Information Technology from Hanoi University of Science and Technology.

Mr Phan Thanh Son
Deputy CEO and
Chief Global Transaction Service Officer



Mr Phan Thanh Son was appointed Deputy CEO and Head of the Global Transaction Banking Division in August 2019. Prior to this, he was 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, and 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).

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**Corporate Governance
(Continued)****Our Executive Team****Mr Siva R. Krishnan**
Deputy CEO (from 10/01/2021) cum
Chief Risk Officer

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

Mr Siva holds a Master's degree in Commerce from the 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.

**Mr Phạm Quang Thắng**
Deputy CEO and
Chief Corporate Affairs Officer

Mr Phạm Quang Thắng 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 the Compliance and Legal Division. Currently, Mr Phạm Quang Thắng 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 Technology University (Australia).

Our Executive Team**Mr Trinh Bang**
Group Chief Financial Officer cum
Chief Strategy and Corporate
Development Officer (from 01/02/2021)

Mr Trinh Bang was appointed Chief Financial Officer in January 2018. 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. On 1 February 2021, Mr. Trinh Bang will assume the role of Head of Strategy and Corporate Development Division, in addition to his role as Chief Financial Officer.

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

**Ms Phan Thi Thanh Binh**
Chief Wholesale Banking Officer

Ms Phan Thi Thanh Binh was appointed Head of Wholesale Banking from April 2018. 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).

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Corporate Governance (Continued)

Our Executive Team


Ms Nikki Dang My Quyen
Chief Human Resource Officer

Ms Nikki 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 and Receivership Specialist at Federal Deposit Insurance Corporation (FDIC), Senior Vice President-cum-Director of Human Resources at the Bank of California. Most recently, Ms Nikki was an EVP-cum-Chief HR Officer at Hanmi Bank, US.

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

Mr Dang Cong Hoan
Deputy Chief Retail Banking Officer, cum
Head of Investment Solutions
Development, Retail Banking Group

Mr Dang Cong Hoan joined Techcombank in 2001. Over the last 19 years he has worked in many different positions including working five years in the Personal Financial Services Division (Retail Banking Group) as Card Sales Director, Retail Product Development Director, and Deputy Head of Personal Financial Services Division (Retail Banking Group). Mr Hoan is a core member of the Bank with his extensive experience in retail banking as well as his knowledge of our operating system, customers and products.

He holds a Post graduated degree from University of Economics, National University of Hanoi.



Our Executive Team

Mr Kyle Timothy Justin
Chief Transformation Officer

Mr Kyle 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. As a member of Prudential's Senior Management Team, he was responsible for driving transformation across Prudential Corporation Asia's 10 life insurance businesses, with the primary focus on the transformation and automation of the customer journey, leveraging AI and curating a high performance, 'design-for-no-ops' digital - first mindset. He also designed, built and led the Intelligent Process Automation COE, and developed Prudential's systematic approach to transformation. Prior to Prudential Corporation Asia, Mr Kyle 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 Kyle holds a Master's degree in Science, Lean Operations, with Distinction, from Cardiff University Business School, UK.


Ms Tran Thi Minh Lan
Chief Strategy and Corporate Development Officer
cum Chief of Staff (to 01/02/2021)

Ms Tran Thi Minh Lan was appointed Head of Strategy and Corporate Development in August 2017. Before this, she was Techcombank's Head of Transformation Program and the Deputy Head of Strategy and Corporate Development from December 2015, responsible for building and implementing the Bank's overall strategy. She has more than 15 years of experience in banking strategy and risk management, and has held several senior positions such as the Deputy Head of the Risk Management Division at Techcombank. On 1 February 2021, Ms Minh Lan was appointed as Executive Assistant to the Board Chairman. Her focus is on providing support and consultation to the Chairman on business strategy management and corporate governance, and acting as the bridge between the Board and Executive Committee in implementation of the Bank's 2021–2025 strategy.

Ms Tran Thi Minh Lan graduated the Executive Development Program at the Wharton School, University of Pennsylvania (US), and holds a Master's degree in Financial and Accounting Management from the University of Berlin (Germany).



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**Corporate Governance
(Continued)****Our Executive Team****Mr Santhosh Mahendiran
Chief Data and Analytics Officer**

Mr Santhosh has more than 20 years of global experience with specific focus on data and digital. He joins Techcombank with leadership experience in the areas of data technology, governance, analytics and monetisation. Until recently, he was with Standard Chartered Bank, Singapore, as Managing Director and Global Head, Digital Foundation Technology. In his previous roles at Standard Chartered Bank, he was the Global Head of Analytics Enablement and Global Head of Enterprise Data Management, where he was responsible for strategy, design, development and delivery of the EDM (Enterprise Data Management) platform for the whole bank. Prior to Standard Chartered, he held various senior leadership roles at Citibank, Singapore. In his last role at Citibank, he led the development team that pioneered the world's first touch screen, paperless on-boarding systems at Citibank, Japan.

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

**Mr Nguyen Xuan Minh
Head of Investment Banking Division**

Mr Nguyen Xuan Minh 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 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 & Investment from the Securities Institute of Australia (FINSIA), a Master of Science, Oil and Gas – Mechanical Engineering from Gubkin Russian State University of Oil and Gas (Russia), and is a CFA Charterholder.

**Our Executive Team****Mr Chu Hong Ngoc
Chief Operating Officer**

Mr Ngoc has had many years of experience in the banking industry and project management. He has led, managed and ensured 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 O'Connor's Singapore Representative Office, Project Director-cum-Technical Director at Millicom Company and Project Manager under the Board of Directors Office at VP Bank. Most recently, as the COO at VP Bank, he implemented several large bank-wide projects that reduced time to serve clients, contributed to CIR decrease and digitalised and automated many operational processes with outstanding performance recognised by business units.

Mr Ngoc graduated with a Bachelor of Telecommunication Engineering with Honours from the University of South Australia.

**Mr Pranav Seth
Chief Digital Officer**

Mr Pranave Seth was appointed to the position of Chief Digital Officer on January 13th, 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. Pranav 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 & Company where he helped banks and financial services firms build strategies and large scale transformation.

Mr Pranav holds a Masters in Business Administration from The UCLA Anderson School of Management (Los Angeles), an Engineering degree from Delhi University, and has completed an Executive Program in Strategy and Organization from Stanford University Graduate School of Business (US).



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Corporate Governance (Continued)**Our Executive Team****Mr Vishal Shah****Chief Business Banking Officer**

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

Ms Thai Minh Diem Tu**Chief Marketing Officer**

Ms Diem Tu is a seasoned marketing and general business lead with more than 20 years of experience in consumer marketing and general business management across various disciplines and leading multinational FMCG companies in Vietnam.

Prior to joining Techcombank, she held various senior executive positions, including 10 years with FrieslandCampina, where she became of Vietnam Director, Specialised Nutrition and Global Specialised Nutrition Business Group Management team. Under her leadership, the business achieved solid successes, sustainable profitable growth, and reached transformational milestones in strengthening brand health, to become the number one brand in premium infant milk powder. Before this, Ms Tu Thai was with Unilever for eight years, with her last assignment as the Business Unit Director for Unilever Vietnam across categories.

Ms Tu 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.

**Our Executive Team****Mr Nguyen Anh Tuan****Chief Information Officer**

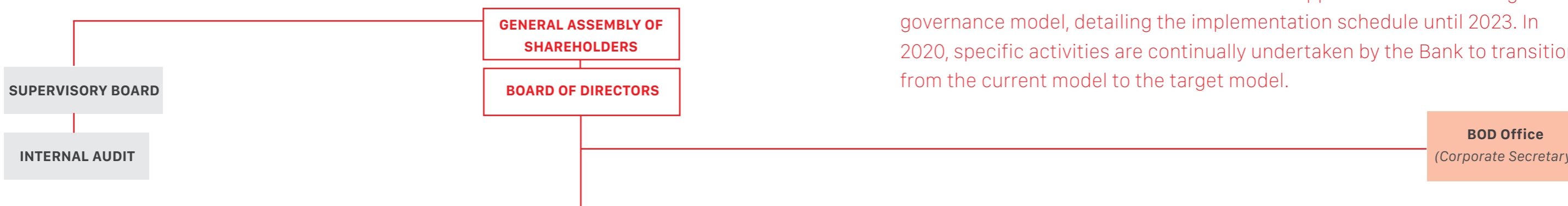
Mr Nguyen Anh Tuan has over 24 years of experience in technology and management. He was the Chief Information Officer of the Claims Division at Travelers Insurance. Prior to that, he held various senior technical and strategic leadership roles at Finastra, Las Vegas Sands, Wolters Kluwer, and General Electric.

Mr Nguyen Anh Tuan holds Master's degrees in Business Administration and Computer Science as well as a Bachelor 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, and is also a Certified Project Management Professional (PMP) from PMI.

The changes to the Executive Team in 2020 are reflected in the 2020 consolidated financial statements.

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Techcombank's 2023 targeted Corporate Governance Model



The Board of Directors of Techcombank has approved the Bank's targeted governance model, detailing the implementation schedule until 2023. In 2020, specific activities are continually undertaken by the Bank to transition from the current model to the target model.

BOARD RISK COMMITTEE	BOARD RISK SETTLEMENT COMMITTEE	BOARD NOMINATION COMMITTEE	BOARD AUDIT COMMITTEE	BOARD REMUNERATION COMMITTEE	BOARD STRATEGY COMMITTEE
<p>The Board Risk Committee must:</p> <ul style="list-style-type: none"> Advise the BOD in issuing procedures, and policies related to risk management in Techcombank's activities. Review and evaluate the appropriateness and effectiveness of procedures and policies, and seek the BOD's approval for any changes. Analyse and provide warnings on Techcombank's safety against potential risk exposure and risk mitigation plans. Advise the BOD on approvals of investments, related party transactions, governance policy and risk remediation within the Committee's responsibilities and duties. 	<p>The Board Risk Settlement Committee functions 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 must:</p> <ul style="list-style-type: none"> Advise the BOD on the composition and size of the Board and ensure executive positions align with the operating model and strategy of Techcombank. Advise the BOD on 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, ensuring the appropriate skills, expertise, and experience are available when required. 	<p>The Board Audit Committee advises the BOD and provides guidance and oversight of the Executive a 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 Strategy Committee has the following functions:</p> <ul style="list-style-type: none"> Advise the BOD in building, and overseeing the implementation of the strategy and development direction of Techcombank, 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 operation.



■ Committees under BOD in compliance with regulatory requirements
■ Committees under BOD

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Corporate Governance (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 2020

No.	Name	Position	Number of Techcombank shares	Shareholding
Board of Directors				
1	Mr Ho Hung Anh	Chairman	39,309,579	1.1216%
2	Mr Nguyen Dang Quang	First Vice Chairman	9,403,176	0.2683%
3	Mr Nguyen Thieu Quang	Vice Chairman	30,256,431	0.8633%
4	Mr Nguyen Canh Son	Vice Chairman	17,954,979	0.5123%
5	Mr Do Tuan Anh	Vice Chairman	1,287,542	0.0367%
6	Mr Lee Boon Huat	Non-Executive Director	0	0.0000%
7	Mr Saurabh Narayan Agarwal	Non-Executive Director	0	0.0000%
8	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	1,127,867	0.0322%
3	Mr Pham Quang Thang	Deputy CEO	975,222	0.0278%
4	Mr Phan Thanh Son	Deputy CEO	2,231,873	0.0637%
5	Mr Trinh Bang	Group CFO	6,000,000	0.1712%
6	Ms Thai Ha Linh	Person Authorized to Disclose Information	1,012,464	0.0289%
7	Ms Bui Thi Khanh Van	Chief Accountant	18,845	0.0005%

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

Share transactions by internal shareholders and affiliated person

In 2020, the number of transactions and volume of Techcombank shares traded by internal shareholders were as follows:

	Number of Transactions	Transaction Volume (number of shares)
Buy	8	1,203,182
Sell	1	300,000
Total	9	1,503,182

In 2020, the number of transactions and volume of Techcombank shares traded by their affiliated parties were as follows:

	Number of Transactions	Transaction Volume (number of shares)
Buy	5	761,100
Sell	2	45,100
Total	7	806,200

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

Salary, rewards, remuneration and other benefits and expenses for each member of the Board of Directors, the Supervisory Board, CEO

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

No.	Name	Position	Salary/Rewards/Remuneration and other benefits
1	Mr Ho Hung Anh	Chairman	Refer to the 2020 Consolidated Financial Statements – Note 37: Significant transactions and balance 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 Lee Boon Huat	Non-Executive Director	
7	Mr Saurabh Narayan Agarwal	Non-Executive Director	
8	Mr Nguyen Nhan Nghia	Independent Director	

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Corporate Governance (Continued)**Salary, rewards, remuneration and other benefits and expenses for each member of the Board of Directors, the Supervisory Board, CEO (Continued)****Salary, rewards, remuneration and other benefits and expenses for each member of the Board of Directors in office 2019-2024 (Continued)**

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 2020 Consolidated Financial Statements – Note 37: Significant transactions and balance 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 2020 Consolidated Financial Statements – Note 37: Significant transactions and balance with related parties.

Contracts or transactions with internal shareholders

Refer to the 2020 Consolidated Financial Statements – Note 37: Significant transactions and balance 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 Government agencies prior to and in 2020, including:

- ▶ **Circular No. 155/2015/TT-BTC** on guiding information disclosure for listed company in the securities market.
- ▶ **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).

At the same time, the Bank regularly updates, reviews and plans for adjustments in accordance with the new regulations and guidelines on corporate governance that take effect in the coming year. Notable regulations are:

- ▶ **Law on Securities No. 54/2019/QH14**, effective date from 1/1/2021.
- ▶ **Law on Enterprise No. 59/2020/QH14**, effective date from 1/1/2021.
- ▶ **Circular No. 96/2020/TT-BTC** on guiding information disclosure for listed company in the securities market, effective date from 1/1/2021.
- ▶ **Decree No. 155/2020/NĐ-CP** on clarification and guiding for Law on Securities amendment, effective date from 1/1/2021.

In 2020, Techcombank maintained compliance with all applicable regulations and guidelines on corporate governance issued by Government agencies prior to and in 2020s.

The Bank implemented and submitted its adjustment of internal regulations to the General Meeting of shareholders for approval on to amend the Bank's Charter and several internal management regulations. This formalises the strict supervision requirements for senior management, corporate governance requirements and updated definitions in accordance with the changes to laws and regulations that take effect in the coming year.

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

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Risk Management

Vietnam's economy was not immune to 2020's global recession and international bankruptcies. The suspension of flights, tourism and service industries significantly impacted our targets. To overcome this, Techcombank implemented a series of solutions and initiatives, in risk management, focused on technology and digital, to that contributed to greater growth.



Internal capital adequacy assessment process (ICAAP)

Following 2019's SBV approval for early application of the CAR standard, according to Circular 41/2016/TT-NHNN, in 2020, Techcombank continued implementing and completing the ICAAP as per Circular 13/2018/TT-NHNN. This completed the implementation of all three pillars of Basel II.

The risk data aggregations and analytics platform (RDAAP) continues to improve both our risk management models and risk reporting standards.

Credit risk management

With a customer-centric strategy, our focus is on truly understanding customers. Specifically, Techcombank structures credit orientation based on industry experience and customer understanding. We aim to provide suitable financial products for customers' business cycles and capital needs, and specific financial solution packages for each customer segment, streamlining the process and optimising processing time. Techcombank assessed the pandemic's impact on customers and responded by reducing interest rates and restructuring loan repayment schedules. In retail, technologies like digital analytics platforms, improved decision-making on retail credit risk portfolio management, and synchronised personal customer data in credit activities on digital channels helped us navigate the fallout from COVID-19.

Business credit decision engine (BCDE) – enabling the commercial digital journey

BCDE's launch of Q4 in 2020 marked a milestone in Techcombank's digital journey. This top-tier initiative of the Risk Management division is in collaboration with Business Banking, IT and Moody's Analytics. The aim is to fully digitalise and streamline corporate loan origination, the nucleus of which lies in credit risk decisions. BCDE will be a crucial driver of non-retail growth. It's highly scalable, and can capture and centralise customer data, leading to better commercial lending decisions and improved operational efficiency.

In 2021, BCDE will continue driving our digitalisation journey with additional modules that allow the comprehensive loan origination process to be completed on in the platform. This will fully transform our corporate lending practices and unlock future success. Underpinned by BCDE corporate lending and risk management, we are well-positioned with our five-year plan to ride the digital wave and lead digital banking in Vietnam.

We'll continue to transform consumer lending by digitalising the customer journey and introducing a market leading loan origination and credit decision engine platform, plus a suite of other innovative products and services.

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Risk Management (Continued)

Techcombank is aiming to digitalise most of our market and liquidity risk management systems. These systems will provide tools for measuring market risk and trade analysis through sophisticated simulation of market factors' future behaviour (e.g., yield curves, FX), and client behaviour (ALM module), revealing future scenarios of investment/trading portfolios at varying levels of market stress.

Techcombank operates comprehensive fraud risk management using a technology - powered fraud life cycle management and cyber security framework. Fraud prevention and detection solutions are being implemented to automate identification using AI. Digital fraud solutions and business solutions, aimed at preventing fraud risk throughout the customer journey, provide the best customer experience at Techcombank.

Techcombank operates comprehensive fraud risk management using a technology - powered fraud life cycle management and cyber security framework.



Corporate culture

Techcombank's corporate culture is built on five core values:



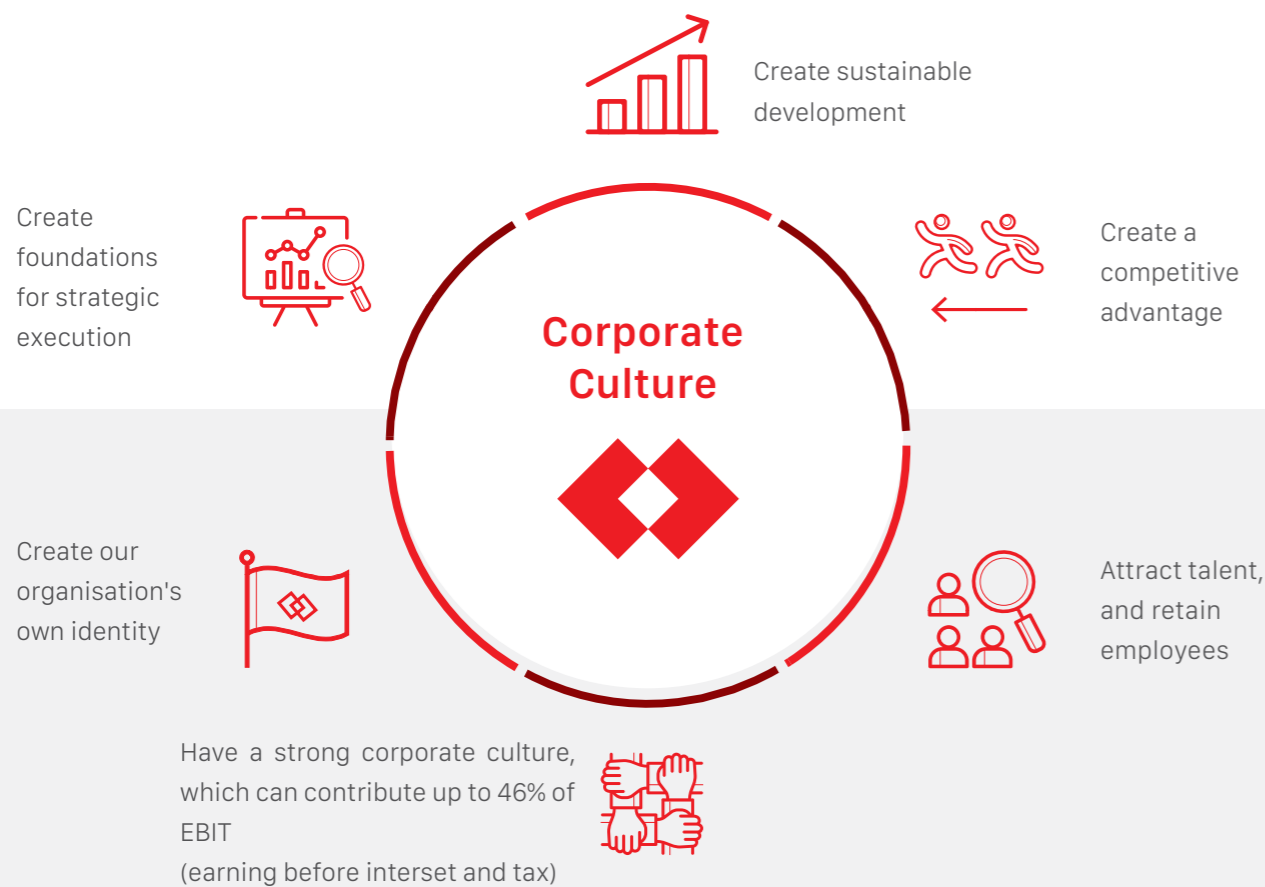
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Corporate culture (Continued)

Corporate culture is part of our DNA and informs our values, beliefs and common behaviour. Techcomers express it interacting with guests, colleagues and partners. These unique traits give Techcombank its own personality, creating outstanding products, and contributing to the development of the economy, our customers and the Bank.

