



TECHCOMBANK

2023
TECHCOMBANK
ANNUAL REPORT

30 years of greatness together

**REACHING FOR
NEW HEIGHTS**

Harnessing The Power of Data, Digital, and Talent


BE GREATER 



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WHO WE ARE

Techcombank is one of the largest joint stock banks in Vietnam, and a leading bank in Asia, with a vision to “Change banking, Change lives”. For 30 years we have aspired to “Be Greater” and have been an enabler of growth, achievement, and human potential in Vietnam. We pursue a proven customer-centric strategy in providing a broad range of solutions and services to over 13.4 million retail and corporate customers. We serve and engage with customers through our market-leading digital banking platforms and mobile apps, and an extensive network of 301 branches and transaction offices across 46 out of 63 cities and provinces across Vietnam. In 2023, Techcombank was assigned an A+ initial credit rating, with ‘Stable’ outlook by FiiRatings.

We believe that today’s achievements are just the stepping stone to higher accomplishments tomorrow, as we are always “Reaching for new heights”.

Business highlights

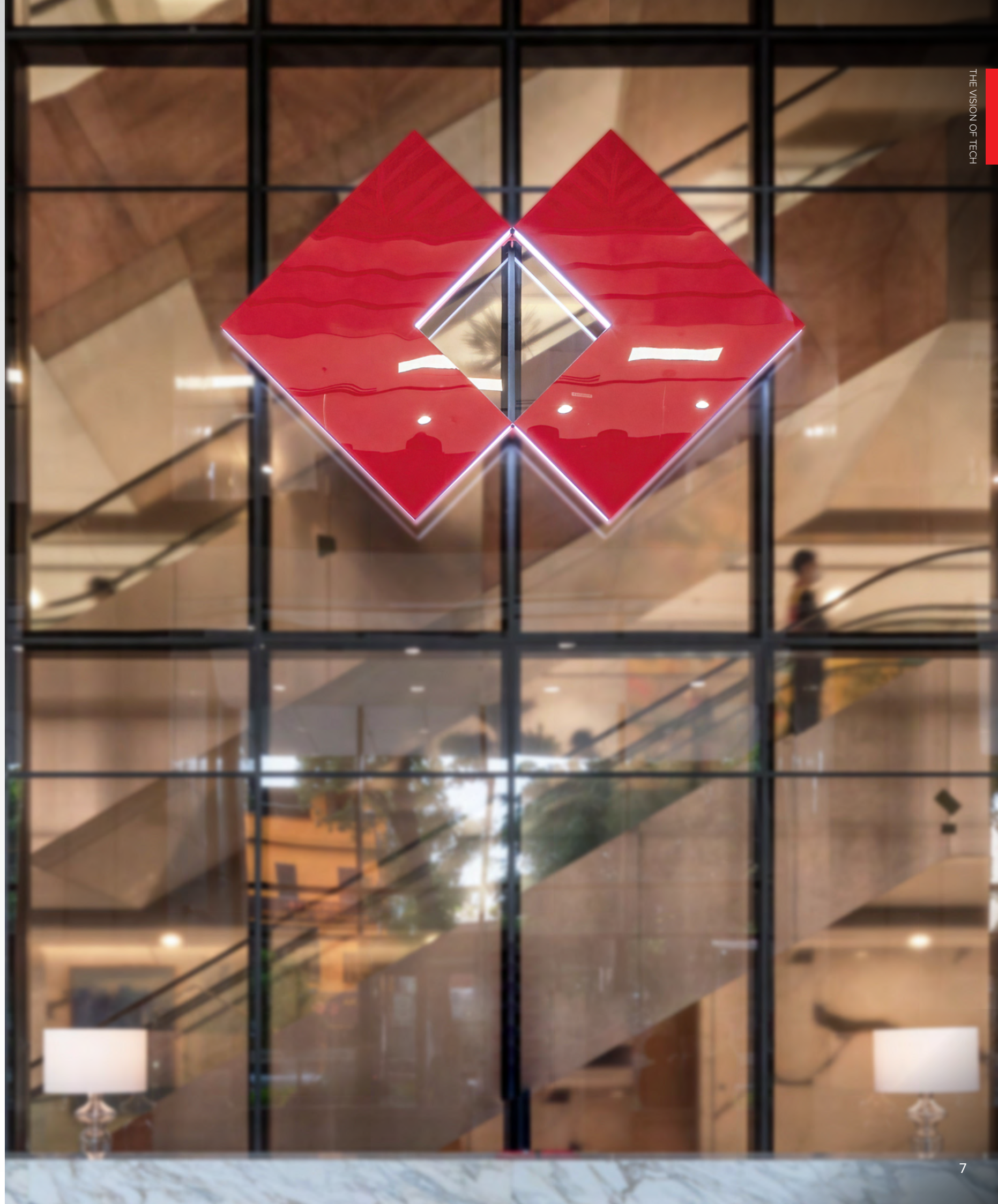
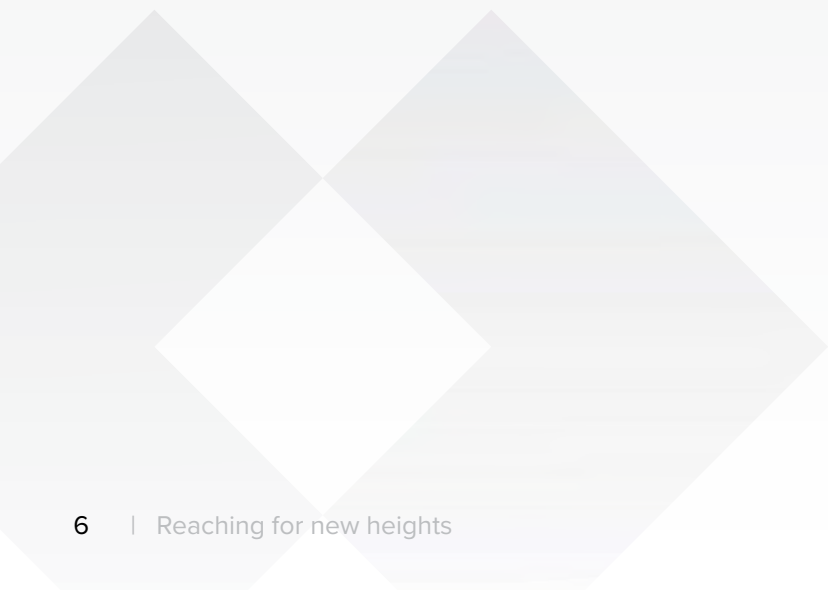
- ◆ **As of 31 Dec 2023**
13.4 million customers
With a record high number of new customers, **2.6 million**
- ◆ **Total Operating Income**
VND 40,061 billion
2019–23 TOI CAGR: **16.9%**
- ◆ **Profit Before Tax**
VND 22,888 billion
2019–23 PBT CAGR: **16.5%**
- ◆ **Total Assets as of 31 Dec 2023**
VND 849,482 billion
+21.5% year on year (YoY)
- ◆ **CASA ratio**
40%
Industry-leading
- ◆ **ROA**
2.4%
Industry-leading. 2019–23 avg.: **3.0%**
- ◆ **Retail transactions**
94%
Conducted digitally
- ◆ **Credit and debit card payment volume in the country**
TOP 1

Highlighted awards and certification in 2023

 Digital Bank of the Year in Viet Nam	 Best Bank in Vietnam 2023	 Best Private Retail Bank in Vietnam
 Best Integrated Corporate Banking Platform Globally	 Best Mobile Banking App in Asia Pacific	 Best Cash Management Bank and Transaction Bank in Vietnam
 Vietnam Best Domestic Bank 2023	 Most valuable brand among private banks in Vietnam	

01.

THE VISION OF TECH





A MESSAGE FROM OUR CHAIRMAN

Dear Valued Shareholders, Customers, Partners, and Techcomers,

Vietnam's economy showed resilience and continued to grow steadily in 2023 despite a challenging international economic environment and inflationary pressures that kept interest rates high, particularly in the first half of the year. Thanks to the industriousness of the Vietnamese people, new Government policies and increased lending by banks, Vietnam's economy picked up as the year went on and grew a solid 5.1% in 2023. It had good momentum going into 2024.