The importance of corporate culture in general operations is reflected in our investment in budget, time, intelligence, research, and cooperation with leading partners to build and create this culture.

"Corporate Culture" is defined as the DNA.



Transformation journey - creating the difference

Executing our strategy requires transformation across all aspects of the Bank including organisational structure, the business model, and corporate culture. A strong and effective corporate culture propels the entire workforce towards success.

Our corporate culture transformation objectives for 2020 were:

Help employees understand and clearly express core values through a set of behavioural norms – guided by detailed, clear actions

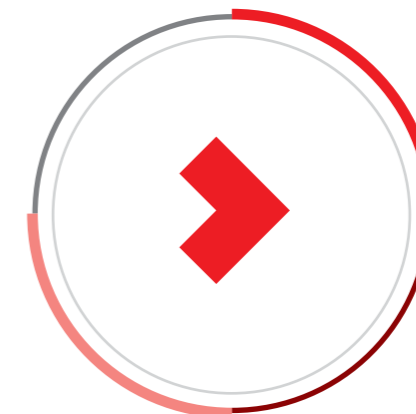
Training and communication programs to help employees Know – Understand – Believe, then followed-up with examples and inspiration from executive and senior management role models

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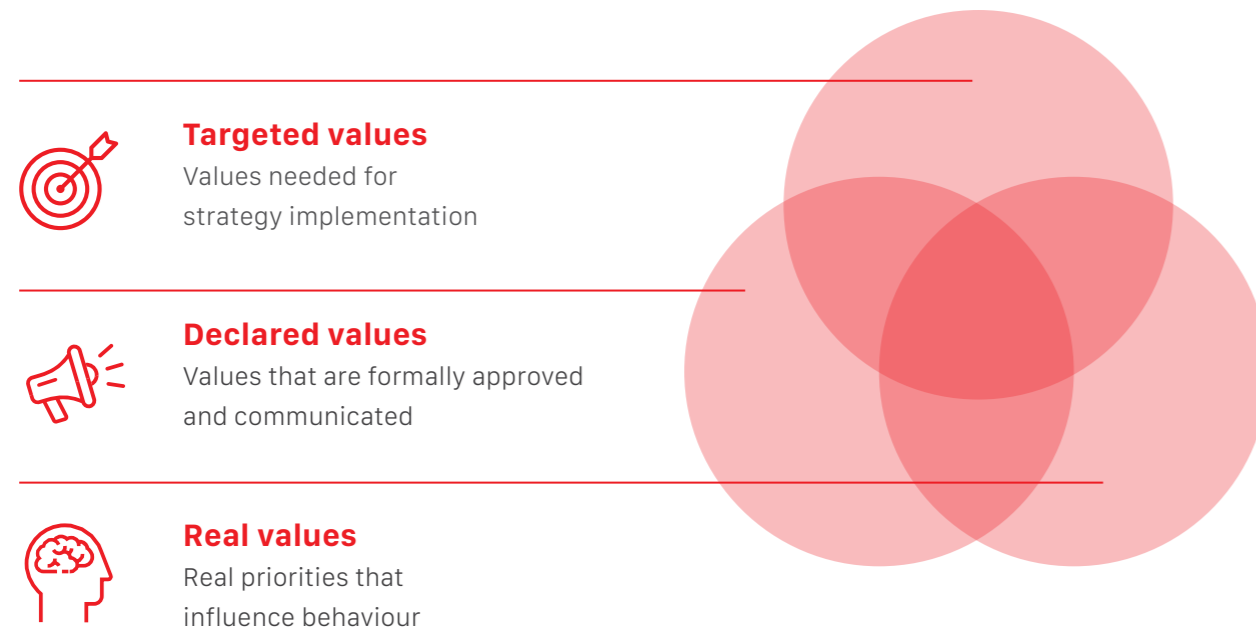
Develop, measure and assess the suitability of Techcombank's corporate culture through recruiting/appointing staff

Effectively manage behavioural norms through the development, measurement, and assessment of their practice by Executive Team members and the senior management team

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Corporate culture (Continued)

Organisations have three kinds of values – targeted, declared and real. With these three in harmony, the organisation has a strong culture. If not, it will be weak. Techcombank management regards all as important.



We are aiming for a strong, efficient culture so building and harmonising these values is important, and leadership's role in its success is essential. Once we've identified the target and declared values, the real values are practised, spread and inspired from top management to employees. Following the 'Practising behaviour norms for Executive members' program in 2019, in 2020 we developed the 'Practising behaviour norms for senior management'. The program is rolled-out to regional directors in business units, and functional heads of divisions and departments at head office (HO) level.

Results include:

233 executive team members and senior managers involved

1,853 employees assessing the behavioural norms of executives and senior managers

459 training courses for executive and senior managers, mainly covering Agile working, project management, objective and key result (OKR) communication skills

95% of customer problems (mostly related to systems, processes and products) were thoroughly solved by Executive Team members through channels like face-to-face meetings, internet banking and surveys. This contributed to a customer satisfaction rate of 4.85 points on a 5-point scale on our VOC (voice of customers) channel.

All Techcomers understand the importance of corporate culture to the Bank's operations and practise the core values. They also inspire their colleagues to bring out the best of these values with customers and fellow staff.



ALWAYS

Corporate culture (Continued)

Our corporate culture journey since 2011 has produced many great results. It has encouraged and rewarded positive acts and bonded business units, divisions, HO departments and regions. We work with our five core values through innovative daily activities like:

- ▶ Kaizen
- ▶ Objective and key result (OKR) program
- ▶ Collecting customer feedback via phone calls
- ▶ Face-to-face customer meetings.

Our First Hand Day drove activities to improve cooperation and collaboration across business units

Corporate culture - A useful playground

and HO. Managers came directly to units to understand situations and provide solutions to long-term problems, difficulties and issues. We make no secret of our ambition to be Vietnam's best bank and leading corporation and, in the context of globalisation, this success will be driven by employees.

It's little wonder then, that most Techcomers have a passion for self-development and learning

20%

OKR (Objective and key result) program

Encouraging every action towards specific and clear results; allocating and optimising resources in order of priority; tasks are always planned and disciplined

20%

Listening to customers' comments

Promoting customer understanding and proactively acknowledging comments, thereby actively seeking to solve problems at all levels, and Divisions & Departments

20%

English proficiency enhancement

Demonstrating self-development of managers at all levels through coaching for the team and focusing on improving English proficiency

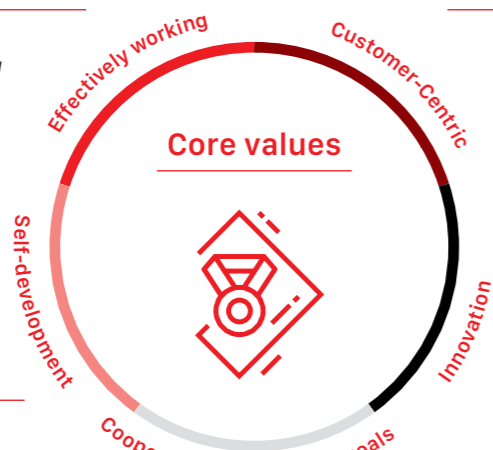
20%

WeKAIZEN

Encouraging and promoting innovative and creative thinking—from daily tasks to initiatives that bring about outstanding value and results.

20% First Hand Day direct dialogue

Sharing and listening to problems in each other's tasks to find solutions more effectively and understand each other better



16 Corporate Culture

English to better communicate with domestic and international partners, consultants, experts, specialists and senior managers. They can also acquire international standard knowledge and skills to improve performance and efficiency. As a result, we have strengthened our English program and completion of international standard English certificates for all corporate culture teams.

2020 Culture Journey program results:

99,920 comments collected

99,920 comments collected by Branch Managers and directors of business functions via phone calls seeking customer feedback. 99% of customer comments were recognised, answered and processed.

255 English certificates completed

53% more senior managers were qualified in English proficiency compared than with 2019.

10,000 members attended

Approximately 10,000 team members were hosted at 81 direct dialogue sessions.

192 new Kaizen

192 new Kaizens, 55% of which focused on tools to save time and improve performance.

724 coaches mentored 6,742 staff

724 coaches mentored 6,742 staff, with 96% reporting improved/enhanced subsequent performance.

71 First Hand Day sessions

Division heads conducted 71 First Hand Day sessions. These were held directly in business units to better understand challenges, and provide guidance or solve issues directly.

153 targets

Setting targets upholds the spirit of cooperation toward common goals and effective performance. In 2020, 153 targets were set by teams, indirectly contributing to the business results and goals of regions and divisions in particular, and across the entire Bank.

The program's success influenced many changes to our planned 2021 Corporate Culture Journey. It now aligns with our core values and real life situations to enable greater cohesion and understanding of how to apply these every day.

ALWAYS

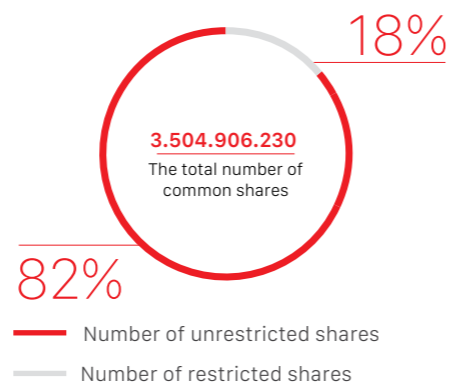
Shareholder structure and investor relations activities

Shareholding structure and changes to shareholder equity at 31 December 2020

Shares

The total number of common shares issued by Techcombank at 31 December 2020 was 3,504,906,230 (equivalent to VND 35,049,062,300,000 of charter capital), where:

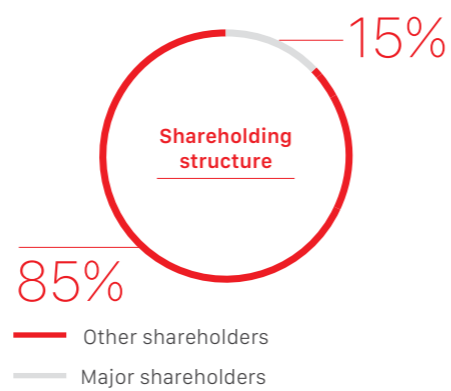
Number of outstanding shares	3,504,906,230
Number of Treasury shares	0
Number of restricted shares	627,786,458
Number of unrestricted shares	2,877,119,772



Shareholding structure

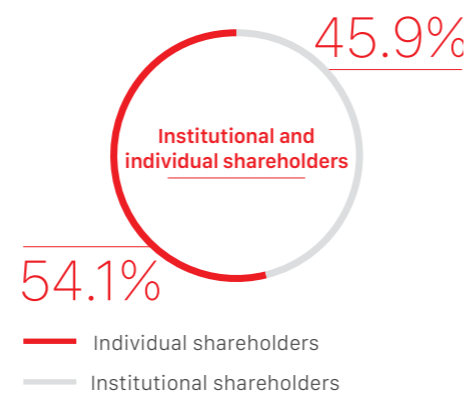
	Shares owned	Shareholding
Major shareholders	524,315,499	14.9595%
Other shareholders	2,980,590,731	85.0405%
Total	3,504,906,230	100.0%

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



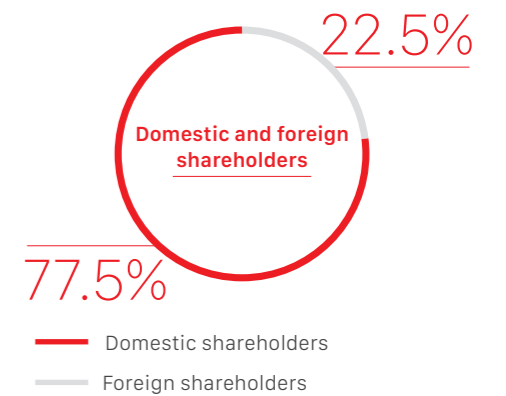
Institutional and individual shareholders

	Shares owned	Shareholding
Institutional shareholders	1,608,478,711	45.8922%
Individual shareholders	1,896,427,519	54.1078%
Total	3,504,906,230	100.0%



Domestic and foreign shareholders

	Shares owned	Shareholding
Domestic shareholders	2,716,642,799	77.5097%
Foreign shareholders	788,263,431	22.4903%
Total	3,504,906,230	100.0%



Changes in shareholder equity

In 2020, Techcombank increased share capital from VND 35,001,399,620,000 to VND 35,049,062,300,000.

Transaction of Treasury shares

In 2020, Techcombank had no Treasury share transactions and there were no such shares on book as at 31 December 2020.

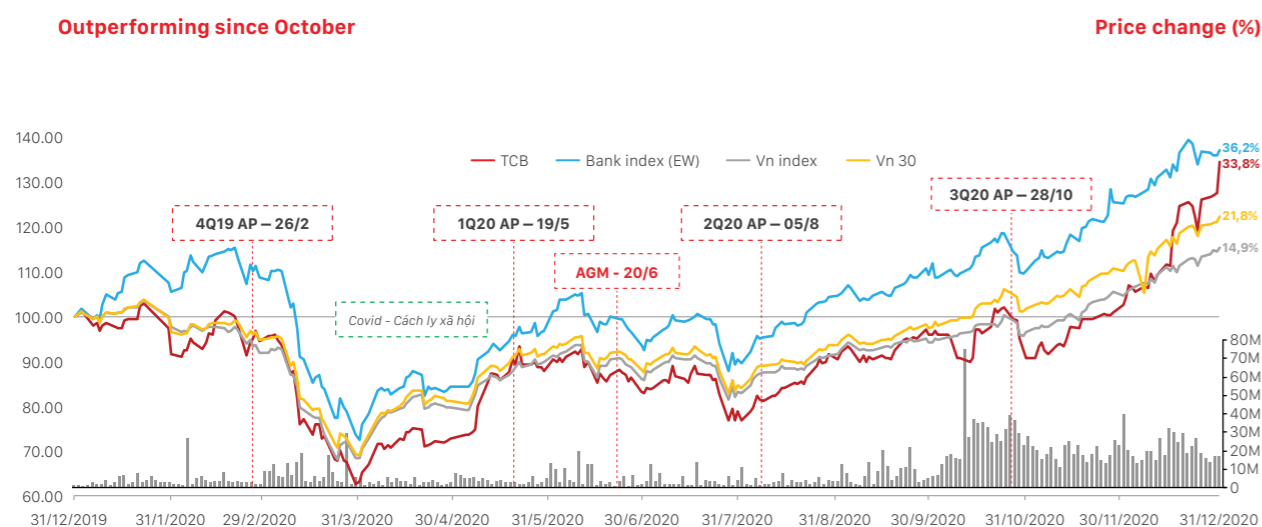
Other securities: Not applicable.



ALWAYS

Share information in 2020

Techcombank share price performance compared to indexes in 2020



After the COVID-19 pandemic panic sell-off, the VN-Index recovered in 2020 by an encouraging +14.9% YoY – the result of competent government management. The market rebound saw Techcombank’s share price climb significantly as we reported more upbeat 1H20 results. We upheld stronger key metrics than most competitors with better profitability, efficiency and asset quality – in addition to our widely-known higher capital adequacy.

Our share price rose to VND 31,500 as at 31 December 2020, 33.8% higher YoY – and the largest annual share price rise since listing. Remarkably, TCB share liquidity emerged as one of the most actively trading banking stocks with the average traded volume in quarter 4 nearly 22 million shares a day, equivalent to VND 533 billion or USD 23 million, daily.

Our share price

▲ 33.8%

over the same period
last year

Investor relations activities in 2020

Ongoing shareholder trust in Techcombank greatly contributes to our success. During the pandemic, even with a surge in transaction volumes online, the Bank ensured normal operations. We also worked hard to actively reach shareholders, and institutional and retail investors – both on and offshore.

Additional resources in the investor relations department meant we could communicate effectively with analysts – improving their understanding of Techcombank’s long-term strategy and approach. We offered timely updates that were highly appreciated in such an uncertain and volatile year.

Our successful AGM was held on 20 June 2020. Four quarterly investor/analyst presentations were held during the year and we proactively initiated two presentations for individual investors. We plan to continue dedicating resources to presentations for individual and institutional investors,

Ongoing shareholder trust in Techcombank greatly contributes to our success.

demonstrating our commitment these customers. Sixty-six meetings/conference calls were also held with analysts and investors all over the world throughout 2020 – a YoY increase of 95%. Selected C-levels participated when their calendars allowed.

Investors and ‘analysts’ opinions and suggestions are always welcomed through our informal channels of communication, such as the Bank’s IR fan page or email. In 2020, we aimed to respond in less than 72 hours. We’re reducing this target to 48 hours in 2021.

Additional resources in the investor relations department meant we could communicate effectively with analysts.

ALWAYS

Corporate social responsibility/ Environmental, social and corporate governance

Techcombank: Improving Vietnam through sustainable community development

Over our 27-year journey, Techcombank has affirmed its position as the leader of the digitalisation of Vietnam's financial market. In addition to providing outstanding financial solutions, Techcombank has always strived to create sustainable values and reflect the will, aspiration, optimism and autonomy of Vietnamese people. This commitment is evident in Techcombank's corporate social responsibility guidelines, which state:

To accompany voluntary social security sponsorship projects and to become an influencer among the community and spread the motto of 'Be Greater' to bring great values to Vietnamese people and to develop the country.

Community engagement

The many difficulties of the COVID-19 pandemic and the spate of natural disasters in the central region saw Techcombank respond with extensive volunteer work. Techcombank community volunteer activities included:

- ▶ Bridge and school building projects
- ▶ Scholarships for poor children in remote areas
- ▶ Relief for those affected by natural disasters
- ▶ Social development programs aimed at improving local living standards.



The budget for these programs was more than double that of 2019, at VND 158 billion, and shows Techcombank's dedication to helping our society and communities overcome difficulties.

We also actively supported 3,200 pandemic-affected customers with over VND 41,000 billion, joining the SBV and the Government in the recovery.

The budget for these programs was more than double that of 2019

VND 158 billion



Inspire, lead and spread the motto 'Be Greater'

The Techcombank Ho Chi Minh City International Marathon perfectly embodies our Be Greater ethos. Since its inception in 2017, this world-class event has evolved into Vietnam's biggest marathon.

Despite COVID-19 and social distancing, 13,117 athletes will run in 2021. Techcombank doesn't balk from our stated goal of "helping the Vietnamese people to Be Greater and reach their goals". The marathon's enduring appeal affirms our Be Greater spirit is alive and well in Vietnam. In addition to the human spirit that infuses the event, Techcombank brings further meaning to each athlete's run by donating to HCMC's 'For Greater Vietnam' fund.