Techcombank commemorated its 30th anniversary in 2023. This was a tremendous milestone for the Bank, for me and for every Techcomer. Techcombank has come so far since our modest beginnings 30 years ago to become one of Vietnam's leading banks, delivering a cumulative pre-tax income in excess of USD 3 billion over the last three years, and witnessing a decade of growing profits at a rate of nearly 40% per year.

“The Board and management team will stay focused on delivering our customer-centric strategy. We remain on course to become one of the leading banks in ASEAN by 2025.”

We celebrated our 30th year of greatness with the Vietnamese people by opening two state-of-the-art, energy-efficient, head office buildings in Hanoi and Ho Chi Minh City. These wonderful new buildings embody our "Be Greater" spirit, provide an inspiring working environment for our talented people and contribute to the sustainable development of Vietnam.

Throughout our journey we have always worked hard to "Be Greater Together" with the Vietnamese people. We have made sure that our customers and the community have shared in our success and benefited from our progress, and that we have grown together to achieve our full potential.

In 2023, we maintained a laser-like focus on delivering the best possible offerings and experiences for our customers and putting their needs right at the heart of everything we did.

We further enhanced our best-in-market digital platforms and mobile banking apps, enabling us to provide hyper-personalised experiences to customers, including help to manage their finances. We continued to accelerate the launch of industry-leading customer value propositions, such as our pioneering Auto-earning savings solution. And we expanded our ecosystem partnerships to help make every day banking easier and more convenient for people across the country.

Our commitment to our customers enabled us to welcome 2.6 million new customers to the Bank, more than double the number in 2022 and bringing our overall total customers to more than 13.4 million.

While the year was undeniably challenging, our total operating income remained broadly stable, supported by our expanding customer base and strong growth in diversified fee income. Our total deposits grew faster than the market at 26.9% year on year (YoY) while our customer credit grew by 19.2% YoY, also significantly outpacing the industry. I am confident that our transformation strategy and established market-leading digital capabilities mean Techcombank is well-placed for the future.

Our talent is the foundation on which our success is built. Our digital platforms enabled us to engage with our customers more often and bring new offerings to them more quickly. Our bank-wide data lake integrated with cloud-based data analytics and artificial intelligence, has deepened our understanding of customers and is empowering innovations like our new world-class, customer relationship management (CRM) platform.



In 2023, we maintained a laser-like focus on delivering the best possible offerings and experiences for our customers and putting their needs right at the heart of everything we did.

Ho Hung Anh

Chairman of the Board of Directors

As a leading bank in Vietnam with a vision to "Change banking, Change lives", we are committed to having a positive impact on the environment and on society. In 2023, we provided more green credit than ever before, helping to fund sustainable projects in Vietnam ranging from more sustainable transportation to clean energy generation. At the same time, the Bank continued to join hands with the community, supporting social initiatives with donations reaching nearly VND 150 billion, more than in any previous year. To promote physical fitness and healthy living for all people, we continued our support for the Hanoi and Ho Chi Minh City Techcombank Marathons.

With the trust and companionship of our shareholders, customers and partners, we will continue to lead the transformation of the banking industry in Vietnam for years to come.

Warmest regards,

Ho Hung Anh
Chairman of the Board of Directors

All of this means that Techcombank entered 2024 in a position of strength, well placed to grow as Vietnam's economy gathers pace and the operating environment continues to improve.

The Board and management team will stay focused on delivering our customer-centric strategy. We remain on course to become one of the leading banks in the Association of Southeast Asian Nations (ASEAN) by 2025.

CEO LETTER

Dear Valued Shareholders, Customers, Partners and Techcomers,

Techcombank has a lot to celebrate. In 2023, we marked our 30th anniversary and opened two world-class head office buildings in prime locations of Hanoi and Ho Chi Minh City. Our investments in the three strategic pillars of excellence – Data, Digital and Talent – continued but this year, the third in our five-year transformation journey, we shifted gear. Our investments in technological capability and best-in-market digital platforms began to deliver real value. We sped up the launch of differentiated customer value propositions (CVPs), tailored to meet the needs of individuals throughout their financial lives, and attracted a record high number of customers – all while maintaining market leading profitability.

In another year of persistent headwinds, primarily caused by a volatile global economic environment and continued weak performance of the real-estate and bond markets in Vietnam, our financial performance remained steady. The Bank delivered on all components of our full-year financial guidance and ended the year with a strong balance sheet, robust growth and solid profitability. We proved the timelessness of Goethe’s words, ‘Even from the stones placed in your path, you can build something beautiful’.

I am excited to announce that management may soon set up a cash dividend policy as part of our continued long-term value creation for shareholders. The Bank is riding a wave of positive momentum and we are well placed to compete as Vietnam’s economic recovery gathers pace.

Groundwork for growth

Allow me to explain, in more detail, the Bank’s trajectory in 2023 and why I am confident about the robustness of our business model and our strong foundations for growth.

International inflationary pressures, exacerbated by the Russia-Ukraine conflict and quantitative tightening in most major economies, continued to push up global interest rates in the first half of 2023. High interest rates compressed our net interest margin to 3.9%, increasing our non-performing loan ratio to 1.2% and seeing our total operating income decline by 1.2% and profit before tax down by 10.5%, for the full-year.

Although rates began to normalise and system liquidity improved over the year, investment opportunities remained muted across most asset classes with customers favouring term deposits. Retail and small and medium enterprise (SME) lending did begin to rebound towards the end of the year, increasing 5% and 10% quarter on quarter in Q4 respectively, with retail lending boosted by green shoots of recovery in the mortgage market. Among business lending (for both large corporates and SMEs) credit provided to non-real estate related sectors went up ~60% year on year (YoY). This is in line with our longer term diversification plans, shifting our focus towards retail and SME customers, as we bolster our risk profile by broadening our exposure beyond real estate and into other growing sectors of Vietnam’s economy.

Despite our credit costs increasing to 0.8%, they remained well controlled and among the industry’s lowest as Techcombank was the only listed bank that was able to lower problem loans (B2-B5 loans) by 31 December 2023 compared to one year ago.

Credit growth again outpaced the industry, up by 19.2% over the year.

Facing continued bond market volatility and mounting challenges in the insurance business, we worked to further diversify fee-based revenue. This included revamping our bancassurance strategy, to achieve #1 in annual premium equivalents for three consecutive months from September to November. At the same time, we expanded our forex, cash management and finance offerings for corporate clients, increasing our overall net fee income (NFI) by 9.5% YoY.

Highlights

- ◆ Highest average return on assets during 2019–23
- ◆ Capital adequacy ratio (CAR) at **14.4%**, among highest in Vietnam, and healthy coverage ratio of **102%**.
- ◆ We ended 2023 with three consecutive quarters of current account savings account (CASA) balance growth, rebounding to nearly **40%** by 31 December – #1 in the industry.

Better serving our customers

In 2023, we began realising the benefits of our investments in digital transformation to create real value for our customers and the Bank.

We have now broadly applied data analysis and AI across the business and transitioned most major systems to the cloud and our industry-leading digital platforms. This digital transformation puts us around three years ahead of other banks.



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Techcombank had a lot to celebrate in 2023. We not only marked our 30th anniversary but took the bank to new heights in the third year of our five-year transformation journey. Importantly, our investment in leading-edge technology and digital services has begun to deliver unparalleled personalized experiences to our customers.

Jens Lottner
CEO

We know collecting data is important, but its power is in how we use it to create value. A complex digital infrastructure allows us to find meaning in the numbers and information we collect. We methodically analyse our data to uncover hidden insights, then apply these to:

- ◆ Build a more holistic understanding of our customers
- ◆ Accelerate the launch of tailored CVPs
- ◆ Provide hyper-personalised customer experiences on and offline.