The marathon's theme of 'The Greater Race' fosters sustainable community values, the spirit of endurance and excellence, and encourages a healthy lifestyle. These are all important pillars towards a better Vietnam.

13,117 participants
of Techcombank Ho Chi Minh City
International Marathon (4th edition)



**GREATER ME
GREATER YOU
FOR GREATER VIETNAM**

05 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements for 2020

152

CORPORATE INFORMATION

Banking Operation Licence No.

0040/NH-GP

6 August 1993

The Banking Operation Licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date. The Banking Operation Licence has been amended several times, the most recent of which is the Banking Operation Licence No. 0038/GP-NHNN dated 6 March 2018 issued by the State Bank of Vietnam

Business Registration Certificate No.

055697

7 September 1993

The Business Registration Certificate has been amended several times, the most recent of which is the Business Registration Certificate No. 0100230800 dated 19 January 2021 issued by Hanoi Department of Planning and Investment.

The Board of Directors during the year and until the issuing date of the consolidated financial statements

Mr Ho Hung Anh	Chairman
Mr Nguyen Dang Quang	First Vice Chairman
Mr Nguyen Thieu Quang	Vice Chairman
Mr Nguyen Canh Son	Vice Chairman
Mr Do Tuan Anh	Vice Chairman
Mr Lee Boon Huat	Member
Mr Saurabh Narayan Agarwal	Member
Mr Nguyen Nhan Nghia	Independent Member

The Supervisory Board during the year and until the issuing date of the consolidated financial statements

Mr Hoang Huy Trung	Head of the Supervisory Board cum Specialist Member
Mr Mag Rec Soc Oec Romauch Hannes	Member
Ms Bui Thi Hong Mai	Member

CORPORATE INFORMATION (CONTINUED)

The Executive Team during the year and until the issuing date of the consolidated financial statements

Mr Jens Lottner	Chief Executive Officer (from 18 August 2020)
Mr Nguyen Le Quoc Anh	Chief Executive Officer (until 17 August 2020)
Mr Phung Quang Hung	Standing Deputy Chief Executive Officer (from 15 March 2020) cum Managing Director (from 13 January 2020 until 9 January 2021) cum Chief Customer Services & Financial Advisory Officer (until 15 November 2020)
Mr Do Tuan Anh	Deputy Chief Executive Officer (until 14 July 2020) cum Chief Corporate Affairs Officer (until 1 April 2020)
Mr Pham Quang Thang	Deputy Chief Executive Officer cum Transformation Director (until 1 April 2020) cum Chief Corporate Affairs Officer (from 2 April 2020)
Mr Phan Thanh Son	Deputy Chief Executive Officer cum Chief Global Transaction Services Officer cum Transformation Director
Mr Kalyanaraman Sivaramakrishnan	Deputy Chief Executive Officer (from 10 January 2021) cum Chief Risk Officer (from 1 October 2020)

CORPORATE INFORMATION (CONTINUED)

The Executive Team during the year and until the issuing date of the consolidated financial statements (Continued)

Mr Trinh Bang	Group Chief Finance Officer cum Chief of Strategy and Corporate Development (from 1 February 2021)
Ms Phan Thi Thanh Binh	Chief Wholesale Banking Officer
Mr Vishal Shah	Chief Business Banking Officer
Mr Dang Cong Hoan	Deputy Chief of Retail Banking Officer cum Head of Investment Solutions Development (from 10 January 2021)
Ms Dang My Quyen	Chief Human Resources Officer (from 4 May 2020)
Mr Nguyen Anh Tuan	Chief Information Officer (from 17 July 2020)
Mr Chu Hong Ngoc	Chief Operating Officer (from 4 May 2020)
Ms Thai Minh Diem Tu	Chief Marketing Officer (from 3 September 2020)
Mr Santhosh Mahendiran	Chief Data & Analytics Officer (from 20 October 2020)
Mr Kyle Timothy Justin	Chief Transformation Officer (from 30 October 2020)
Mr Pranav Seth	Chief Digital Officer (from 13 January 2021)

Legal Representative Mr Ho Hung Anh Chairman of the Board of Directors

Registered office 191 Ba Trieu Street, Le Dai Hanh Ward,
Hai Ba Trung District, Hanoi, Vietnam

Auditor KPMG Limited
Vietnam

STATEMENT OF THE EXECUTIVE TEAM

The Executive Team of Vietnam Technological and Commercial Joint Stock Bank ("the Bank") present this statement and the accompanying consolidated financial statements of the Bank and its subsidiaries (collectively referred to as "Techcombank") for the year ended 31 December 2020.

Techcombank's Executive Team is responsible for the true and fair presentation of the accompanying consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and relevant statutory requirements applicable to financial reporting. In the opinion of Techcombank's Executive Team:

- ▶ (a) the consolidated financial statements set out on pages 156 to 233 give a true and fair view of the consolidated balance sheet of Techcombank as at 31 December 2020, and of the consolidated statement of income and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting; and
- ▶ (b) at the date of this statement, there are no reasons for Techcombank's Executive Team to believe that the Bank or its subsidiaries will not be able to pay its debts as and when they fall due.

Techcombank's Executive Team has, on the date of this statement, authorised the issuance of the accompanying consolidated financial statements.

On behalf of the Executive Team,



Jens Lottner
Chief Executive Officer

Hanoi, 15 March 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 (collectively referred to as "Techcombank"), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of income and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Executive Team on 15 March 2021, as set out on pages from 156 to 233.

Responsibility of the Bank's Executive Team

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

Auditor's 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the 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 Bank's and its subsidiaries' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Bank's Executive Team, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Vietnam Technological and Commercial Joint Stock Bank and its subsidiaries as at 31 December 2020 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to financial reporting.

Other Matter

The consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2019 were audited by another firm of auditors whose reports dated 18 March 2020 expressed an unqualified opinion on those statements.

KPMG Limited

Vietnam
Audit Report No. 20-02-00068-21-4



Doan Thanh Toan

Practicing Auditor Registration
Certificate No. 3073-2019-007-1
Deputy General Director

Hanoi, 15 March 2021

Tran Dinh Vinh

Practicing Auditor Registration
Certificate No. 0339-2018-007-1

CONSOLIDATED BALANCE SHEET

Form B02/TCTD-HN

(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

as at 31 December 2020

	Note	31/12/2020 VND million	31/12/2019 VND million
A ASSETS			
I Cash and gold on hand	4	3,663,615	4,820,627
II Balances with the State Bank of Vietnam ("SBV")	5	10,253,324	3,192,256
III Balances with and loans to other credit institutions ("CIs")	6	28,994,954	47,990,224
1 Balances with other CIs		21,112,630	38,596,420
2 Loans to other CIs		7,882,324	9,393,804
IV Securities held-for-trading	7	8,347,576	10,041,556
1 Securities held-for-trading		8,357,447	10,052,963
2 Allowance for securities held-for-trading		(9,871)	(11,407)
VI Loans and advances to customers		275,310,367	227,885,283
1 Loans and advances to customers	8	277,524,615	230,802,027
2 Allowance for loans and advances to customers	9	(2,214,248)	(2,916,744)
VII Debt purchases	10	-	-
1 Debt purchases		1,682	1,682
2 Allowance for debt purchases		(1,682)	(1,682)
VIII Investment securities		84,447,241	66,054,597
1 Available-for-sale securities	11 (a)	84,632,952	66,158,709
2 Held-to-maturity securities	11 (b)	200,000	202,006
3 Allowance for investment securities	11 (c)	(385,711)	(306,118)
IX Long-term investments	12	11,806	12,223
4 Other long-term investments		12,466	12,883
5 Allowance for diminution in the value of long-term investments		(660)	(660)
X Fixed assets		4,613,423	3,207,777
1 Tangible fixed assets	13	1,470,942	793,484
a Cost		2,416,349	1,761,468
b Accumulated depreciation		(945,407)	(967,984)
3 Intangible fixed assets	14	3,142,481	2,414,293
a Cost		3,923,203	3,086,148
b Accumulated amortisation		(780,722)	(671,855)
XI Investment property	15	1,124,724	1,160,524
a Cost		1,435,699	1,435,699
b Accumulated depreciation		(310,975)	(275,175)
XII Other assets	16	22,835,903	19,334,394
1 Receivables		16,572,411	12,954,103
2 Accrued interest and fee receivables		5,184,822	5,553,724
4 Other assets		1,268,562	1,055,475
5 Allowance for other on-balance sheet assets		(189,892)	(228,908)
TOTAL ASSETS		439,602,933	383,699,461

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (CONTINUED)

Form B02/TCTD-HN

(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

as at 31 December 2020

	Note	31/12/2020 VND million	31/12/2019 VND million
B LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
II Deposits and borrowings from other CIs	17	47,484,812	61,266,635
1 Deposits from other CIs		21,232,089	38,632,337
2 Borrowings from other CIs		26,252,723	22,634,298
III Deposits from customers	18	277,458,651	231,296,761
IV Derivatives and other financial liabilities	19	266,926	434,008
VI Valuable papers issued	20	27,899,640	17,460,634
VII Other liabilities	21	11,878,118	11,168,656
1 Accrued interest and fee payables		3,252,009	3,479,310
3 Other liabilities		8,626,109	7,689,346
TOTAL LIABILITIES		364,988,147	321,626,694
OWNERS' EQUITY			
VIII Capital and reserves	22	74,614,786	62,072,767
1 Capital		35,525,569	35,477,967
a Charter capital		35,049,062	35,001,400
c Share premium		476,507	476,567
2 Reserves		6,789,643	5,172,684
5 Retained earnings		31,815,808	21,131,391
6 Non-controlling interests		483,766	290,725
TOTAL OWNERS' EQUITY		74,614,786	62,072,767
TOTAL LIABILITIES AND OWNERS' EQUITY		439,602,933	383,699,461

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (CONTINUED)

Form B02/TCTD-HN

(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

as at 31 December 2020

	Note	31/12/2020 VND million	31/12/2019 VND million
OFF-BALANCE SHEET ITEMS			
I CONTINGENT LIABILITIES AND OTHER COMMITMENTS			
1	Loan guarantees	34,868	38,509
2	Foreign exchange commitments	185,950,560	228,476,804
	Commitments to buy foreign currency	1,605,493	1,108,119
	Commitments to sell foreign currency	3,004,364	5,611,861
	Commitments to buy currency swap contracts	90,498,304	110,730,891
	Commitments to sell currency swap contracts	90,842,399	111,025,933
4	Letters of credit	30,880,187	21,909,553
5	Other guarantees	21,121,837	22,285,888
6	Valuable papers forward commitments	15,802,168	19,281,908
7	Other commitments	131,316,212	113,347,193
	Commitments for cross currency swap in foreign currency	59,869,362	50,759,660
	Commitments for cross currency swap in VND	60,198,065	50,662,360
	Commitments for interest rate swap in foreign currency	9,994,922	2,471,787
	Commitments for interest rate swap in VND	-	7,161,705
	Other commitments	1,253,863	2,291,681
8	Unused credit limit	155,200,484	128,092,826

Prepared by:  15 March 2021

Reviewed by:  15 March 2021

Approved by:  15 March 2021



Bui Thi Khanh Van
Chief Accountant

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

Jens Lottner
Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF INCOME

Form B03/TCTD-HN

(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

for the year ended 31 December 2020

	Note	2020 VND million	2019 VND million (Reclassified)
1	Interest and similar income	29,001,912	25,020,397
2	Interest and similar expenses	(10,250,703)	(10,762,553)
I	Net interest income	18,751,209	14,257,844
3	Fee and commission income	6,048,443	4,853,846
4	Fee and commission expenses	(1,859,665)	(1,600,493)
II	Net fee and commission income	4,188,778	3,253,353
III	Net gain from trading of foreign currencies	25	104,581
IV	Net gain from trading securities	26	397,664
V	Net gain from investment securities	27	1,496,997
5	Other income	5,460,013	4,425,079
6	Other expenses	(3,180,804)	(2,618,351)
VI	Net other income	28	2,279,209
VII	Income from capital contribution, share purchase	4,191	4,216
VIII	Operating expenses	29	(8,631,195)
IX	Net operating profit before allowance expenses	18,411,331	13,755,636
X	Allowance expenses for credit losses	30	(2,611,035)
XI	Profit before tax	15,800,296	12,838,268
7	Corporate income tax expenses - current	(3,217,829)	(2,612,059)
XII	Corporate income tax expenses	31	(3,217,829)
XIII	Net profit after tax	12,582,467	10,226,209
XIV	Non-controlling interests	(257,476)	(151,070)
XVI	Net profit attributable to Bank's shareholders	12,324,991	10,075,139
XV	Basic earnings per share (VND/share)	3,515	2,871

Prepared by:  15 March 2021

Reviewed by:  15 March 2021

Approved by:  15 March 2021



Bui Thi Khanh Van
Chief Accountant

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

Jens Lottner
Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Form B04/TCTD-HN

(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

for the year ended 31 December 2020
(Direct method)

	2020 VND million	2019 VND million (Reclassified)
CASH FLOWS FROM OPERATING ACTIVITIES		
01 Interest and similar income received	28,933,307	25,681,231
02 Interest and similar expenses paid	(10,155,492)	(10,869,069)
03 Net fees and commission income received	4,140,309	3,170,716
04 Net receipts from trading activities (foreign currencies, gold and securities)	1,897,196	1,703,869
05 Other income	1,190,483	485,024
06 Proceeds from bad debts previously written off	1,259,653	1,080,236
07 Payments for salary and operating expenses	(6,752,272)	(5,565,179)
08 Corporate income tax paid during the year	(2,881,901)	(2,678,919)
Cash flows from operating activities before changes in operating assets and liabilities	17,631,283	13,007,909
Changes in operating assets		
09 Decrease in balances with and loans to other CIs	1,401,381	2,033,530
10 (Increase)/decrease in trading securities	(16,005,291)	18,030,873
12 (Increase) in loans and advances to customers	(46,722,588)	(70,862,810)
13 Decrease in allowance to write off	(3,363,570)	(256,945)
14 (Increase) in other operating assets	(6,261,043)	(4,670,768)
Changes in operating liabilities		
15 (Decrease) in amounts due to the Government and the SBV	-	(4,024,907)
16 (Decrease)/increase in deposits and borrowings from other CIs	(13,781,823)	24,841,075
17 Increase in deposits from customers	46,161,890	27,882,109
18 Increase in valuable papers issued	10,596,719	7,482,675
20 (Decrease)/increase in derivatives and other financial liabilities	(167,082)	123,695
21 Increase/(decrease) in other operating liabilities	422,272	(944,721)
22 Utilisations of reserves	(615)	(9,913)
I NET CASH FLOWS FROM OPERATING ACTIVITIES	(10,088,467)	12,631,802
CASH FLOWS FROM INVESTING ACTIVITIES		
01 Payments for purchases of fixed assets	(665,860)	(257,620)
02 Proceeds from disposals of fixed assets	6,837	31,428
03 Payments for disposals of fixed assets	(559)	(268)
09 Dividends received and profit shared from long-term investments	4,191	4,216
II NET CASH FLOWS FROM INVESTING ACTIVITIES	(655,391)	(222,244)

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Form B04/TCTD-HN

(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

for the year ended 31 December 2020
(Direct method)

	2020 VND million	2019 VND million (Reclassified)
CASH FLOWS FROM FINANCING ACTIVITIES		
01 Increase of share capital from issuance of shares	47,602	35,428
03 Payments for settlement of long-term valuable papers eligible for recognition as owners' equity and other long-term loans	(157,713)	(3,200,000)
04 Payments for dividends	(65,086)	-
07 Proceeds from capital contribution of non-controlling shareholders	651	70,338
III NET CASH FLOWS FROM FINANCING ACTIVITIES	(174,546)	(3,094,234)
IV NET CASH FLOWS DURING THE YEAR	(10,918,404)	9,315,324
V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	46,514,303	37,198,979
VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Note 33)	35,595,899	46,514,303

15 March 2021

Prepared by:



Bui Thi Khanh Van
Chief Accountant

Reviewed by:



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

Approved by:



Jens Lottner
Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B05/TCTD-HN

(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

for the year ended 31 December 2020

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. Reporting entity

(a) Establishment and operation

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

The Bank was established pursuant to Banking Operation License No. 0040/NH-GP dated 6 August 1993. The Banking Operation Licence was issued by the State Bank of Vietnam and is valid for 99 years from the licence date. The Banking Operation Licence has been amended several times, the most recent of which is the Banking Operation Licence No. 0038/GP-NHNN dated 6 March 2018 issued by the State Bank of Vietnam. The operation time according to the Banking Operation Licence is 99 years from 6 August 1993.

The principal activities of the Bank are mobilising and receiving short, medium and long-term deposits from organisations and individuals; lending to organisations and individuals 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; making capital contributions, purchasing shares, investing in bonds and trading foreign currencies in accordance with the law.

(b) Charter capital

As at 31 December 2020, the Bank's charter capital was VND35,049,062,300,000 (31/12/2019: VND35,001,399,620,000). The Bank issued 3,504,906,230 ordinary shares with the par value of VND10,000 per share.

(c) Head Office and network

The Bank's Head Office is located at 191 Ba Trieu Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi, Vietnam. As at 31 December 2020, The Bank had one (1) Head Office, two (2) representative offices, three hundred and nine (309) transaction offices nationwide and three (3) subsidiaries (31/12/2019: one (1) Head Office, two (2) representative offices, three hundred and eleven (311) transaction offices nationwide and three (3) subsidiaries).

The consolidated financial statements of the Bank as at 31 December 2020 and for the year then ended consist of the financial statements of the Bank and its subsidiaries (herein collectively referred to as "Techcombank").

(d) Subsidiaries

As at 31 December 2020, the Bank has three (3) subsidiaries as follows:

Company name	Operation License	Business sector	% owned by the Bank
Techcom Securities Joint Stock Company	72/GPDC-UBCK dated 4 November 2020 granted by the State Securities Commission	Securities activities	88.94843%
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 22nd time on 3 May 2019	Debt and asset management	100%
Techcom Capital Management Joint Stock Company	33/GPDC-UBCK dated 5 June 2019 granted by the State Securities Commission	Fund management	88.99956%

(e) Total number of employees

As at 31 December 2020, Techcombank had **11,802** employees (31/12/2019: **11,156** employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for CIs stipulated by the State Bank of Vietnam and relevant statutory requirements applicable to financial reporting. These standards and statutory requirements may differ in some material aspects from International Financial Reporting Standards, generally accepted accounting principles and standards of other countries. Accordingly, the accompanying consolidated financial statements are not intended to present Techcombank's consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not

designed for those who are not informed about Vietnam's accounting principles, procedures and practices for CIs.

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using direct method.

(c) Accounting period

The annual accounting period of Techcombank is from 1 January to 31 December.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

Form B05/TCTD-HN

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for the year ended 31 December 2020

2. Basis of preparation (Continued)

(d) Accounting currency

Techcombank's accounting currency is Vietnam Dong ("VND"). These consolidated financial statements have been prepared and presented in Vietnam Dong ("VND"), rounded to the nearest million ("VND million").

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by Techcombank in preparing these consolidated financial statements.

Except for the adoption of Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the SBV on Cls' and foreign bank branches' 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 described in Note 3(h)(ii), the accounting policies that have been adopted by Techcombank in the preparation of these consolidated financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by Techcombank. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The accounting policies of subsidiaries have been also revised when necessary to ensure consistency with the accounting policies applied by Techcombank.

(b) Foreign currency

Foreign currency transactions

All transactions are recorded in their original currencies. Monetary items denominated in currencies other than VND are translated into VND at average exchange rate for spot selling and buying (gold is converted at the average selling and buying rate) of the Bank at the end of the last working day of the annual accounting period if the difference between this rate and the weighted average buying and selling rate of the last working day of the annual accounting period is less than 1% (refer to Note 48 for details of foreign exchange rates as at 31 December 2020). If the difference between the average exchange rate for spot selling and buying at the end of the last working day of the annual accounting period and the weighted average buying and selling rate of the last working day of the annual accounting period is 1% or more, Techcombank shall use the weighted average buying and selling rate of the last working day of the annual accounting period.