Notably, in 2023, we rolled out a world-class, cloud-based customer relationship management (CRM) solution across the Bank. Created in partnership with Salesforce, it provides a centralised 360° view of all customer information, and their interactions with Techcombank. Our sales teams and relationship managers (RMs) use this data to deliver even better customer experiences. Refreshed value propositions for our Private and Priority branded tiers saw us deepen customer engagement, more effectively service them and thus increase already high wallet share among affluent high net worth individuals.

We also built on our investment in Adobe’s Experience Cloud and our partnership with Personetics, to more precisely tailor customer experiences on our digital platforms, including AI-powered, personalised money management advice, product recommendations and marketing messages. Our always evolving, award-winning mobile banking apps for

retail and business customers continued to bring simple, intuitive banking right to customers’ fingertips. Inspire, for the young and aspirational, grew to over 632,000 customers by year’s end.

In partnership with Masan, one of Vietnam’s largest consumer-led companies, we expanded the ‘all-in-one’ WINLife ecosystem to over 3,600 stores nationwide and pioneered the deployment of T-Pay for convenient, one-touch payments. The WINLife ecosystem helped us acquire approximately one million new customers in 2023.

Our enhanced Certificate of Deposit Bao Loc (CDBL) savings product made it easier for customers to access these attractive yields and liquidity. CDBL customers nearly tripled from 20,700 to over 60,000 in 2023.

To better serve corporate clients, from 2024, we are integrating our Business Banking and Wholesale Banking divisions into a single Corporate and Institutional Banking Group (CIBG). The new entity will enable deeper customer and industry insights in key sectors, with highly trained specialists ready to offer precise and specific knowledge. The launch of our first-in-kind corporate treasury management solution C-Cash, in partnership with Kyriba, will also help us drive the acquisition of main operating account relationships among corporate clients.

For SME and micro-SME (MSME) customers and businesses owners, we launched integrated value propositions tailored

to meet their business and private needs. We also made important progress in offerings for merchants such as launching a new QR code collection solution.

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Global leading digitally-engaged active customer base with an average of 50 log-ins per customer per month.

In 2023 we added 2.6 million new customers, more than double the number added in 2022 — while the acquisition cost per customer came down. Of these, 46.8% were acquired through our digital banking platforms and 36.2% through our partner ecosystem. Our efforts to better understand our customers and anticipate their needs have helped accelerate customer acquisition as well as encouraging more customers to choose Techcombank for their primary banking relationship.

I am proud that Techcombank has one of the most digitally engaged customer bases of any bank in the world, with 94% of retail transactions done online and an average of 50 log-ins per customer per month. Our market-leading net promoter and Top of Mind scores reflect the deepening customer engagement and trust we have created. Our brand value was recognised as #1 for a private Vietnamese bank by Brand Finance.

Strategic progress

Data:
Using machine learning, the 'data brain' analyses billions of data points to enhance our understanding of customer needs – from daily transactions to mobile app use.

Digital:
>31% workloads have been migrated onto the cloud, achieving a cost optimisation score of 49.9% from AWS, among the highest scores in ASEAN.

Talent:
800 employees have realised their home ownership dream under the 'An Cu 1, 2, 3' program

The third year of our five-year “Change banking, Change lives” strategy saw significant progress across our three foundational strategic pillars – Data, Digital and Talent. Our new compliance and risk management capability set new industry standards.

Data

Our Data and Analytics (DnA) team’s ability to collect, analyse and use data delivered tangible value while driving productivity and innovation.

Our hybrid data lake is integrated with AWS’ cloud-based data analytics capabilities to create a Bank-wide 'data brain', putting Techcombank at the forefront of AI innovation. Using machine learning, the 'data brain' analyses billions of data points to enhance our understanding of customer needs – from daily transactions to mobile app use. It contributed to:

- ◆ 17 strategic and business-as-usual initiatives across the Bank, delivering more convenient and personalised customer experiences
- ◆ Developing, deploying and operating 33 highly effective models that helped transform the Bank’s business and decision-making processes – generating revenue estimated at VND 750 billion+
- ◆ Supporting over 70 business campaigns with data-driven insights that aided customer targeting and improved marketing strategies.