Non-monetary foreign currency assets and liabilities are translated into VND using the exchange rates effective at the dates of the transactions. Income

and expense in foreign currencies are translated into VND using the exchange rates effective at the dates of the transactions.

Foreign exchange differences arising from revaluation of monetary items denominated in foreign currencies as at the end of the annual accounting period are recognised in the consolidated statement of income.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, gold on hand, balances with the SBV, Government treasury bills and other short-term valuable papers which are eligible for rediscount with the SBV, balances with other Cls without a term and with original terms to maturity of less than three months and securities with recovery or maturity period not exceeding three months from the acquisition date.

(d) Balances with and loans to other Cls

Balances with other Cls, except for current deposits, are deposits at other Cls with original terms of not exceeding three months. Loans to other Cls are loans with original terms to maturity of less than one year.

Current deposits at other Cls are stated at the amount of the outstanding principal. Term deposits at and loans to other Cls are stated at the amount of outstanding principal less allowance for credit risks.

Credit risk classification of balances with and loans to other Cls and allowance thereof is made in accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 of the State Bank of Vietnam on classification of assets, level and method of allowance making, and use of allowance against credit risks in banking activities of Cls and foreign banks' branches ("Circular 02") and Circular No. 09/2014/TT-NHNN dated 18 March 2014 of the SBV amending and supplementing certain articles of Circular 02 ("Circular 09"). Accordingly, Techcombank has provided specific allowance for balances with (except for current accounts at

domestic Cls and foreign bank branches the territory of in Vietnam) and loans to other Cls in accordance with the method described in Note 3(h).

According to Circular 02, Techcombank is not required to make general allowance for balances with and loans to other Cls.

(e) Securities held-for-trading and investment securities

(i) Classification

Securities held-for-trading are debt securities which are acquired principally for the purpose of selling them in the short term or there is an evidence of a recent pattern of short-term profit-taking.

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. Available-for-sale investment securities are debt securities or equity securities, which are held for an indefinite period and may be sold at any time. Held-to-maturity investment securities are debt securities with fixed maturities and fixed or determinable payments, where Techcombank has the positive intention and ability to hold until maturity.

Techcombank classifies investment securities at the date of acquisition as available-for-sale investment securities and held-to-maturity investment securities. According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 of the SBV, Techcombank is allowed to reclassify investment securities for a maximum of one time after initial recognition.

(ii) Recognition

Techcombank recognises securities held-for-trading and investment securities on the date that Techcombank becomes a party under purchase contracts for these securities (trade date accounting).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

Form B05/TCTD-HH

(Issued under Circular No.

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of the State Bank of Vietnam)

for the year ended 31 December 2020

3. Summary of significant accounting policies (Continued)

(iii) Measurement

Equity securities

For equity investment securities, Techcombank initially records at cost including purchase cost plus other directly attributable costs such as brokerage fees, transaction fees, information fees and bank charges (if any). They are subsequently recognised at the lower of book value and the actual market price with the allowance expenses recognised in the consolidated statement of income.

For listed equity securities, the actual market price of securities is the closing bid price at the latest trading date prior to the end of the annual accounting period. If the listed securities are not traded in 30 days before making allowance or the listed securities are cancelled or suspended from trading on the date of making allowance, allowance for each investment in equity securities is determined as those for other investments specified in Note 3(f)(ii).

If there is no reliable information to determine allowance for investments in accordance with Note 3(f)(ii), Techcombank shall not make allowance for such investments.

Debt securities

For debt securities held-for-trading, Techcombank records at cost less allowance for credit risks and diminution in value of securities held-for-trading.

For debt investment securities, Techcombank initially records at cost including transaction costs and other directly attributable costs. They are subsequently recognised at amortised cost (affected by premium/discount amortisation) less allowance for risks of investment securities, including allowance for diminution in value of securities and allowance for credit risk of unlisted corporate bonds. Premium and discounts arising from purchases of debt securities are amortised to the consolidated statement of income on a straight-line basis over the period from acquisition date to maturity date.

Allowance for diminution in value of investment securities is determined based on actual market prices. 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 annual accounting period. If there is no transaction within 10 days to the end of the annual accounting period, Techcombank will not make allowance for these investments.

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 annual accounting period. If there is no transaction within 10 days to the end of the annual accounting period, Techcombank will not make allowance for these investments.

Other debt securities of unlisted enterprises (excluding held-to-maturity debt securities and available-for-sale investments of unlisted enterprises) are stated at cost less allowance 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.

Allowance for credit risk of unlisted corporate bonds is made in accordance with the policies applicable to loans and advances to customers as described in Note 3(h).

The allowance for diminution in value of securities mentioned above is reversed if their price or their recoverable value subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

Interest income from debt securities after the acquisition date is recognised in the consolidated statement of income when the income is received on an accrual basis. Accrued interest receivable account of the pre-acquisition accumulated interest income of Techcombank will be reduced upon receipt.

(iv) De-recognition

Techcombank derecognises securities held-for-trading and investment securities when the contractual rights to the cash flows from these securities expired or when the significant risks and rewards of ownership of these securities have been transferred.

(f) Long-term investments

(i) Other long-term investments

Other long-term investments are investments in the equity of other companies without having control or significant influence. These long-term investments

are initially recognised at cost at the date of acquisition, and subsequently stated at cost less allowance for diminution in the value of investments.

(ii) Allowance for diminution in value of long-term investments

Allowance for diminution in the value of other long-term investments is made when the invested economic entities suffer losses, except when the loss was anticipated in the initial business plan before the date of investment. Allowance for diminution in the value is determined as the total actual contributed capital of parties to the investee less (-) the actual owner's equity multiplied (x) by Techcombank's ownership percentage in the investee.

The allowance is reversed if the recoverable amounts are subsequently increased after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(g) Loans and advances to customers

Loans and advances to customers are stated at the amount of the principal outstanding less allowance for loans and advances to customers.

Short-term loans are those with maturity term of no more than 1 year from the loan disbursement date. Medium-term loans are those with maturity of more than 1 year and no more than 5 years of the loan disbursement date. Long-term loans are those with maturity term of more than 5 years from the loan disbursement date.

Techcombank derecognises loans when the contractual rights to the cash flows from these loans expire or when substantial risks and rewards of ownership of these loans have been transferred.

Debt classification and allowance for loans and advances to customers are made in accordance with Circular 02 and Circular 09 as described in Note 3(h).

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for the year ended 31 December 2020

3. Summary of significant accounting policies (Continued)

(h) Debt classification and the rate and method of making allowance for credit losses

(i) Debt classification

Classification of deposits with and loans to other CIs (excluding current deposits), purchases and entrustment amount to purchase of unlisted corporate bonds, loans and advances to customers, and entrusted credit (collectively referred to as "loans"), loans already sold but payments not yet collected, is implemented using the method based on the quantitative element as stipulated in Article 10 of Circular 02.

(ii) Specific allowance for credit losses

According to Circular 02 and Circular 09, Techcombank determines specific allowance for credit risks based on the allowance rates corresponding to debt classification results and loan principals balance less the discounted value of collaterals. Specific allowance as at 31 December is determined based on the debt classification results and loan principals balance at the last working day of November. The rates of specific allowance for specific loan groups are as follows:

Loan group	Overdue status	Rate of allowance
1 Current	a. Current loans that being assessed as fully and timely recoverable, both principals and interests; or b. Loans which are overdue for a period of less than 10 days and being assessed as fully recoverable, both overdue principals and interests, and fully and timely recoverable, both remaining principals and interests.	0%
2 Special mention	a. Loans which are overdue for a period of between 10 days and 90 days; or b. Loans which are restructured repayment term for the first time.	5%
3 Sub-standard	a. Loans which are overdue for a period of between 91 days and 180 days; or b. Loans which are extended repayment term for the first time; or c. Loans which are exempted or reduced interests because customers are not sufficient capability to pay all interests under credit contracts; or d. Loans in one of the following circumstances which remain unrecovered during a period of 30 days after the date of the recovery decision: <ul style="list-style-type: none"> ▸ Loans in breach of clauses 1, 3, 4, 5 or 6 of Article 126 of the Law on CIs; ▸ Loans in breach of clauses 1, 2, 3 or 4 of Article 127 of the Law on CIs; ▸ Loans in breach of clauses 1, 2 or 5 of Article 128 of the Law on CIs; or e. Loans which are recovered under inspection conclusions.	20%

Loan group	Overdue status	Rate of allowance
4 Doubtful	a. Loans which are overdue for a period of between 181 days and 360 days; or b. Loans which are restructured repayment term for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or c. Loans which are restructured repayment term for the second time; or f. Loans which are specified in point (d) of loan Group 3 have not been recoverable for a period of between 30 days and 60 days after decisions on recovery have been issued; or e. Loans which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue from 60 days ago.	50%
5 Loss	a. Loans which are overdue for a period of more than 360 days; or b. Loans which are restructured repayment term for the first time but still overdue for a period of 90 days or more than under that first restructured repayment term; or c. Loans which are restructured repayment term for the second time but still overdue under that second restructured repayment term; or d. Loans which are restructured repayment term for the third time or more, whether loans are overdue or not; or e. Loans which are specified in point (d) of loan Group 3 have not been recoverable for a period of more than 60 days after decisions on recovery have been issued; or f. Loans which must be recovered under inspection conclusions but fail to be repaid although recovery term was overdue for more than 60 days; or g. Loans of customers being CIs which are announced by the SBV to place in special control status, or foreign bank branches of which capital and assets are blockaded.	100%

Payments on behalf arising from off-balance sheet commitments are classified based on the number of overdue days, starting from the date when Techcombank committed obligations:

- Group 3 - Sub-standard loans: overdue for less than 30 days;
- Group 4 - Doubtful loans: overdue for between 30 days and less than 90 days;
- Group 5 - Loss loans: overdue for 90 days or more.

In case where a customer has more than one loan with Techcombank, if a loan is reclassified to a higher risk group, Techcombank is required to reclassify the other loans of that customers to that higher risk loan group.

When Techcombank participates in a syndicated loan to a customer not as a lead bank, Techcombank classifies loans (including the syndicated loan) of the customer to a higher risk group between the risk assessment made by the lead bank and made by Techcombank.

Techcombank also collects loan classification results of the customers provided by the Credit Information Center of the SBV ("CIC") at the date of loan classification to adjust its own classification of loans. If a customer's loans and off-balance sheet

commitments are classified in a loan group that has a lower risk than the loan groups provided by CIC, Techcombank shall adjust its classification of loans and off-balance commitments following the loan groups provided by CIC.

Since 13 March 2020, Techcombank has applied Circular No. 01/2020/TT-NHNN ("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 of CIs, foreign bank branches. Accordingly, for customers incurred 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 principles 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, Techcombank is allowed to reschedule loan repayment periods, exemption/reduction of interest/fees and loan groups are kept unchanged from those classified at the

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3. Summary of significant accounting policies (Continued)

most recent date prior to 23 January 2020.

Those collaterals that are movable assets, immovable assets and those collaterals that are not gold bars, government securities listed in the Stock Exchanges, securities issued by enterprises or other credit institutions valued at VND50 billion or more in respect of the loans of customers that

are related persons of Techcombank and other persons under Article 127 of the Law on Credit Institutions; and those collaterals that are valued at VND200 billion or more, shall be evaluated by professional valuers. For other cases, collaterals are valued in accordance with Techcombank's internal regulations and procedures. For collaterals which fail to fully meet conditions specified in Clause 3, Article 12 of Circular 02, their discounted

The discount rates for collaterals are determined as follows:

Types of collaterals	Maximum discount rate
a Deposits from customers in VND	100%
b Gold bars, except for gold bars as described in item (i) deposits from customers in foreign currencies	95%
c Government bonds, negotiable instruments, valuable papers issued by the Bank; saving cards, deposit certificates, treasury notes, treasury bills issued by other CIs, foreign banks' branches	
▶ With the remaining term of less than 1 year	95%
▶ With the remaining term of between 1 year and 5 years	85%
▶ With the remaining term of more than 5 years	80%
d Securities issued by other CIs and listed on the Stock Exchange	70%
e Securities issued by other enterprises and listed on the Stock Exchange	65%
f Securities unlisted on the Stock Exchange, valuable papers (except securities and valuable papers specified in Point (c), and issued by CIs which have registered securities listing on the Stock Exchange	50%
Securities unlisted on the Stock Exchange, valuable papers (except securities and valuable papers specified in Point (c), and issued by CIs which have not registered securities listing on the Stock Exchange	30%
g Securities unlisted on the Stock Exchange, valuable papers issued by enterprises which have registered securities listing on the Stock Exchange	30%
Securities unlisted on the Stock Exchange, valuable papers issued by enterprises which have not registered securities listing on the Stock Exchange	10%
h Real estates	50%
i Gold bars without listed prices, other gold and other collaterals	30%

(iii) General allowance for credit risks

According to Circular 02, general allowance is also required at the rate of 0.75% of total balance of loans, except for the balances with and loans to other CIs and the loans classified into the Loss group. General allowance as at 31 December is calculated based on the result of loan classification and the outstanding loan principal amount at the last working day of November.

(iv) Write-off of bad debts

According to Circular 02 and Circular 09, loans and advances to customers are written off against the allowance when loans and advances to customers have been classified to Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being organisations and enterprises) or borrowers are deceased or missing (for borrowers being individuals).

(v) Off-balance sheet commitments

According to Circular 02 and Circular 09, the classification of off-balance sheet credit commitments is conducted solely for risk management, credit quality supervision of credit granting activities. No allowance is made for off-balance sheet credit commitments, except where Techcombank has been required to make payment under the guarantee contract, in which case the payment on behalf is classified and allowance is made for in accordance with policy in Note 3(h).

(i) Debt purchases and sales

(i) Debt purchases

Debt purchases are initially recognised at purchase price, and subsequently recognised at cost less allowance for credit losses. The debt purchase price is the amount the purchaser must pay to the debt seller under the debt purchase contract. Interest income is recognised in the consolidated statement of income, except for the interest arising

before Techcombank purchases the debts which is deducted from the purchase price.

Purchased debts are classified in the loan groups which are not lower than those classified by the seller before purchase and allowance is made for them as described in Note 3(h).

(ii) Debt sales

Income and expenses from the sale of debts are recognised in accordance with Circular No. 09/2015/TT-NHNN providing guidance on the sale of debts of CIs and foreign bank branches. According to Circular 09, for debts recorded in the consolidated balance sheet, if the sale price is higher than the book value of the debt, the difference shall be recorded as income of Techcombank during the year. If the sale price is lower than the book value of the debt, the difference shall be offset by 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 claim paid by the insurer, or utilisation of allowance recognised as expense previously. The remaining balance (if any) shall be recognised as other expense of Techcombank during the year.

For debts which have been sold but have not yet been collected, the debts shall be classified and made allowance as before the sale of debts under guidance of Circular 02.

For debts written-off and monitored off-balance sheet, the proceeds from sale of debts shall be recognised as other income of the Techcombank.

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

The selling price is the total amount to be paid to a debt seller under a debt sale contract.

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3. Summary of significant accounting policies (Continued)

(j) Derivative financial instruments

(i) Currency forward and swap contracts

Techcombank involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, adjust or mitigate foreign exchange risks and also for the business purposes of Techcombank.

Currency forward contracts are commitments to buy or to sell an amount of foreign currency at a specified interest rate at the transaction date and will be settled at a specific date in the future. The forward contracts are recorded at nominal value at the date of transaction and are revalued at exchange rate at the reporting date and are stated at net value on the consolidated balance sheet. Differences upon revaluation of foreign exchange rate at the end of the annual accounting period are recognised in the consolidated statement of income. Differences between the amounts in VND of the foreign currency amounts which are committed to buy/sell at forward rate and spot rate are recognised in the consolidated statement of income on a straight-line basis over the term of the contracts.

The currency swap contracts are commitments to buy or to sell the same amount of foreign currency (only two currencies are used in the transaction) with the same partner, in which there is a transaction with the spot payment term and a transaction with a payment period determined in the future and the rate of the two transactions is determined at the time of determination of spot transaction.

Premiums/discounts arising from the difference of the spot exchange rate at the effective date of the contracts and the forward exchange rate will be recognised immediately on the effective date of the contracts on the consolidated balance sheet as an asset if such difference is positive or as a liability if such difference is negative. This difference is amortised to the consolidated statement of income on a straight-line basis over the term of the swap contracts.

(ii) Interest rate swap contracts

Interest swap contracts are commitments to settle in cash the notional principal amounts at the interest amount based on floating or fixed interest rates. The contract value in basic interest rate swaps of the same currency is not recognised in the consolidated balance sheet. Income earned and expenses incurred are recognised in the consolidated statement of income on an accrual basis.

(k) Tangible fixed assets

(i) 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 statement of income during the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted as 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.

(ii) Depreciation

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

▸ buildings and structures	8 - 50 years
▸ machines and equipment	3 - 10 years
▸ means of transportation	6 - 10 years
▸ others	4 - 10 years

(l) Intangible fixed assets

(i) 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 over a period ranging from 4 to 8 years.

(ii) Land use rights

Land use rights are stated at cost less accumulated amortisation. The initial cost of definite land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation of definite land use rights is computed on a straight-line basis.

(iii) Other intangible fixed assets

Other intangible fixed assets are stated at cost less accumulated amortisation. Intangible fixed assets are amortised on a straight-line basis over 4 to 8 years.

(m) Investment property

Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental 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 in the manner intended by management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in 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 held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

Depreciation

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

▸ buildings	10-40 years
-------------	-------------

(n) Other assets

Other assets, except receivables from credit activities, are stated at cost less allowance for other on-balance sheet assets.

For other assets that are not classified as credit risk assets and are overdue, allowance are made based on the overdue status of receivables or expected losses which may incur in case receivables are overdue or undue receivables are likely to become overdue. Allowance expense is recorded in operating expense during the year.

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3. Summary of significant accounting policies (Continued)

Allowance rates by overdue period are as follows:

Overdue period	Allowance rate
From more than six (06) months up to less than one (01) year	30%
From one (01) year up to less than two (02) years	50%
From two (02) years up to less than three (03) years	70%
Three (03) years or more	100%

(o) Provision

A provision is recognised if, as a result of a past event, Techcombank 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 risks specific to the liability.

(p) Deposits from customers

Deposits from customers are stated at cost.

(q) Valuable papers issued

Valuable papers issued are stated at cost, including par value, discount/premium plus other directly attributable costs such as brokerage fees, issuing fees, and other costs (if any).

(r) Other payables

Other payables are stated at cost.

(s) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity.

(ii) Share premium

On receipt of proceeds from share issuance from shareholders, the difference between the issue price and the par value of the shares is recorded in share premium account in equity.

(iii) Treasury shares

When repurchased shares are recognised as equity, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold subsequently (reissued), cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

(t) Reserves and funds

(i) Reserves and funds of the Bank

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government of Vietnam providing regulations on the financial regime applicable to credit institutions ("Decree 93"), Law on Credit Institutions No. 47/2010/QH12 and Charter of the Bank, the Bank is required to make the following reserves before distribution of profits:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	100% of charter capital
Financial reserve	10% of profit after tax	Not stipulated

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

Other funds are allocated from profit after tax (unconsolidated). The allocation from profit after tax to these funds is approved by the shareholders in the Annual General Meeting. Other funds are not required by law and are fully distributable.

(ii) Reserves and funds of the subsidiaries

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

According to Circular No. 27/2002/TT-BTC dated 22 March 2002 of 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, realised profit of these companies shall be distributed as follows:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	10% of charter capital
Financial reserve	5% of profit after tax	10% of 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 companies.