Although revolutionising how we operate, this cutting-edge technology is also bringing the Bank full circle to the personalised service reminiscent of traditional banking. Our new CRM solution is linked to the 'data brain' and enhances services provided by RMs and other customer-facing employees. Across the Bank, 6,200 staff now use the CRM system and we achieved 3.3 times more self-developed leads actioned per sales force and a 3.4 times higher conversion rate. With richer data at their fingertips, our business and retail banking groups can also secure better loan agreements for customers and make other more informed, individual level decisions; identify new business opportunities and offer more effective business leads; all while staying a step ahead of fraud.

As part of fostering innovation within the Bank, we ran The Data Ideathon and Deep Racer competitions, a platform for Techcomers to showcase their creativity and problem-solving skills using analytics and machine learning. We now have two particularly exciting outcomes:

- ◆ Smartie – a personal assistant chatbot created with Generative AI
- ◆ ZickOi – an innovative translation model tailor made for Bank employees and powered by a custom-built large language model.

Digital

We continued to upgrade and transform our internal IT systems and cyber security processes.

This included cloud security, as we strived to be Vietnam’s most secure and operationally efficient bank. Our ‘Cloud First’ strategy reached a significant milestone with our cloud-based data lake integrating data from over 60% of the Bank’s business systems. We successfully migrated 31.1% of workloads and achieved a cost optimisation score from Amazon Web Services (AWS) of 49.9% – among the highest scores of any bank in the Association of Southeast Asian Nations.



New features in our retail mobile banking app include:

- ◆ Convenient cardless payment solutions, such as T-Pay and Apple Pay
- ◆ Enhanced data-driven and AI-power personalised money management tools and smart insights to enhance financial wellness
- ◆ Auto-earning accounts that maximize return on customers' idle cash upon their discretion
- ◆ Simple and easy transfers to and from Bao Loc Certificates of Deposit (CDBLs).

By the end of 2023, all 8.6 million of our active retail customers were using the app for a simple, convenient and intuitive banking experience. Improvements to our business banking app also helped us reach 72% YoY customer growth there.

Onboarding was simplified and boosted through legal representative personal digital signatures, enabling multiple users on one device. Our mobile app remained popular with many more features added to further improve customers' holistic experience. We estimate that the cost-to-income ratio for digital customers is around 15 percentage points lower than when done in a branch.

Our mobile banking apps are now among Vietnam’s highest rated on the Google and Apple app stores. This excellence was also recognised internationally when prestigious US magazine, Global Finance made us the first Vietnamese bank to win:

- ◆ Best Retail Mobile Banking App in Asia-Pacific
- ◆ Best Integrated Corporate Banking Platform Globally.

Talent

Techcombank’s strong progress in developing and retaining talent continued.

We attracted 1,000+ skilled employees in 2023. They were carefully onboarded and introduced to our culture and corporate values. Many are already integrated into

the Techcombank environment, playing an important role alongside earlier team members, to deliver key strategic initiatives.

This year marked a significant breakthrough in our learning and development journey, with custom training programs for different sub-segments of our key talent team – people with high leadership potential and/or with high value, niche functional skills. These programs, which include modern methods, interactive formats etc. were effectively delivered through collaboration between HR, the participants’ business units and various other stakeholders and vendors. We also established Techcom Academy, a unique, specialised training unit to accelerate skill development for critical segments of the Bank.

Everyone can be proud of their workplaces, especially those in our new head office buildings, but it’s the total package on offer that makes working for the Bank so appealing. We provide fair opportunities, transparent communication, career-fast tracking, a focus on employee wellness, a new performance bonus scheme, competitive benefits on insurance and corporate discounts and compelling rewards and recognition. This year we took compensation and rewards to the next level, with our settled accommodation program – An Cu 1, 2, 3. So far, 800 employees have realised their home ownership dream via a corporate discount and lower mortgage rates.