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3. Summary of significant accounting policies (Continued)

(u) Employee benefits

(i) Post-employment benefits

Post-employment benefits are paid to retired employees of Techcombank by the Social Insurance Agency which belongs to the Ministry of Labors, War Invalids and Social Affairs. Techcombank is required to contribute to these post-employment benefits by paying social insurance at the rate of 17.5% of employees' basic salary plus other allowances. Other than that, Techcombank has no further obligation. Expenses for such contribution are recognised in the consolidated statement of income in the year.

(ii) Voluntary resignation

Techcombank has the obligation, under Article 48 of the Vietnam Labor Code No. 10/2012/QH13 effective from 1 May 2013, 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. Allowance arising from voluntary resignation of eligible employees is recognised as expenses during the year.

(iii) Unemployment allowance

According to Circular No. 28/2015/TT-BLDTBXH on guidelines for Article 52 of the Law on Employment

and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, Techcombank 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. Expenses for such contribution are recognised in the consolidated statement of income during the year.

(v) Welfare fund

Welfare fund is allocated from profit after tax at the discretion of the shareholders at the Annual General Meeting of Shareholders and is mainly used to pay Techcombank's employees.

(w) Revenue

(i) Interest income

Interest income is recognised in the consolidated statement of income on an accrual basis, except for interest on loans classified in Group 2 to Group 5 as described in Note 3(h) and restructured loans kept unchanged in Group 1 as a result of implementation of Circular 01. When loans are classified in Group 2 to Group 5 as defined in Note 3(h) or kept unchanged in Group 1 as a result of implementation of Circular 01, interest receivable will be derecognised and recorded as off-balance sheet items. Interest on these loans are recognised in the consolidated statement of income upon receipt.

(ii) Fee and commission income

Fees and commissions are recognised in the consolidated statement of income upon delivery of the services rendered.

(iii) Income from investing activities

Income from sale of securities is recognised in the consolidated statement of income upon receipt of the order matching notice from Vietnam Securities Depository (listed securities) and completion of the assets transfer agreement (unlisted securities) and is determined based on the differences between selling price and weighted average cost of securities sold.

Dividend income in the form of cash is recognised in the consolidated statement of income when Techcombank's right to receive dividend is established. Dividends received in the form of shares, bonus shares and rights to purchase shares given to existing shareholders, shares distributed from retained earnings are not recognised as an increase in investment and such dividend income is not recognised in the consolidated statement of income. When share dividends are received, Techcombank only recognises an increase in the number of shares.

Dividends received which are attributable to the period before acquisition date are deducted against the carrying amount of the investment.

(x) Interest expenses

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

(y) Fee and commission expenses

Fee and commission expenses are recognised in the consolidated statement of income when these expenses are incurred.

(z) Operating lease payments

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

(aa) Taxation

Corporate income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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

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 amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting 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 temporary difference 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.

(bb) Related parties

Related parties of Techcombank include:

- ▶ Management or members of the Supervisory Board of the Bank;

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3. Summary of significant accounting policies (Continued)

- Individuals, organisations that hold at least 5% of charter capital or share capital with voting rights of the Bank;
- Wives, husbands, parents, children, siblings of managers or members of the Supervisory Board, capital contributors or shareholders who hold at least 5% of charter capital or share capital with voting rights of the Bank;
- Enterprises held directly or indirectly by such individuals hold an important part of voting rights or through this person, this person may significantly influence the enterprises. This case includes businesses owned by the Bank's leaders or key shareholders and those businesses that have a key managing member with the Bank;
- Representatives for the Bank's paid-in capital and shares.

(cc) Segment reporting

A segment is a distinguishable component of Techcombank that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Techcombank's principal activities are mainly conducted within Vietnam territory. Therefore, Techcombank's risks and returns are not impacted by Techcombank's operations that are taken place in different locations. Hence, Techcombank' Executive Team is of the view that Techcombank has only one geographical segment. Accordingly,

the presentation of geographical segment information is not required.

(dd) Earnings per share

Techcombank presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of Techcombank by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options. As at and for the year ended 31 December 2020, Techcombank had no potential ordinary shares and therefore does not present diluted EPS.

(ee) Commitments and contingent liabilities

At any point of time, Techcombank has outstanding credit commitments. These commitments are approved and unutilised loans and overdraft facilities. Techcombank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the contingent liabilities and commitments will expire without any advanced payment, in whole or in part. Therefore, these commitments and contingent liabilities do not represent expected future cash flows.

(ff) Nil balances

Items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 ("Decision 16") of the SBV's Governor promulgating the regulation on financial reporting regime applicable to CIs and Circular No. 49/2014/TT-NHNN dated 31 December 2014 ("Circular 49") of the SBV's Governor on amending and supplementing a number of articles of the regulation on financial reporting regime applicable to CIs accompanying Decision 16, Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 and the chart of accounts of CIs accompanying the Decision that are not shown in these consolidated financial statements indicate nil balances.

(gg) Financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments on Techcombank's consolidated balance sheet and statement of income and the nature and extent of risk arising from financial instruments, Techcombank classifies its financial instruments as follows:

(i) Financial assets

Financial assets 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:

- A financial asset is classified as held-for-trading if it meets either of the following conditions:
 - it is acquired principally for the purpose of selling it in the short term;
 - 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 Techcombank as financial assets 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 Techcombank has the positive intention and ability to hold to maturity, other than:

- Financial assets that, upon initial recognition, were categorised by Techcombank as financial assets at fair value through profit or loss;
- Financial assets already categorised by Techcombank as assets that available for sale; or
- Financial assets qualified 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 Techcombank intends to sell immediately or in the short term, which are classified as held-for-trading, and those that the entity on initial recognition designates as financial assets at fair value through profit or loss;
- That Techcombank, upon initial recognition, designates as available-for-sale; or
- For which Techcombank may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as assets available-for-sale.

Available-for-sale financial assets

Available-for-sale financial 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;
- Held-to-maturity investments; or
- Loans and receivables.

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3. Summary of significant accounting policies (Continued)

(ii) 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:

- A financial liability is classified as held-for-trading if:
 - it is incurred principally for the purpose of repurchasing it in the short term;
 - 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 Techcombank as financial liabilities 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 financial instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

4. Cash and gold on hand

	31/12/2020 VND million	31/12/2019 VND million
Cash on hand in VND	3,408,588	4,396,424
Cash on hand in foreign currencies	249,944	411,367
Gold on hand	5,083	12,836
	3,663,615	4,820,627

5. Balances with the State Bank of Vietnam

These consist of current accounts and compulsory reserve balances for liquidity.

	31/12/2020 VND million	31/12/2019 VND million
Current deposits and compulsory reserve balances with the SBV		
▸ In VND	10,231,475	3,190,934
▸ In foreign currencies	21,849	1,322
	10,253,324	3,192,256

Under the SBV's regulations relating to the compulsory reserve, banks are permitted to maintain a floating balance for the compulsory reserve requirement ("CRR"). The monthly average balance of the reserves must not be less than CRR rates multiplied by the preceding month's average balances of deposits in scope.

Year-end CRR rates were as follows:

Deposits in scope	CRR rates	
	31/12/2020 %	31/12/2019 %
Preceding month average balances of:		
▸ Deposits in foreign currencies with term of less than 12 months	8.00	8.00
▸ Deposits in foreign currencies with term of and more than 12 months	6.00	6.00
▸ Deposits in VND with term of less than 12 months	3.00	3.00
▸ Deposits in VND with term of and more than 12 months	1.00	1.00

Year-end annual interest rates were as follows:

	31/12/2020 %	31/12/2019 %
Deposits in VND within the CRR	0.50	0.80
Deposits in foreign currencies within the CRR	0.00	0.00
Deposits in VND beyond the CRR	0.00	0.00
Deposits in foreign currencies beyond the CRR	0.05	0.05

6. Balances with and loans to other credit institutions

	31/12/2020 VND million	31/12/2019 VND million
Current accounts		
Current accounts in VND	719,343	6,117,336
Current accounts in foreign currencies	6,307,747	9,056,471
Term deposits		
Term deposits in VND	8,477,100	19,657,000
Term deposits in foreign currencies	5,608,440	3,765,613
	21,112,630	38,596,420
Loans to other CIs		
In VND	7,399,254	7,695,397
In foreign currencies	483,070	1,698,407
	7,882,324	9,393,804
	28,994,954	47,990,224

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6. Balances with and loans to other credit institutions (Continued)

Balances of term deposits with and loans to other CIs by groups were as follows:

	31/12/2020 VND million	31/12/2019 VND million
Group 1 - Current	21,967,864	32,816,417

Year-end annual interest rates were as follows:

	31/12/2020 %	31/12/2019 %
Demand deposits in VND	0.00	0.00
Demand deposits in foreign currencies	0.00	0.00
Term deposits in VND	0.12 - 6.00	1.20 - 6.80
Term deposits in foreign currencies	0.05 - 0.52	1.55 - 2.10
Loans in VND	0.20 - 4.23	3.50 - 6.00
Loans in foreign currencies	1.25 - 1.75	3.09 - 3.94

7. Securities held-for-trading

	31/12/2020 VND million	31/12/2019 VND million
Debt securities		
Government bonds	4,035,936	6,688,778
Debt securities issued by local CIs	4,321,511	3,364,185
<i>In which: Bonds guaranteed by the Government for settlement</i>	128,615	185,821
	8,357,447	10,052,963
Allowance for securities held-for-trading		
General allowance of unlisted corporate bonds	-	(8,184)
Allowance for diminution in value of listed securities held-for-trading	(9,871)	(3,223)
	(9,871)	(11,407)
	8,347,576	10,041,556

Listing status of securities held-for-trading was as follows:

	31/12/2020 VND million	31/12/2019 VND million
Debt securities		
Listed	4,164,551	6,874,599
Unlisted	4,192,896	3,178,364
	8,357,447	10,052,963

Movements in general allowance for unlisted corporate bonds during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	8,184	10,544
Allowance reversed during the year (Note 26)	(8,184)	(2,360)
Closing balance	-	8,184

Movements of allowance for diminution in value of listed securities held-for-trading during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	3,223	317
Allowance made during the year (Note 26)	7,353	3,220
Utilisation of allowance during the year	(705)	(314)
Closing balance	9,871	3,223

8. Loans and advances to customers

	31/12/2020 VND million	31/12/2019 VND million
Loans to local economic entities and individuals	275,594,164	229,188,137
Loans on discounting negotiable instruments and valuable papers	1,815,974	1,265,636
Loans granted from borrowed and entrusted funds	113,310	254,269
Payments on behalf of customers	-	93,575
Loans to foreign entities and individuals	1,167	410
	277,524,615	230,802,027

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8. Loans and advances to customers (Continued)

Loan portfolio by loans group was as follows:

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
Group 1 - Current	274,423,557	98.88	225,601,458	97.75
Group 2 - Special mention	1,805,866	0.65	2,122,693	0.92
Group 3 - Sub-standard	416,892	0.15	218,128	0.09
Group 4 - Doubtful	533,944	0.19	305,230	0.13
Group 5 - Loss	344,356	0.13	2,554,518	1.11
	277,524,615	100.00	230,802,027	100.00

Loan portfolio by terms was as follows:

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
Short-term loans	92,424,839	33.30	85,584,018	37.08
Medium-term loans	85,255,104	30.72	47,443,165	20.56
Long-term loans	99,844,672	35.98	97,774,844	42.36
	277,524,615	100.00	230,802,027	100.00

Year-end annual interest rates were as follows:

	31/12/2020	31/12/2019
	%	%
Loans in VND	0.00 - 11.29	0.00 - 19.55
Loans in foreign currencies	1.50 - 7.41	2.50 - 8.69

Loan portfolio by industry sectors was as follows

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
Agriculture, forestry and aquaculture	240,565	0.09	16,855	0.01
Mining	1,242,940	0.45	1,418,239	0.61
Manufacturing and processing	19,732,665	7.11	20,431,391	8.85
Production and distribution of electricity, gas, hot water, steam and air-conditioning	3,100,097	1.12	2,858,783	1.24
Water supply; waste and wastewater management and processing	43,775	0.02	31,413	0.01
Construction	9,135,831	3.29	6,957,444	3.01
Wholesale and retail trade; repair of motor vehicles, motorcycles	29,247,061	10.54	27,075,217	11.73
Transport, warehousing	2,700,900	0.97	2,822,942	1.22
Hospitality services	194,360	0.07	1,876,083	0.81
Information and communications	685,428	0.25	1,002,211	0.43
Finance and insurance	7,794,676	2.81	662,780	0.29
Real estates	91,360,789	32.92	50,421,549	21.85
Science and technology	256,158	0.09	842,877	0.37
Administrative activities and supporting services	322,874	0.12	800,483	0.35
Political activities	-	-	1,178	0.00
Education and training	186,103	0.07	242,994	0.11
Health care and social work	39,231	0.01	29,948	0.01
Art, entertainment and recreation	1,056	0.00	62,876	0.03
Households services	-	-	184,851	0.08
Other services	100,660	0.04	7,814,563	3.39
Loans to individuals	111,139,446	40.03	105,247,350	45.60
	277,524,615	100.00	230,802,027	100.00

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8. Loans and advances to customers (Continued)

Portfolio of loans and advances to customers by ownership and customer type was as follows:

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
State-owned limited liability companies	5,761,372	2.08	5,566,486	2.41
Other limited liability companies	66,976,430	24.15	47,003,186	20.37
Joint stock companies with State capital	427,229	0.15	297,929	0.13
Other joint stock companies	91,324,824	32.91	69,763,527	30.22
Private companies and partnerships	275,967	0.10	442,319	0.19
Foreign invested enterprises	1,345,667	0.48	2,104,387	0.91
Cooperatives, cooperative unions	7,818	0.00	37,405	0.02
Administrative units, parties, unions and associations	265,862	0.10	339,438	0.15
Individuals	111,139,446	40.03	105,247,350	45.60
	277,524,615	100.00	230,802,027	100.00

9. Allowance for loans and advances to customers

	31/12/2020	31/12/2019
	VND million	VND million
General allowance (i)	1,879,473	1,651,666
Specific allowance (ii)	334,775	1,265,078
	2,214,248	2,916,744

(i) Movements in general allowance for loans and advances to customers were as follows:

	2020	2019
	VND million	VND million
Opening balance	1,651,666	1,225,265
Allowance made during the year (Note 30)	227,807	425,586
Reclassification from allowance of other assets bearing credit risks (Note 16(v))	-	815
Closing balance	1,879,473	1,651,666

(ii) Movements in specific allowance for loans and advances to customers were as follows:

	2020	2019
	VND million	VND million
Opening balance	1,265,078	1,159,849
Allowance made during the year (Note 30)	2,433,267	362,060
Utilisation of allowance during the year	(3,363,570)	(256,875)
Reclassification from allowance of other assets bearing credit risks (Note 16(v))	-	44
Closing balance	334,775	1,265,078

10. Debt purchases

	31/12/2020	31/12/2019
	VND million	VND million
Debt purchases in VND	1,682	1,682
Allowance for debt purchases	(1,682)	(1,682)
	-	-

The value of principals and interest of debts purchased was as follows:

	31/12/2020	31/12/2019
	VND million	VND million
Interest of debt purchases	1,682	1,682

Movements in specific allowance during the year were as follows:

	2020	2019
	VND million	VND million
Opening and closing balance	1,682	1,682

11. Investment securities

(a) Available-for-sale investment securities

	31/12/2020	31/12/2019
	VND million	VND million
Debt securities		
Government bonds	17,367,757	14,807,620
Debt securities issued by local CIs	20,280,594	20,299,324
<i>In which: Bonds guaranteed by the Government for settlement</i>	9,568,061	12,313,699
Debt securities issued by local economic entities	46,528,654	30,396,241
Equity securities		
Equity securities issued by other local CIs	-	200,000
Equity securities issued by local economic entities	455,947	455,524
	84,632,952	66,158,709

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11. Investment securities (Continued)

Portfolio of unlisted debt securities classified as assets exposed to credit risk by loan group was as follows:

	31/12/2020 VND million	31/12/2019 VND million
Current	47,295,542	32,326,671

(b) Held-to-maturity investment securities

	31/12/2020 VND million	31/12/2019 VND million
Debt securities		
Debt securities issued by local economic entities	200,000	202,006

Portfolio of unlisted debt securities classified as assets exposed to credit risk by loan group was as follows:

	31/12/2020 VND million	31/12/2019 VND million
Current	200,000	202,006

(c) Allowance for investment securities

	31/12/2020 VND million	31/12/2019 VND million
General allowance of unlisted corporate bonds (i)	373,566	303,935
Allowance for diminution in value of listed investment securities (ii)	12,145	2,183
	385,711	306,118

(i) Movements in general allowance of unlisted corporate bonds during the year were as follows:

	2020 VND million	2019 VND million
Opening balance	303,935	345,316
Allowance made/(reversed) during the year (Note 27)	69,631	(41,381)
Closing balance	373,566	303,935

(ii) Movements in allowance for diminution in value of listed investment securities were as follows:

	2020 VND million	2019 VND million
Opening balance	2,183	3,797
Allowance made/(reversed) during the year (Note 27)	10,496	(1,614)
Utilisation of allowance during the year	(534)	-
Closing balance	12,145	2,183

12. Long-term investments

	31/12/2020 VND million	31/12/2019 VND million
Other long-term investments - cost (i)	12,466	12,883
Allowance for diminution in the value of other long-term investments (ii)	(660)	(660)
	11,806	12,223

(i) Details of the other long-term investments of Techcombank at the year-end were as follows:

Company name	31/12/2020		31/12/2019	
	Cost VND million	Holding rate	Cost VND million	Holding rate
Vietnam Real Estate Exchange JSC	660	11.00%	660	11.00%
PCB Investment Joint Stock Company	7,962	6.64%	7,962	6.64%
Society for Worldwide Interbank Financial Telecommunication	1,804	0.00%	1,804	0.00%
Banking Operations Training and Advisory JSC	1,040	10.93%	1,040	10.93%
National Payment Corporation of Vietnam	1,000	0.42%	1,000	0.42%
Vietnam Airlines Corporation (*)	-	0.00%	417	0.00%
	12,466		12,883	

(*) The Bank has reclassified the investment in Vietnam Airlines Corporation to available-for-sale investment securities.

(ii) Movements in allowance for diminution in value of long-term investments were as follows:

	2020 VND million	2019 VND million
Opening and closing balance	660	660

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13. Tangible fixed assets

The year ended 31 December 2020

	Buildings and structures VND million	Machines and equipment VND million	Means of transportation VND million	Others VND million	Total VND million
Cost					
Opening balance	232,696	1,316,879	210,219	1,674	1,761,468
Additions	1,471	440,079	24,709	-	466,259
Transfer from construction in progress	40,183	361,226	55,772	-	457,181
Disposals	(13,322)	(231,980)	(22,941)	(316)	(268,559)
Closing balance	261,028	1,886,204	267,759	1,358	2,416,349
Accumulated depreciation					
Opening balance	33,147	831,559	102,003	1,275	967,984
Charge for the year	4,814	204,088	23,321	32	232,255
Disposals	(1,525)	(231,745)	(21,246)	(316)	(254,832)
Closing balance	36,436	803,902	104,078	991	945,407
Net book value					
Opening balance	199,549	485,320	108,216	399	793,484
Closing balance	224,592	1,082,302	163,681	367	1,470,942

Included in tangible fixed assets were assets costing VND474,904 million which were fully depreciated as of 31 December 2020 (31/12/2019: VND614,338 million), but still in active use.