We know we are doing the right thing for our employees but it’s always good to be acknowledged outside the organisation. We received a host of prestigious industry accolades in 2023, including:

- ◆ Best Workplaces in Vietnam and in Asia – Great Place to Work
- ◆ Employer of The Year – Banking and Achievement in HR Technology – Stevie Awards 2023
- ◆ Favourite Employer in the Finance and Banking Industry – CareerBuilder
- ◆ Favourite Internal Employee – CareerBuilder
- ◆ Employer with Most Impressive Candidate Experience – CareerBuilder.

Our plans for 2024

If the geopolitical environment is relatively stable, the factors that saw Vietnam's economy accelerate in the latter half of 2023 are expected to remain. This would see continued inflows of foreign direct investment disbursements, ongoing acceleration in the tourism and exports recovery and thus forecasted Vietnam GDP growth of ~6% in 2024. New Government policies are also stimulating economic activity and domestic consumption. These include lower interest rates, the extension of the reduced value-added tax (VAT) rate, the implementation of new salary policy and other fiscal stimulus.

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In 2024, we will speed up the launch of unique, differentiated CVPs across target segments and sectors where we have unrivalled expertise.

The underlying secular trends driving Vietnam's economic growth remain intact. Rising affluence, increasing digitalisation and the large potential for more product penetration across mortgages, bonds, stocks and insurance mean the banking industry has huge opportunities for growth. Despite some recent depreciation pressure on the Vietnamese dong we expect liquidity to remain most likely ample throughout the year, together with continued improvement in financial market activities across all asset classes; including equities, bonds and real estate. These trends should support our positive CASA momentum, lower cost of funds and further expansion in NFI through 2024. We are on track to achieve our medium-term objectives and are well-placed within the industry to compete and win.

In 2023, we smoothly shifted gear from building foundational capabilities to leveraging our investments for real business value – 2024 will be a year of determined acceleration.

Our 'must-win' battles remain largely unchanged, specifically:

- ◆ Increasing CASA balances and main operating account relationships
- ◆ Diversifying our credit portfolio by rotating the credit book towards retail and SME lending
- ◆ Expanding and diversifying fee income through revamped business models

Faster development cycles will get new services and product innovations to market more quickly, while also enhancing cost efficiency, flexibility and scalability. We will also upgrade our multi-channel operating platforms, focusing on aspects like collateral, collection, payments and cards to maintain our strength in these areas.

In 2024, we will also speed up the launch of unique, differentiated CVPs across target segments and sectors where we have unrivalled expertise. On the retail banking side, high impact initiatives and offerings will include:

- ◆ Refreshed branded tiers
- ◆ More hyper-personalisation
- ◆ Optimised interest rate earnings
- ◆ A new loyalty platform.

For corporate clients, our newly-formed CIBG division will enhance our ability to deliver better experiences and services and to deepen and grow relationships across our chosen value chain. It will increase management's accountability for performance and accelerate decision making.

High impact corporate initiatives and offerings will include:

- ◆ Continuing to diversify our credit portfolio towards retail and SMEs/MSME lending – broadening our exposure to sectors driven by growing domestic consumption
- ◆ Enhancing credit underwriting capabilities with new integrated CVPs to better meet the business and private needs of SME/MSMEs and their business owners
- ◆ Increasing both mortgage lending and secondary mortgage share as the residential property market improves, particularly in strategic locations in Hanoi and HCMC
- ◆ More lending to larger corporates outside the real estate value-chain and toward sectors with a high GDP contribution, such as fast-moving consumer goods, travel and leisure, and utilities
- ◆ Strengthening merchant offerings.



- Must-win battles:**
- ◆ Increasing CASA balances and main operating account relationships
 - ◆ Diversifying our credit portfolio by rotating the credit book towards retail and SME lending
 - ◆ Expanding and diversifying fee income through revamped business models

To further grow our fee-based income outside investment banking, the Bank will keep improving offerings in credit cards, bancassurance, forex, cash management and corporate finance.

In 2024, we will start paying a cash dividend to our shareholders. The execution will include balancing our targets of growing at faster pace than the industry while also maintaining a sufficient CAR to ensure the Bank's operations are sustainable through different conditions.