The year ended 31 December 2019

	Buildings and structures VND million	Machines and equipment VND million	Means of transportation VND million	Others VND million	Total VND million
Cost					
Opening balance	451,403	1,217,801	164,463	1,605	1,835,272
Additions	11,231	85,142	42,702	325	139,400
Transfer from construction in progress	110,606	191,960	23,020	-	325,586
Disposals	(15,098)	(177,784)	(19,966)	(256)	(213,104)
Other movements	(325,446)	(240)	-	-	(325,686)
Closing balance	232,696	1,316,879	210,219	1,674	1,761,468
Accumulated depreciation					
Opening balance	37,106	906,342	102,408	1,400	1,047,256
Charge for the year	5,362	102,639	18,507	131	126,639
Disposals	(2,757)	(177,418)	(18,912)	(256)	(199,343)
Other movements	(6,564)	(4)	-	-	(6,568)
Closing balance	33,147	831,559	102,003	1,275	967,984
Net book value					
Opening balance	414,297	311,459	62,055	205	788,016
Closing balance	199,549	485,320	108,216	399	793,484

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14. Intangible fixed assets

The year ended 31 December 2020

	Land use rights VND million	Software VND million	Others VND million	Total VND million
Cost				
Opening balance	2,064,499	1,016,803	4,846	3,086,148
Additions	-	214,908	-	214,908
Transfer from construction in progress	557,955	75,341	-	633,296
Disposals	-	(9,546)	(295)	(9,841)
Other movements	-	(1,308)	-	(1,308)
Closing balance	2,622,454	1,296,198	4,551	3,923,203
Accumulated amortisation				
Opening balance	447	668,932	2,476	671,855
Charge for the year	29	118,617	62	118,708
Disposals	-	(9,546)	(295)	(9,841)
Closing balance	476	778,003	2,243	780,722
Net book value				
Opening balance	2,064,052	347,871	2,370	2,414,293
Closing balance	2,621,978	518,195	2,308	3,142,481

Included in intangible fixed assets were assets costing VND396,941 million which were fully amortised as of 31 December 2020 (31/12/2019: VND275,271 million), but still in active use.

The year ended 31 December 2019

	Land use rights VND million	Software VND million	Others VND million	Total VND million
Cost				
Opening balance	647,826	887,850	4,361	1,540,037
Additions	4,289	113,446	485	118,220
Transfer from construction in progress	1,420,528	15,476	-	1,436,004
Disposals	(8,144)	-	-	(8,144)
Other movements	-	31	-	31
Closing balance	2,064,499	1,016,803	4,846	3,086,148
Accumulated amortisation				
Opening balance	30,567	576,469	2,421	609,457
Charge for the year	29	92,463	55	92,547
Other movements	(30,149)	-	-	(30,149)
Closing balance	447	668,932	2,476	671,855
Net book value				
Opening balance	617,259	311,381	1,940	930,580
Closing balance	2,064,052	347,871	2,370	2,414,293

15. Investment property

	Buildings	
	2020 VND million	2019 VND million
Cost		
Opening and closing balance	1,435,699	1,435,699
Accumulated depreciation		
Opening balance	275,175	239,375
Charge for the year	35,800	35,800
Closing balance	310,975	275,175
Net book value		
Opening balance	1,160,524	1,196,324
Closing balance	1,124,724	1,160,524

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16. Other assets

	31/12/2020 VND million	31/12/2019 VND million
Receivables		
Internal receivables	65,888	60,256
External receivables	16,506,523	12,893,847
▪ Deposits for office rental (i)	115,162	101,714
▪ Deposits for purchases of offices (ii)	377,397	377,397
▪ Receivables relating to the Interest Subsidy Program	20,006	20,006
▪ Prepayments to suppliers	250,120	117,826
▪ Deposits for gold, commodity and foreign currencies trading in futures markets	92,078	44,763
▪ Advances for fixed assets purchase and construction in progress (iii)	2,891,060	2,792,672
▪ Receivables from loan sold contracts	449,939	567,348
▪ Receivables from UPAS L/C (Usance Payable At Sight Letters of Credit (iv))	12,061,855	8,634,519
▪ Other external receivables	248,906	237,602
	16,572,411	12,954,103
Interest and fee receivables	5,184,822	5,553,724
Other assets		
Materials	19,415	12,916
Prepaid expenses	1,246,616	1,037,910
Other assets	2,531	4,649
	1,268,562	1,055,475
Allowance for other assets (v)	(189,892)	(228,908)
	22,835,903	19,334,394

(i) These represent deposits for office rental of Techcombank's headquarter and branches.

(ii) These represent deposits for the purchase of Techcombank's offices in Hanoi.

(iii) These represent the advances for the purchase of fixed assets and construction of Techcombank's offices.

(iv) Receivables from importers who are the Bank's customers from UPAS L/C (Usance Payable At Sight Letters of Credit usance payable at sight). Accordingly, the corresponding bank made payment to the beneficiaries (exporters) prior to those letter of credits' matured dates and earned fees for advanced settlement services.

(v) Allowance for other assets consists of the following:

	31/12/2020 VND million	31/12/2019 VND million
Allowance for receivables from loan sold contracts	24,439	100,679
General allowance	-	4,255
Specific allowance	24,439	96,424
Allowance for receivables from UPAS L/C (Usance Payable At Sight Letters of Credit)	89,334	63,134
General allowance	89,334	63,063
Specific allowance	-	71
Other allowance	76,119	65,095
	189,892	228,908

Movements of allowance during the year were as follows:

	Note	2020 VND million	2019 VND million
Opening balance		228,908	75,839
Movement of allowance for receivables from loan sold contracts		(76,240)	100,679
General allowance (reversed)/made	30	(4,255)	4,255
Specific allowance (reversed)/made	30	(71,985)	96,424
Allowance made for receivables from UPAS L/C (Usance Payable At Sight Letters of Credit)	30	26,201	29,043
Allowance made for other assets	29	11,023	24,276
Utilisation of allowance during the year		-	(70)
Reclassification from allowance for other assets bearing credit risks to allowance for loans and advances to customers		-	(859)
Closing balance		189,892	228,908

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17. Deposits and borrowings from other credit institutions

	31/12/2020 VND million	31/12/2019 VND million
Demand deposits from other CIs		
In VND	881,447	6,415,253
In foreign currencies	882	757
Term deposits from other CIs		
In VND	18,111,000	23,399,000
In foreign currencies	2,238,760	8,817,327
	21,232,089	38,632,337
Borrowings from other CIs		
In VND	1,261,569	4,472,179
In foreign currencies	12,929,299	9,527,600
Payables for UPAS L/C (Usance Payable At Sight Letter of Credit)	12,061,855	8,634,519
	26,252,723	22,634,298
	47,484,812	61,266,635

Year-end annual interest rates were as follows:

	31/12/2020 %	31/12/2019 %
Term deposits in VND	0.10 - 0.80	1.20 - 5.10
Term deposits in foreign currencies	0.12 - 0.18	1.60 - 2.20
Borrowings in VND	0.18 - 6.00	3.00 - 8.50
Borrowings in foreign currencies	0.06 - 3.99	0.06 - 3.99

18. Deposits from customers

	31/12/2020 VND million	31/12/2019 VND million
Current accounts		
Current accounts in VND	116,113,684	70,297,064
Current accounts in foreign currencies	6,858,805	5,756,332
Term deposits		
Term deposits in VND	144,128,288	145,641,213
Term deposits in foreign currencies	5,291,936	5,939,932
Marginal deposits		
Marginal deposits in VND	4,987,448	3,510,647
Marginal deposits in foreign currencies	78,490	151,573
	277,458,651	231,296,761

Deposits from customers by types of customers were as follows:

	31/12/2020		31/12/2019	
	VND million	%	VND million	%
State-owned limited liability companies	4,718,936	1.70	5,717,986	2.47
Other limited liability companies	30,606,797	11.03	22,375,849	9.67
Joint stock companies with state-owned capital	65,328	0.02	93,074	0.04
Other joint stock companies	39,532,016	14.25	28,612,952	12.37
Private companies and partnerships	194,889	0.07	62,483	0.03
Foreign invested enterprises	4,249,447	1.53	3,746,288	1.62
Cooperatives, cooperative unions	7,141	0.00	15,425	0.01
Administrative units, parties, unions and associations	1,903,013	0.69	2,018,720	0.87
Others	541,364	0.20	1,442,006	0.63
Individuals	195,639,720	70.51	167,211,978	72.29
	277,458,651	100.00	231,296,761	100.00

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18. Deposits from customers (Continued)

Year-end annual interest rates were as follows:

	31/12/2020 %	31/12/2019 %
Current accounts in VND	0.00 - 0.30	0.00 - 0.80
Current accounts in foreign currencies	0.00 - 0.10	0.00 - 0.10
Term deposits in VND	0.20 - 7.10	0.30 - 7.60
Term deposits in foreign currencies	0.00 - 0.60	0.00 - 0.60

19. Derivatives and other financial liabilities

Details of financial derivatives at the end of the year were as follows:

	Total contract value (at foreign exchange rate at the effective date of the contract) VND million	Total book value (at foreign exchange rate at the reporting date) Liabilities VND million
As at 31 December 2020		
Foreign exchange forward contracts	79,566,587	18,160
Foreign exchange swap contracts	91,058,259	344,094
Interest rate swap contracts cross two currencies	59,736,465	(95,328)
	230,361,311	266,926
As at 31 December 2019		
Foreign exchange forward contracts	33,248,703	56,734
Foreign exchange swap contracts	111,288,148	295,034
Interest rate swap contracts cross two currencies	50,662,360	82,240
	195,199,211	434,008

20. Valuable papers issued

	31/12/2020 VND million	31/12/2019 VND million
From 12 months up to 5 years (i)	27,199,640	16,602,921
Over 5 years (ii)	700,000	857,713
	27,899,640	17,460,634

(i) These bonds and certificates of deposits bear interest rates ranging from 3.80% to 8.50% per annum (31/12/2019: 5.20% to 8.50% per annum).

(ii) These bonds bear interest rates of 7.80% per annum (31/12/2019: 8.20% to 15.00% per annum).

21. Other liabilities

	31/12/2020 VND million	31/12/2019 VND million
Accrued interest and fee payables	3,252,009	3,479,310
Other payables and liabilities	8,626,109	7,689,346
Internal payables	9,322	13,038
External payables	8,616,787	7,676,308
▶ Payables to employees	1,066,559	926,704
▶ Salary accrued expenses	241,810	286,394
▶ Other accrued expenses	1,010,921	605,025
▶ Bonus and welfare fund	9,862	10,226
▶ Deferred income	665,248	226,397
▶ Taxes payable (Note 35)	1,287,627	934,024
▶ Disbursements awaiting settlement	8,169	30,284
▶ Deposit certificates and funds kept for customers awaiting for settlement	42,589	35,802
▶ Proceeds from sale of collaterals awaiting for resolution	90,238	50,946
▶ Remittance payables	2,872,105	3,087,402
▶ Settlement on behalf of other CIs	700,510	370,161
▶ Others awaiting for settlement	160,689	783,971
▶ Other payables	460,460	328,972
	11,878,118	11,168,656

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22. Capital and reserves

Changes in capital and reserves of Techcombank during the year ended 31 December 2020 were as follows:

	Charter capital	Share premium	Reserve to supplement charter capital	Financial reserve	Other reserves	Retained earnings	Non-controlling interests	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Balance at 1 January 2019	34,965,922	476,617	892,289	2,975,083	474	12,403,003	69,317	51,782,705
Additions of capital	35,478	(50)	-	-	-	-	70,338	105,766
Net profit for the year	-	-	-	-	-	10,075,139	151,070	10,226,209
Appropriation to reserves	-	-	440,602	874,149	-	(1,314,751)	-	-
Appropriation to welfare fund	-	-	-	-	-	(32,000)	-	(32,000)
Utilisations of reserves	-	-	-	(9,913)	-	-	-	(9,913)
Balance at 1 January 2020	35,001,400	476,567	1,332,891	3,839,319	474	21,131,391	290,725	62,072,767
Additions of capital	47,662	(60)	-	-	-	-	651	48,253
Net profit for the year	-	-	-	-	-	12,324,991	257,476	12,582,467
Appropriation to reserves	-	-	539,211	1,078,363	-	(1,617,574)	-	-
Payment of dividends	-	-	-	-	-	-	(65,086)	(65,086)
Appropriation to welfare fund	-	-	-	-	-	(23,000)	-	(23,000)
Utilisations of reserves	-	-	-	(615)	-	-	-	(615)
Balance at 31 December 2020	35,049,062	476,507	1,872,102	4,917,067	474	31,815,808	483,766	74,614,786

Charter capital

	31/12/2020		31/12/2019	
	Number of shares	VND million	Number of shares	VND million
Shares registered for issuance	3,504,906,230	35,049,062	3,500,139,962	35,001,400
Shares issued to the public				
Ordinary shares	3,504,906,230	35,049,062	3,500,139,962	35,001,400
Shares in circulation				
Ordinary shares	3,504,906,230	35,049,062	3,500,139,962	35,001,400

All ordinary shares of the Bank have a par value of VND10,000. Each share is entitled to one vote at meetings of the Bank. All ordinary shares are ranked equally with regard to the Bank's residual assets.

23. Net interest income

	2020 VND million	2019 VND million (Reclassified)
Interest and similar income		
Interest income from deposits	346,650	720,639
Interest income from loans	21,590,084	16,727,930
Income from investments in securities	6,252,814	6,794,537
Income from guarantee services	316,749	414,244
Other income from credit activities	495,615	363,047
	29,001,912	25,020,397
Interest and similar expenses		
Interest expenses for deposits	(8,195,501)	(9,421,181)
Interest expenses for borrowings	(599,493)	(370,407)
Interest expenses for valuable papers issued	(1,419,134)	(966,909)
Other expenses from credit activities	(36,575)	(4,056)
	(10,250,703)	(10,762,553)
Net interest income	18,751,209	14,257,844

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24. Net fee and commission income

	2020 VND million	2019 VND million (Reclassified)
Fee and commission income from		
Settlement and cash services	2,914,167	2,338,815
Cashiering services	2,679	4,566
Trustee and agency services	553,472	195,281
Consulting services	126,673	1,650
Bancassurance services	827,321	931,882
Securities issuance guarantee services	1,037,650	970,323
Securities brokerage services	210,495	120,524
Fee of fund management	295,194	206,040
Other services	80,792	84,765
	6,048,443	4,853,846
Fee and commission expenses for		
Settlement and cash services	(1,672,413)	(1,371,196)
Cashiering services	(68,962)	(65,716)
Securities brokerage services	(38,576)	(11,484)
Consulting services	(10,495)	(31,737)
Other services	(69,219)	(120,360)
	(1,859,665)	(1,600,493)
Net fee and commission income	4,188,778	3,253,353

25. Net gain from trading of foreign currencies

	2020 VND million	2019 VND million
Gain from trading of foreign currencies		
Gain from spot foreign exchange trading	1,278,966	1,014,049
Gain from currency derivatives	1,404,612	1,321,921
	2,683,578	2,335,970
Loss from trading of foreign currencies		
Loss from spot foreign exchange trading	(1,198,056)	(642,943)
Loss from currency derivatives	(1,484,777)	(1,588,446)
	(2,682,833)	(2,231,389)
Net gain from trading of foreign currencies	745	104,581

26. Net gain from trading securities

	2020 VND million	2019 VND million
Income from trading of securities held-for-trading	828,500	592,871
Expenses for trading of securities held-for-trading	(507,934)	(194,347)
General allowance reversed of unlisted corporate bonds (Note 7)	8,184	2,360
Allowance made for diminution in value of listed securities held-for-trading (Note 7)	(7,353)	(3,220)
Net gain from trading securities	321,397	397,664

27. Net gain from investment securities

	2020 VND million	2019 VND million
Income from trading of investment securities	2,563,876	1,526,258
Expenses for trading of investment securities	(986,752)	(325,494)
General allowance (made)/reversed for unlisted corporate bonds (Note 11(c))	(69,631)	41,381
Allowance (made)/reversed for diminution in value of listed investment securities (Note 11(c))	(10,496)	1,614
Net gain from investment securities	1,496,997	1,243,759

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28. Net other income

	2020 VND million	2019 VND million
Income from other activities		
Income from other derivatives	3,914,316	3,159,510
Recoveries of bad debts previously written off	1,259,653	1,080,236
Other income	286,044	185,333
	5,460,013	4,425,079
Expenses for other activities		
Expenses for other derivatives	(2,908,170)	(2,493,050)
Other expenses	(272,634)	(125,301)
	(3,180,804)	(2,618,351)
Net income from other activities	2,279,209	1,806,728

29. Operating expenses

	2020 VND million	2019 VND million
Salaries and related expenses (Note 34)	5,172,140	4,414,550
Publication, marketing and promotion	344,294	287,776
Office and asset rental	512,142	509,450
Depreciation and amortisation of fixed assets	386,763	254,986
Tax, duties and fees	120,749	113,109
Tools and equipment expenses	123,127	122,569
Telecommunication expenses	48,181	46,821
Expenses for maintenance and repair of assets	272,834	226,094
Utilities expenses	87,082	80,323
Payment of insurance premium for customers' deposits	267,524	228,831
Per diem expenses	60,421	98,577
Consultancy expenses	377,392	231,004
Training and education expenses	78,014	57,277
Conference expenses	42,859	54,803
Allowance made for other assets (Note 16(v))	11,023	24,276
Other operating expenses	726,650	562,063
	8,631,195	7,312,509

30. Allowance expenses for credit losses

	Note	2020 VND million	2019 VND million
Movements in allowance for loans and advances to customers		2,661,074	787,646
General allowance made	9(i)	227,807	425,586
Specific allowance made	9(ii)	2,433,267	362,060
Movements in allowance for receivables from loan sold contracts		(76,240)	100,679
General allowance (reversed)/made	16(v)	(4,255)	4,255
Specific allowance (reversed)/made	16(v)	(71,985)	96,424
Allowance made for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	16(v)	26,201	29,043
		2,611,035	917,368

31. Corporate income tax expenses

(a) Recognition in the consolidate statement of income

	2020 VND million	2019 VND million
Current tax expense		
Current year	3,225,330	2,630,814
Over provision in prior years	(7,501)	(18,755)
	3,217,829	2,612,059

(b) Reconciliation of effective tax rate

	2020 VND million	2019 VND million
Accounting profit before tax	15,800,296	12,838,268
Tax at Techcombank's tax rate	3,160,059	2,567,654
Tax exempt income	(838)	(843)
Adjustment to taxable income	(211)	(4,840)
Non-deductible expenses	63,558	65,356
Over provision in prior years	(7,501)	(18,755)
Others	2,762	3,487
	3,217,829	2,612,059

(c) Applicable tax rate

Techcombank has an obligation to pay corporate income tax to the Government at the rate of 20% of taxable profit (2019: 20%). The corporate income tax computation is subject to review and approval by local tax authorities.

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32. Basic earnings per share

(i) Net profit attributable to ordinary shareholders

	2020 VND million	2019 VND million
Net profit after tax attributable to ordinary shareholders	12,324,991	10,075,139
Deduction for welfare funds	(23,000)	(32,000)
Net profit attributable to ordinary shareholders	12,301,991	10,043,139

(ii) Weighted average number of ordinary shares

	2020	2019
Issued ordinary shares brought forward from previous year	3,500,139,962	3,496,592,160
Effect of dilution due to additional issuance of shares	195,339	1,010,881
	3,500,335,301	3,497,603,041

(iii) Earnings per share

	2020	2019
Basic earnings per share (VND/share)	3,515	2,871

33. Cash and cash equivalents

	31/12/2020 VND million	31/12/2019 VND million
Cash and gold on hand	3,663,615	4,820,627
Balances with the SBV	10,253,324	3,192,256
Investment securities with maturity period not exceeding 3 months from the acquisition date	771,430	-
Deposits with other CIs with original terms not exceeding 3 months	20,907,530	38,501,420
	35,595,899	46,514,303

34. Employee benefits

	2020 VND million	2019 VND million
Average number of employees during the year (employees)	11,479	10,457
Employees' remunerations		
1. Salaries	4,187,592	3,628,394
2. Allowances and other income	984,548	786,156
Total income	5,172,140	4,414,550
Average monthly salary	30	29
Average monthly income	38	35

35. Obligations to the State Budget

Year ended 31 December 2020

	1/1/2020 VND million	Incurred VND million	Paid/deducted VND million	31/12/2020 VND million
Payables				
Value added tax	24,327	226,797	(223,717)	27,407
Corporate income tax	848,194	3,217,829	(2,886,468)	1,179,555
Other taxes	61,503	996,028	(976,866)	80,665
	934,024	4,440,654	(4,087,051)	1,287,627

Year ended 31 December 2019

	1/1/2019 VND million	Incurred VND million	Paid/deducted VND million	31/12/2019 VND million
Payables				
Value added tax	16,080	221,678	(213,431)	24,327
Corporate income tax	915,054	2,612,059	(2,678,919)	848,194
Other taxes	48,928	733,826	(721,251)	61,503
	980,062	3,567,563	(3,613,601)	934,024

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36. Assets and valuable papers mortgaged, pledged, discounted and rediscounted

Assets and valuable papers mortgaged, pledged, discounted and rediscounted to Techcombank

	31/12/2020 VND million	31/12/2019 VND million
From customers		
Real estates	383,624,900	304,248,231
Equipment and machines	20,685,030	20,859,401
Valuable papers	125,741,532	112,325,000
Other collaterals	109,912,998	156,656,790
	639,964,460	594,089,422
From other CIs		
Valuable papers	2,730,000	5,512,700
Other collaterals	758,425	637,934
	3,488,425	6,150,634
	643,452,885	600,240,056

Assets and valuable papers mortgaged, pledged, discounted and rediscounted by Techcombank

	31/12/2020 VND million	31/12/2019 VND million
Other collaterals	1,616,800	6,463,460

37. Significant transactions and balance with related parties

In the normal course of operation, the Bank carries out transactions with related parties.

Balances with related parties at 31 December 2020 and 31 December 2019, and value of transactions for the year ended 31 December 2020 and the year ended 31 December 2019 were as follows:

	Relationship	Assets/(Liabilities)		Revenue/(Expense)	
		31/12/2020 VND million	31/12/2019 VND million	2020 VND million	2019 VND million
European Plastic Window Joint Stock Company	(ii)				
▸ Loans to customers		522,087	509,927	-	-
▸ Interest receivable from loans		1,938	2,228	-	-
▸ Guarantee, letter of credit contracts		26,725	35,384	-	-
▸ Demand deposits		(6,938)	(11,042)	-	-
▸ Derivative, foreign currency contracts		-	(49,482)	-	-
▸ Interest income from loans		-	-	44,313	44,713
One Mount Group Joint Stock Company	(iii)				
▸ Term deposits		(2,500)	-	-	-
▸ Interest payables on term deposits		(4)	-	-	-
▸ Demand deposits		(5,465)	(16,041)	-	-
▸ Interest expenses from deposits		-	-	(568)	(2)
One Distribution Joint Stock Company	(iii)				
▸ Term deposits		(1,000)	-	-	-
▸ Interest payables on term deposits		(2)	-	-	-
▸ Demand deposits		(41,679)	-	-	-
▸ Interest expenses from deposits		-	-	(1,067)	-
FCE Vietnam Joint Stock Company	(iii)				
▸ Demand deposits		(1,651)	(2,578)	-	-
1MG Housing Joint Stock Company	(iii)				
▸ Demand deposits		(1,807)	-	-	-
Online Mobile Services Joint Stock Company	(iii)				
▸ Demand deposits		(621)	(129)	-	-

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37. Significant transactions and balance with related parties (Continued)

	Relationship	Assets/(Liabilities)		Revenue/(Expense)	
		31/12/2020 VND million	31/12/2019 VND million	2020 VND million	2019 VND million
Masan Group Corporation and a group of related companies	(iv)				
▸ Guarantee, letter of credit contracts		73,657	67,342	-	-
▸ Loans to customers		1,921,332	1,012,502	-	-
▸ Interest receivable from loans		1,127	858	-	-
▸ Term deposits		(1,351,225)	(1,410,303)	-	-
▸ Interest payables on term deposits		(1,921)	(1,693)	-	-
▸ Demand deposits		(484,539)	(752,246)	-	-
▸ Interest income from loans		-	-	103,346	52,982
▸ Interest expenses from deposits		-	-	(20,522)	(41,505)
▸ Income from fee and commission		-	-	445,857	25,841
▸ Bond par value		738,509	332,310	-	-
▸ Accrued interest on bonds		9,427	2,556	-	-
▸ Interest income from bonds		-	-	74,042	8,304
Members of Board of Directors, Supervisory Board, Executive Team and other related individuals	(i), (iii)				
▸ Term deposits		(671,842)	(550,359)	-	-
▸ Interest payables on term deposits		(17,147)	(11,916)	-	-
▸ Demand deposits		(146,726)	(103,162)	-	-
▸ Interest expenses from deposits		-	-	(2,214)	(12,889)
Members of Board of Directors, Supervisory Board, Executive Team					
▸ Allowance of Board of Directors, Supervisory Board		-	-	(34,363)	(32,133)
▸ Salary, bonus and other benefits of the Chief Executive Officer and other management personnel		-	-	(211,093)	(145,317)

- (i) Shareholder has its representative in the Board of Directors;
- (ii) Related party has its representative in the Board of Directors;
- (iii) Related party has its representative in the Board of Directors, or Executive Team, or Supervisory Board or majority shareholders related to members of the Board of Directors, or Executive Team or Supervisory Board of Techcombank;
- (iv) Masan Group Corporation and a group of related companies of Masan Group Corporation have their representatives in the Board of Directors of Techcombank or their Board of Directors' members are related parties of members of the Board of Directors, or Executive Team or Supervisory Board of Techcombank.

38. Geographical concentration of assets, liabilities and off-balance sheet items

As at 31 December 2020

	Total loans	Total deposits	Contingent credit commitments	Derivatives (*)	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million
Domestic	285,405,772	296,661,546	207,186,789	217,795,679	93,190,399
Overseas	1,167	2,029,194	50,587	12,565,632	-
	285,406,939	298,690,740	207,237,376	230,361,311	93,190,399

As at 31 December 2019

	Total loans	Total deposits	Contingent credit commitments	Derivatives (*)	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million
Domestic	240,195,421	267,383,576	172,287,226	184,153,065	76,413,678
Overseas	410	2,545,522	39,550	11,046,146	-
	240,195,831	269,929,098	172,326,776	195,199,211	76,413,678

(*) Total contract value.

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39. Segment reporting

Business segments

Year ended 31 December 2020

	Banking	Assets Management	Securities trading	Fund Management	Elimination (*)	Total
	VND million	VND million	VND million	VND million	VND million	VND million
I. Revenue						
1. Interest revenue	61,499,424	3,424	693,378	34,469	(30,276)	62,200,419
<i>External revenue</i>	28,300,917	3,424	693,378	34,469	(30,276)	29,001,912
<i>Internal revenue</i>	33,198,507	-	-	-	-	33,198,507
2. Fee and commission income	3,823,314	-	2,012,713	295,194	(82,778)	6,048,443
3. Revenue from other business activities	11,447,848	251,284	607,328	-	(766,302)	11,540,158
	76,770,586	254,708	3,313,419	329,663	(879,356)	79,789,020
II. Expenses						
1. Interest expenses	(43,329,258)	(31,464)	(121,195)	-	32,707	(43,449,210)
<i>External expenses</i>	(10,130,751)	(31,464)	(121,195)	-	32,707	(10,250,703)
<i>Internal expenses</i>	(33,198,507)	-	-	-	-	(33,198,507)
2. Depreciation and amortisation expenses	(325,334)	(37,777)	(23,649)	(3)	-	(386,763)
3. Expenses directly related to business activities	(17,148,406)	(136,841)	(476,707)	(95,120)	315,358	(17,541,716)
	(60,802,998)	(206,082)	(621,551)	(95,123)	348,065	(61,377,689)
Profit before allowance expenses for credit losses	15,967,588	48,626	2,691,868	234,540	(531,291)	18,411,331
Allowance expenses for credit losses	(2,601,866)	5	-	-	(9,174)	(2,611,035)
Segment profit before tax	13,365,722	48,631	2,691,868	234,540	(540,465)	15,800,296

(*) Elimination of internal transactions and reclassification according to Bank's accounting policies.

As at 31 December 2020

	Banking	Assets Management	Securities trading	Fund Management	Elimination (*)	Total
	VND million	VND million	VND million	VND million	VND million	VND million
III. Assets						
1. Cash and gold on hand	3,663,615	-	-	-	-	3,663,615
2. Fixed assets and investment property	4,567,199	1,125,836	46,974	-	(1,862)	5,738,147
3. Other assets	424,489,608	106,286	8,712,179	488,314	(3,595,216)	430,201,171
	432,720,422	1,232,122	8,759,153	488,314	(3,597,078)	439,602,933
IV. Liabilities						
1. External liabilities	363,989,634	473,717	2,579,922	39,029	(2,103,477)	364,978,825
2. Internal liabilities	9,322	-	-	-	-	9,322
	363,998,956	473,717	2,579,922	39,029	(2,103,477)	364,988,147

(*) Elimination of internal transactions and reclassification according to Bank's accounting policies.

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39. Segment reporting (Continued)

Year ended 31 December 2019

	Banking	Assets Management	Securities trading	Fund Management	Elimination (*)	Total
	VND million	VND million	VND million	VND million	VND million	VND million
I. Revenue						
1. Interest revenue	53,662,724	6,657	255,742	14,310	12,288	53,951,721
External revenue	24,727,344	6,657	255,742	14,310	12,288	25,016,341
Internal revenue	28,935,380	-	-	-	-	28,935,380
2. Fee and commission income	3,361,680	-	1,320,584	206,040	(3,896)	4,884,408
3. Revenue from other business activities	8,341,276	186,047	598,530	-	(241,459)	8,884,394
	65,365,680	192,704	2,174,856	220,350	(233,067)	67,720,523
II. Expenses						
1. Interest expenses	(39,660,174)	(39,655)	(44,255)	-	50,207	(39,693,877)
External expenses	(10,724,794)	(39,655)	(44,255)	-	50,207	(10,758,497)
Internal expenses	(28,935,380)	-	-	-	-	(28,935,380)
2. Depreciation and amortisation expenses	(204,791)	(39,247)	(10,705)	(47)	(196)	(254,986)
3. Expenses directly related to business activities	(13,706,893)	(143,856)	(300,415)	(34,562)	169,702	(14,016,024)
	(53,571,858)	(222,758)	(355,375)	(34,609)	219,713	(53,964,887)
Profit before allowance expenses for credit losses	11,793,822	(30,054)	1,819,481	185,741	(13,354)	13,755,636
Allowance expenses for credit losses	(912,833)	5	-	-	(4,540)	(917,368)
Segment profit before tax	10,880,989	(30,049)	1,819,481	185,741	(17,894)	12,838,268

(*) Elimination of internal transactions and reclassification according to Bank's accounting policies.

As at 31 December 2019

	Banking	Assets Management	Securities trading	Fund Management	Elimination (*)	Total
	VND million	VND million	VND million	VND million	VND million	VND million
III. Assets						
1. Cash and gold on hand	4,820,627	-	-	-	-	4,820,627
2. Fixed assets investment property	3,156,993	3,083	49,558	4	(1,861)	3,207,777
3. Other assets	371,620,872	1,288,588	6,252,138	289,593	(3,780,134)	375,671,057
	379,598,492	1,291,671	6,301,696	289,597	(3,781,995)	383,699,461
IV. Liabilities						
1. External liabilities	321,630,955	573,289	1,674,518	27,913	(2,293,019)	321,613,656
2. Internal liabilities	13,038	-	-	-	-	13,038
	321,643,993	573,289	1,674,518	27,913	(2,293,019)	321,626,694

(*) Elimination of internal transactions and reclassification according to Bank's accounting policies.

40. Financial risk management

This note provides information of Techcombank's exposure to risk and describes the policies, the methods used by the Bank's Executive Team to control risk. The most important types of financial risk to which Techcombank is exposed to are credit risk, liquidity risk and market risk.

Risk management policy

The Board of Directors has overall responsibility for the establishment and oversight of Techcombank'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 determines

organisational structure and key managing directors.

Risk management strategies and policies are adhered to the Bank's Charter and General Shareholders' Meeting resolutions.

Audit and Risk Committee ("ARCO") is established by the Board of Directors for the purpose of undertaking a number of functions and tasks related to the audit, supervising and monitoring risk management of Techcombank's operation which are assigned/authorised by the Board of Directors.

ARCO is responsible for promulgating and monitoring risk management framework, risk appetites and risk management policies in Techcombank's operation activities and approving market risk limit, credit risk limit for each industry, business line and other general risk limits of Techcombank.

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41. Credit risk

Techcombank 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 issuing guarantees. The risk that counterparties might default on their obligations is monitored on an ongoing basis. To manage the level of credit risk, Techcombank attempts to deal with counterparties with good credit standing, and, when appropriate, obtains collateral. Techcombank'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, Techcombank is exposed to off-balance sheet credit risk through commitments to extend credit and guarantees issued.

Techcombank 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 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:

	31/12/2020 VND million	31/12/2019 VND million
Balances with and credit granting to other CIs - gross	28,994,954	47,990,224
Securities held-for-trading - gross	8,357,447	10,052,963
Loans to customers - gross	277,524,615	230,802,027
Debt purchases - gross	1,682	1,682
Investment securities - gross	84,377,005	65,705,191
Others financial assets - gross	18,152,762	15,139,670
	417,408,465	369,691,757

Financial assets that are neither past due nor impaired

Information about credit quality of financial assets that are neither past due nor impaired was as follows:

	31/12/2020 VND million	31/12/2019 VND million
Balances with and credit granting to other CIs - gross	28,994,954	47,990,224
Securities held-for-trading - gross	8,357,447	10,052,963
Loans to customers - gross	274,423,557	225,601,458
Investment securities - gross	84,377,005	65,579,773
Others financial assets - gross	17,611,956	14,483,999
	413,764,919	363,708,417

Techcombank'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. Techcombank believes that those financial assets can be fully and timely recovered in the future.

Financial assets that are past due but not impaired

The aging of financial assets that are past due but not impaired as at 31 December 2020 and 31 December 2019 was as follows:

As at 31 December 2020

	Overdue less than 90 days VND million	Overdue from 91 to 180 days VND million	Overdue from 181 to 360 days VND million	Overdue more than 360 days VND million	Total VND million
Loans to customers	221,102	26,330	51,420	78,809	377,661

As at 31 December 2019

	Overdue less than 90 days VND million	Overdue from 91 to 180 days VND million	Overdue from 181 to 360 days VND million	Overdue more than 360 days VND million	Total VND million
Loans to customers	268,157	40,820	55,426	741,528	1,105,931
Investment securities	62,709	-	62,709	-	125,418
	330,866	40,820	118,135	741,528	1,231,349

These overdue loans were not impaired as they were secured by adequate collaterals.

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41. Credit risk (Continued)

Financial assets that are impaired

The aging of financial assets that are impaired as at 31 December 2020 and 31 December 2019 was as follows:

As at 31 December 2020

	Not past due	Overdue less than 90 days	Overdue from 91 to 180 days	Overdue from 181 to 360 days	Overdue more than 360 days	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Loans to customers	-	1,584,764	390,562	482,524	265,547	2,723,397
Debt purchases	-	-	-	-	1,682	1,682
Other financial assets	449,939	-	-	-	90,867	540,806
	449,939	1,584,764	390,562	482,524	358,096	3,265,885

As at 31 December 2019

	Not past due	Overdue less than 90 days	Overdue from 91 to 180 days	Overdue from 181 to 360 days	Overdue more than 360 days	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Loans to customers	-	1,854,536	117,308	249,804	1,812,990	4,034,638
Debt purchases	-	-	-	-	1,682	1,682
Other financial assets	567,348	-	-	-	88,323	655,671
	567,348	1,854,536	117,308	249,804	1,902,995	4,691,991

42. Liquidity risk

Liquidity risk arises from Techcombank's funding activities in general and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

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 Techcombank'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 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 CIs; 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 years because these investments do not have specific maturity date;

- ▶ The maturity term of deposits and borrowings from financial institutions and CIs and deposits from customers 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 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 borrowings is determined on the maturity date as stipulated in contracts as at the reporting date of each contract;
- ▶ The maturity term of other liabilities is determined on the actual maturity date of each liability.

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42. Liquidity risk (Continued)

The table in the next page shows the analysis of assets and liabilities of Techcombank according to their maturities as at 31 December 2020 and 31 December 2019:

As at 31 December 2020

VND million

	Overdue		Current					Total
	Less than 3 months	More than 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	
Assets								
Cash and gold on hand	-	-	3,663,615	-	-	-	-	3,663,615
Balances with the SBV	-	-	10,253,324	-	-	-	-	10,253,324
Balances with and loans to other CIs - gross	-	-	20,955,604	5,862,457	2,176,893	-	-	28,994,954
Securities held-for-trading - gross	-	-	450,001	400,000	1,991,728	1,488,578	4,027,140	8,357,447
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	-	-	-	137,411	4,027,140	4,164,551
Loans and advances to customers - gross	1,805,866	1,295,192	19,204,584	27,371,207	62,903,705	70,367,286	94,576,775	277,524,615
Debt purchases - gross	-	1,682	-	-	-	-	-	1,682
Investment securities - gross	-	-	1,845,040	920,786	20,909,778	44,472,955	16,684,393	84,832,952
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	350,426	302,335	4,509,626	6,507,610	15,139,958	26,809,955
Long-term investments - gross	-	-	-	-	-	-	12,466	12,466
Fixed assets and investment property - net	-	-	2,647,643	853,357	2,549	963,364	1,271,234	5,738,147
Other assets - gross	-	89,698	8,531,139	5,888,048	6,908,292	1,156,754	451,864	23,025,795
Total assets	1,805,866	1,386,572	67,550,950	41,295,855	94,892,945	118,448,937	117,023,872	442,404,997
Liabilities								
Deposits and borrowings from other CIs	-	-	18,083,986	10,664,808	7,065,050	11,670,968	-	47,484,812
Deposits from customers	-	-	194,016,381	35,326,133	45,604,700	2,452,477	58,960	277,458,651
<i>In which: Demand deposits and marginal deposits</i>	-	-	127,600,110	114,859	297,921	25,537	-	128,038,427
Derivatives and other financial liabilities	-	-	54,712	200,124	76,743	(64,653)	-	266,926
Valuable papers issued	-	-	1,573,473	422,300	428,539	25,474,900	428	27,899,640
Other liabilities	-	-	8,599,761	977,028	1,465,266	832,229	3,834	11,878,118
Total liabilities	-	-	222,328,313	47,590,393	54,640,298	40,365,921	63,222	364,988,147
Net liquidity gap	1,805,866	1,386,572	(154,777,363)	(6,294,538)	40,252,647	78,083,016	116,960,650	77,416,850

As at 31 December 2019

VND million

	Overdue		Current					Total
	Less than 3 months	More than 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	
Assets								
Cash and gold on hand	-	-	4,820,627	-	-	-	-	4,820,627
Balances with the SBV	-	-	3,192,256	-	-	-	-	3,192,256
Balances with and loans to other CIs - gross	-	-	35,257,804	11,687,934	1,044,486	-	-	47,990,224
Securities held-for-trading - gross	-	-	535,821	157,927	1,227,868	1,327,507	6,803,840	10,052,963
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	185,821	-	-	85,498	6,603,280	6,874,599
Loans and advances to customers - gross	2,122,693	3,077,876	4,622,890	19,193,145	62,408,895	46,741,699	92,634,829	230,802,027
Debt purchases - gross	-	1,682	-	-	-	-	-	1,682
Investment securities - gross	62,709	62,709	541,214	646,287	21,827,267	25,098,719	18,121,810	66,360,715
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	62,709	62,709	350,545	306,288	3,592,940	8,056,297	14,770,030	27,201,518
Long-term investments - gross	-	-	-	-	-	-	12,883	12,883
Fixed assets and investment property - net	-	-	644,696	976	14,658	415,131	3,292,840	4,368,301
Other assets - gross	-	88,323	4,707,744	3,990,470	6,469,378	3,731,948	575,439	19,563,302
Total assets	2,185,402	3,230,590	54,323,052	35,676,739	92,992,552	77,315,004	121,441,641	387,164,980
Liabilities								
Deposits and borrowings from other CIs	-	-	34,606,537	17,118,946	8,893,006	645,085	3,061	61,266,635
Deposits from customers	-	-	141,111,010	35,947,167	49,903,273	4,274,210	61,101	231,296,761
<i>In which: Demand deposits and marginal deposits</i>	-	-	79,003,002	163,158	495,159	54,297	-	79,715,616
Derivatives and other financial liabilities	-	-	62,233	137,742	196,801	37,232	-	434,008
Valuable papers issued	-	-	-	-	4,128,710	13,331,924	-	17,460,634
Other liabilities	-	-	8,013,377	1,027,636	1,311,874	811,322	4,447	11,168,656
Total liabilities	-	-	183,793,157	54,231,491	64,433,664	19,099,773	68,609	321,626,694
Net liquidity gap	2,185,402	3,230,590	(129,470,105)	(18,554,752)	28,558,888	58,215,231	121,373,032	65,538,286

43. Market risk

(a) Interest rate risk

Interest rate risk arises when there is a difference of term in repricing of interest rate between assets and liabilities. All loan activities, mobilisation activities, investment activities of Techcombank create interest rate risk.

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 Techcombank.

On the basis of the state of "interest rate sensitivity"

Interest rate repricing terms for items with fixed interest rates are the remaining period until

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43. Market risk (Continued)

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 receivables and other liabilities are classified as non-sensitive to interest rate items;
- ▶ Balances with the SBV, demand balances with other CIs are classified as non-sensitive to interest rate items;
- ▶ Interest rate repricing terms of securities held-for-trading and investment securities are based on the actual maturity date at the reporting date 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 CIs; loans to customers; due from the Government and the SBV; deposits and borrowings from other financial institutions and CIs, 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 reporting date of the consolidated financial statements;
- Items with floating interest rates: interest rate repricing terms based on the nearest repricing date since the reporting date 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 repricing terms of other borrowings are based on actual maturity date at the reporting date of consolidated financial statement of each borrowing if the interest rate is fixed or based on the nearest repricing date if the interest rate is floating.

The following table presents assets and liabilities of Techcombank based on the "interest gap" model as at 31 December 2020 and 31 December 2019:

As at 31 December 2020

As at 31 December 2020	Overdue	Non-sensitive to interest rate	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	More than 5 years	Total
VND million									
Assets									
Cash and gold on hand	-	3,663,615	-	-	-	-	-	-	3,663,615
Balances with the SBV	-	10,253,324	-	-	-	-	-	-	10,253,324
Balances with and loans to other CIs - gross	-	6,985,539	13,893,438	5,862,457	2,048,420	205,100	-	-	28,994,954
Securities held-for-trading - gross	-	-	450,000	400,000	1,015,307	976,422	1,488,578	4,027,140	8,357,447
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	-	-	-	-	137,411	4,027,140	4,164,551
Loans and advances to customers - gross	3,101,058	-	128,228,278	79,985,790	21,480,113	18,552,464	23,789,486	2,387,426	277,524,615
Debt purchases - gross	1,682	-	-	-	-	-	-	-	1,682
Investment securities - gross	-	1,834,994	14,899,853	18,342,118	12,043,798	13,552,443	9,941,684	14,218,062	84,832,952
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	1,384,380	350,000	300,000	1,521,200	2,908,709	6,333,666	14,012,000	26,809,955
Long-term investments	-	12,466	-	-	-	-	-	-	12,466
Fixed assets and investment property - net	-	5,738,147	-	-	-	-	-	-	5,738,147
Other assets - gross	89,698	22,936,097	-	-	-	-	-	-	23,025,795
Total assets	3,192,438	51,424,182	157,471,569	104,590,365	36,587,638	33,286,429	35,219,748	20,632,628	442,404,997
Liabilities									
Deposits and borrowings from other CIs	-	882,329	17,155,147	21,847,815	5,713,497	1,461,013	422,398	2,613	47,484,812
Deposits from customers	-	-	194,589,556	35,165,752	31,983,609	13,262,379	2,399,446	57,909	277,458,651
<i>In which: Demand deposits and marginal deposits</i>	-	-	128,038,427	-	-	-	-	-	128,038,427
Derivatives and other financial liabilities	-	(147)	13,315,936	6,064,610	(3,388,118)	(2,487,757)	(13,237,598)	-	266,926
Valuable papers issued	-	-	1,909,401	5,382,300	5,031,000	1,128,539	14,448,400	-	27,899,640
Other liabilities	-	11,878,118	-	-	-	-	-	-	11,878,118
Total liabilities	-	12,760,300	226,970,040	68,460,477	39,339,988	13,364,174	4,032,646	60,522	364,988,147
Interest sensitivity gap	3,192,438	38,663,882	(69,498,471)	36,129,888	(2,752,350)	19,922,255	31,187,102	20,572,106	77,416,850

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43. Market risk (Continued)

As at 31 December 2019

As at 31 December 2019	Overdue	Non-sensitive	Less	From	From	From	More	More	Total
	to interest	to interest	than 1	1 to 3	3 to 6	6 to 12	than	than	
	rate	rate	month	months	months	months	1 year	5 years	
VND million									
Assets									
Cash and gold on hand	-	4,820,627	-	-	-	-	-	-	4,820,627
Balances with the SBV	-	3,192,256	-	-	-	-	-	-	3,192,256
Balances with and loans to other CIs - gross	-	15,173,787	20,084,018	11,587,933	1,005,544	138,942	-	-	47,990,224
Securities held-for-trading - gross	-	-	535,821	157,927	779,559	960,729	1,015,647	6,603,280	10,052,963
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	-	-	185,821	-	-	-	85,498	6,603,280	6,874,599
Loans and advances to customers - gross	5,200,569	-	101,225,542	44,068,564	18,592,697	32,081,861	26,952,364	2,680,430	230,802,027
Debt purchases - gross	1,682	-	-	-	-	-	-	-	1,682
Investment securities - gross	125,418	1,943,751	14,716,451	14,839,304	3,689,782	5,336,209	11,791,612	13,918,188	66,360,715
<i>In which: Government bonds and bonds guaranteed by the Government for settlement</i>	125,418	1,296,179	350,000	305,714	2,052,709	1,520,160	7,640,228	13,911,110	27,201,518
Long-term investments	-	12,883	-	-	-	-	-	-	12,883
Fixed assets and investment property - net	-	4,368,301	-	-	-	-	-	-	4,368,301
Other assets - gross	88,323	19,474,979	-	-	-	-	-	-	19,563,302
Total assets	5,415,992	48,986,584	136,561,832	70,653,728	24,067,582	38,517,741	39,759,623	23,201,898	387,164,980
Liabilities									
Deposits and borrowings from other CIs	-	6,416,010	28,190,526	17,118,946	8,584,377	308,630	645,085	3,061	61,266,635
Deposits from customers	-	-	143,218,063	35,762,392	32,233,184	16,871,104	3,197,347	14,671	231,296,761
<i>In which: Demand deposits and marginal deposits</i>	-	-	79,715,616	-	-	-	-	-	79,715,616
Derivatives and other financial liabilities	-	-	19,722,421	4,713,084	(2,222,793)	(3,127,042)	(18,651,662)	-	434,008
Valuable papers issued	-	-	1,727,600	2,642,900	1,584,300	177,212	11,328,622	-	17,460,634
Other liabilities	-	11,168,656	-	-	-	-	-	-	11,168,656
Total liabilities	-	17,584,666	192,858,610	60,237,322	40,179,068	14,229,904	(3,480,608)	17,732	321,626,694
Interest sensitivity gap	5,415,992	31,401,918	(56,296,778)	10,416,406	(16,111,486)	24,287,837	43,240,231	23,184,166	65,538,286

The following table estimates the sensitivity of profit before tax and equity of Techcombank assuming that there is an increase in lending and funding interest rate. The result is reversed if assuming that there is a decrease in lending and funding interest rate.

As at 31 December 2020

Currency	Increase in interest rate	Increase/(Decrease)	
		Consolidated profit before tax for year ended 31/12/2020	Consolidated equity as at 31/12/2020
		VND million	VND million
VND	3.00%	5,196,747	4,157,398
USD	1.50%	(80,277)	(64,222)

As at 31 December 2019

Currency	Increase in interest rate	Increase/(Decrease)	
		Consolidated profit before tax for year ended 31/12/2019	Consolidated equity as at 31/12/2019
		VND million	VND million
VND	3.00%	3,626,285	2,901,028
USD	1.50%	(107,159)	(85,727)

(b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Techcombank was incorporated and operates in Vietnam with VND as its reporting currency. The major currency in which the Bank transacts is VND. Techcombank's assets - liabilities structure included different types of currencies (such as USD, EUR, AUD, ect), which is the main cause of currency risk. Techcombank 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.

The following table presents the assets and liabilities denominated in other currencies translated into VND at the end of the annual accounting period:

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43. Market risk (Continued)

As at 31 December 2020

VND million

	USD equivalent	EUR equivalent	Gold equivalent	Gold equivalent	Total
Assets					
Cash and gold on hand	151,060	45,575	5,083	53,309	255,027
Balances with the SBV	21,849	-	-	-	21,849
Balances with and loans to other CIs - gross	11,430,274	486,004	-	482,979	12,399,257
Loans and advances to customers - gross	13,016,773	-	-	-	13,016,773
Other assets - gross	10,230,806	631,012	-	1,077,398	11,939,216
	34,850,762	1,162,591	5,083	1,613,686	37,632,122
Liabilities					
Deposits and borrowings from other CIs	25,002,536	631,022	-	1,076,331	26,709,889
<i>In which: UPAS L/C (Usance Payable At Sight Letters of Credit)</i>	9,833,605	631,012	-	1,076,331	11,540,948
Deposits from customers	11,222,868	517,355	-	489,008	12,229,231
Derivatives and other financial liabilities	(5,330,254)	2,972	-	7,478	(5,319,804)
Other liabilities	605,286	13,841	-	9,079	628,206
	31,500,436	1,165,190	-	1,581,896	34,247,522
FX position on-balance sheet	3,350,326	(2,599)	5,083	31,790	3,384,600
FX position off-balance sheet	1,391,203	(5,671)	-	13,339	1,398,871
Total FX position on and off-balance sheet	4,741,529	(8,270)	5,083	45,129	4,783,471

As at 31 December 2019

VND million

	USD equivalent	EUR equivalent	Gold equivalent	Other currencies equivalent	Total
Assets					
Cash and gold on hand	239,241	64,143	12,836	107,983	424,203
Balances with the SBV	1,322	-	-	-	1,322
Balances with and loans to other CIs - gross	13,748,109	467,767	-	304,615	14,520,491
Loans and advances to customers - gross	11,912,935	-	-	-	11,912,935
Other assets - gross	5,760,921	540,759	-	2,650,140	8,951,820
	31,662,528	1,072,669	12,836	3,062,738	35,810,771
Liabilities					
Deposits and borrowings from other CIs	23,801,711	540,740	-	2,637,752	26,980,203
<i>In which: UPAS L/C (Usance Payable At Sight Letters of Credit)</i>	5,456,037	540,730	-	2,637,752	8,634,519
Deposits from customers	10,720,334	530,572	-	596,931	11,847,837
Derivatives and other financial liabilities	(4,873,955)	(7,281)	-	(208,188)	(5,089,424)
Other liabilities	1,428,930	4,663	-	43,403	1,476,996
	31,077,020	1,068,694	-	3,069,898	35,215,612
FX position on-balance sheet	585,508	3,975	12,836	(7,160)	595,159
FX position off-balance sheet	(4,528,156)	-	-	24,413	(4,503,743)
Total FX position on and off-balance sheet	(3,942,648)	3,975	12,836	17,253	(3,908,584)

The following table estimates the sensitivity of the profit before tax of Techcombank with the assumption that all other variables, in particular interest rates, remain constant in the cases:

As at 31 December 2020

Currency	Increase in exchange rate	Increase/(Decrease)	
		Consolidated profit before tax for the year ended 31/12/2020 VND million	Consolidated equity as at 31/12/2020 VND million
USD	1.00%	47,415	37,932
EUR	1.00%	(83)	(66)
Gold	3.00%	152	122

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43. Market risk (Continued)

As at 31 December 2019

Currency	Increase in exchange rate	Increase/(Decrease)	
		Consolidated profit before tax for the year ended 31/12/2019 VND million	Consolidated equity as at 31/12/2019 VND million
USD	1.00%	(39,426)	(31,541)
EUR	1.00%	40	32
Gold	3.00%	385	308

44. Disclosure of financial instruments

Fair value disclosure

Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 requires disclosing on fair value determination method and fair value of financial assets and financial liabilities to have a comparison between fair value and carrying value.

The following table sets out the carrying value and fair value of Techcombank's financial assets and financial liabilities at the end of the annual accounting period:

As at 31 December 2020

VND million

	Carrying value					Total carrying value	Fair value
	Fair value through profit and loss	Held-to-maturity	Loans and receivables	Available for sale	At amortised cost		
Financial assets							
Cash and gold on hand	-	-	3,663,615	-	-	3,663,615	3,663,615
Balances with the SBV	-	-	10,253,324	-	-	10,253,324	(*)
Balances with and loans to other CIs - gross	-	-	28,994,954	-	-	28,994,954	(*)
Securities held-for-trading - gross	8,357,447	-	-	-	-	8,357,447	(*)
Loans and advances to customers - gross	-	-	277,524,615	-	-	277,524,615	(*)
Debt purchases - gross	-	-	1,682	-	-	1,682	(*)
Available-for-sale securities - gross	-	-	-	84,632,952	-	84,632,952	(*)
Held-to-maturity securities - gross	-	200,000	-	-	-	200,000	(*)
Other long-term investments	-	-	-	12,466	-	12,466	(*)
Other financial assets	-	-	23,025,795	-	-	23,025,795	(*)
	8,357,447	200,000	343,463,985	84,645,418	-	436,666,850	
Financial liabilities							
Deposits and borrowings from other CIs	-	-	-	-	47,484,812	47,484,812	(*)
Deposits from customers	-	-	-	-	277,458,651	277,458,651	(*)
Derivatives and other financial liabilities	266,926	-	-	-	-	266,926	(*)
Valuable papers issued	-	-	-	-	27,899,640	27,899,640	(*)
Other financial liabilities	-	-	-	-	11,878,118	11,878,118	(*)
	266,926	-	-	-	364,721,221	364,988,147	

(*) Techcombank has not determined the fair value of these items due to Vietnamese Accounting Standard, Vietnamese Accounting System for CIs lack of detailed guidance on fair value when using valuation model. Fair value of these financial instruments might be different from book value.

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44. Disclosure of financial instruments (Continued)

As at 31 December 2019

VND million

	Carrying value					Total carrying value	Fair value
	Fair value through profit and loss	Held-to-maturity	Loans and receivables	Available for sale	At amortised cost		
Financial assets							
Cash and gold on hand	-	-	4,820,627	-	-	4,820,627	4,820,627
Balances with the SBV	-	-	3,192,256	-	-	3,192,256	(*)
Balances with and loans to other CIs - gross	-	-	47,990,224	-	-	47,990,224	(*)
Securities held-for-trading - gross	10,052,963	-	-	-	-	10,052,963	(*)
Loans and advances to customers - gross	-	-	230,802,027	-	-	230,802,027	(*)
Debt purchases - gross	-	-	1,682	-	-	1,682	(*)
Available-for-sale securities - gross	-	-	-	66,158,709	-	66,158,709	(*)
Held-to-maturity securities - gross	-	202,006	-	-	-	202,006	(*)
Other long-term investments	-	-	-	12,883	-	12,883	(*)
Other financial assets	-	-	15,139,670	-	-	15,139,670	(*)
	10,052,963	202,006	301,946,486	66,171,592	-	378,373,047	
Financial liabilities							
Deposits and borrowings from other CIs	-	-	-	-	61,266,635	61,266,635	(*)
Deposits from customers	-	-	-	-	231,296,761	231,296,761	(*)
Derivatives and other financial liabilities	434,008	-	-	-	-	434,008	(*)
Valuable papers issued	-	-	-	-	17,460,634	17,460,634	(*)
Other financial liabilities	-	-	-	-	8,115,902	8,115,902	(*)
	434,008	-	-	-	318,139,932	318,573,940	

(*) Techcombank has not determined the fair value of these items due to Vietnamese Accounting Standards and Vietnamese Accounting System for CIs lack of detailed guidance on fair value when using valuation model. Fair value of these financial assets might be different from book value.

45. Profit movements

The consolidated profit after tax for the year ended 31 December 2020 of Techcombank increased by VND2,356,258 million equivalent to an increase of 23.04% compared to the year ended 31 December 2019 due to the following reasons:

	Profit after tax VND million
Increase/(decrease) of profit after tax as a result of:	
Increase in net interest income	4,493,365
Increase in net fee and commission income	935,425
(Decrease) in net gain from trading of foreign currencies	(103,836)
(Decrease) in net gain from trading of securities held-for-trading	(76,267)
Increase in net gain from investment securities	253,238
Increase in net gain from other activities	472,481
(Decrease) in income from investments in other entities	(25)
Increase in operating expenses	(1,318,686)
Increase in allowance expenses for credit losses	(1,693,667)
Increase in corporate income tax expenses	(605,770)
Increase in profit after tax	2,356,258

46. Comparative figures

Some comparative figures have been reclassified to conform to the current financial reporting requirements. The table compares the figures presented in the previous year, before and after reclassification as follows:

	2019 VND million (As reclassified)	2019 VND million (As previously stated)
Consolidated statement of income		
Interest and similar income	25,020,397	25,016,341
Interest and similar expenses	(10,762,553)	(10,758,497)
Fee and commission income	4,853,846	4,884,408
Fee and commission expenses	(1,600,493)	(1,631,055)
Consolidated statement of cash flows		
Interest and similar income received	25,681,231	25,677,175
Interest and similar expenses paid	(10,869,069)	(10,865,013)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

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(Issued under Circular No.

49/2014/TT-NHNN dated 31 December 2014

of the State Bank of Vietnam)

for the year ended 31 December 2020

47. Other events

In 2020, Vietnam's economy and society were dramatically affected by the Covid-19 pandemic.

The Covid-19 pandemic was initially recognised in Vietnam on 23 January 2020, Vietnam Government has performed significant control measures including the social distancing initiated on 1 April 2020. On 23 April 2020, Vietnam basically ceased social distancing and domestic economic and social activities have gradually resumed their normal course. However, the number of infected cases in the world has increased constantly. The Covid-19 pandemic has significantly impacted business operations

of multiple enterprises in different sectors. On 28 January 2021, the Covid-19 pandemic broke out again in Quang Ninh and Hai Duong, and tended to spread to other provinces. The Covid-19 pandemic greatly affected the business activities of many enterprises in many different industries.

During the year ended 31 December 2020, Techcombank restructured loan repayment periods, offered exemption/reduction of interest/fees to and kept loan groups unchanged for Covid-19 affected customers according to Circular 01.

48. Exchange rates of some currencies at the balance sheet date

The followings were the significant foreign exchange rates applied by Techcombank:

	Exchange rate as at	
	31/12/2020 VND	31/12/2019 VND
AUD	17,797	16,006
CAD	17,861	17,760
CHF	26,192	23,927
CNY	3,528	3,328
DKK	3,811	3,477
EUR	28,356	25,976
GBP	31,546	30,452
HKD	2,977	2,976
JPY	224	213
NOK	2,708	2,635
SEK	2,828	2,481
SGD	17,458	17,002
THB	769	755
USD	23,080	23,173
XAU	5,567,500	4,235,000

15 March 2021

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