Running across all our efforts in 2024 will be our greater focus on sustainability and bringing it to the next level. ESG is now more important to the management and Board of Directors than ever before. We aim to be a next generation bank so we must operate in a way that values people, supports the broader Vietnamese community and fosters strong governance, where future-focused ethical decisions and actions are the norm. We can be champions for sustainability as we continue to "Change banking, Change lives".

At the thirty-year mark, Techcombank has come a long way. The Bank is an established and reliable brand and we recently passed the halfway point of our incredible transformation journey. From products to services, to cutting edge application of data analysis and AI, we are always looking to exceed the expectations of our customers and shareholders. I am grateful to our dedicated team of employees who are the Bank's heart and soul. I also appreciate the support of our shareholders and the important work of our regulators. The progress we have made and the achievements we are yet to welcome are all part of our important journey to "Be Greater".

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**Change banking,
 Change lives**

Happy Anniversary Techcombank,
Jens Lottner,
 CEO

02.

THE STORY OF TECH



 Clickable headers

ABOUT US

TRADING NAME

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

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

CERTIFICATE OF BUSINESS REGISTRATION NO: 0100230800

First registration:	7 September 1993
The 57th amendment:	3 January 2024

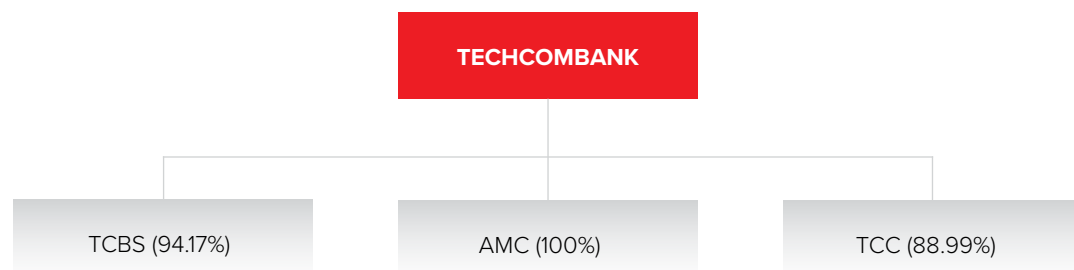
CHARTERED CAPITAL: VND 35,225,108,110,000

Chartered capital expressed in words	Thirty five trillion, two hundred twenty-five billion, one hundred and eight million, one hundred and ten thousand Vietnamese dong.
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GENERAL INFORMATION

Address	Techcombank Tower – 6 Quang Trung St., Tran Hung Dao Ward, Hoan Kiem Dist., Hanoi, Vietnam
Phone number	(+84) (243) 944 6368
Fax	(+84) (243) 944 6395
Website	https://techcombank.com/en
Stock code	TCB

TECHCOMBANK GROUP STRUCTURE AND OWNERSHIP IN SUBSIDIARIES (31 DECEMBER 2023)



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

Techcombank was established in 1993, as Vietnam began its transition from a centrally-planned to more market-oriented economy. Techcombank has come a long way since our modest beginnings 30 years ago, when we started with charter capital of only VND 20 billion. Today we are Vietnam’s third largest bank by charter capital – a success driven by our strategy of focusing on customers and meeting their evolving needs.

We provide a broad range of products and services to over 13.4 million retail and corporate customers in Vietnam. Our extensive network – including one head office, two representative offices and 301 transaction offices across 46 cities and provinces – satisfies both traditional banking requirements and our emphasis on security and wealth management.

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

BANKING SERVICES

Core banking services include:

- ◆ Collecting short, medium and long-term deposits from organisations and individuals
- ◆ Granting short, medium and long-term loans
- ◆ Conducting SBV approved settlement, cash and other banking services
- ◆ Investments in associates, joint ventures, companies and bonds
- ◆ Foreign exchange (FX).

1 HEAD OFFICE	2 REPRESENTATIVE OFFICES
301 TRANSACTION OFFICES across 46 cities and provinces	



VISION AND MISSION

VISION

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

MISSION

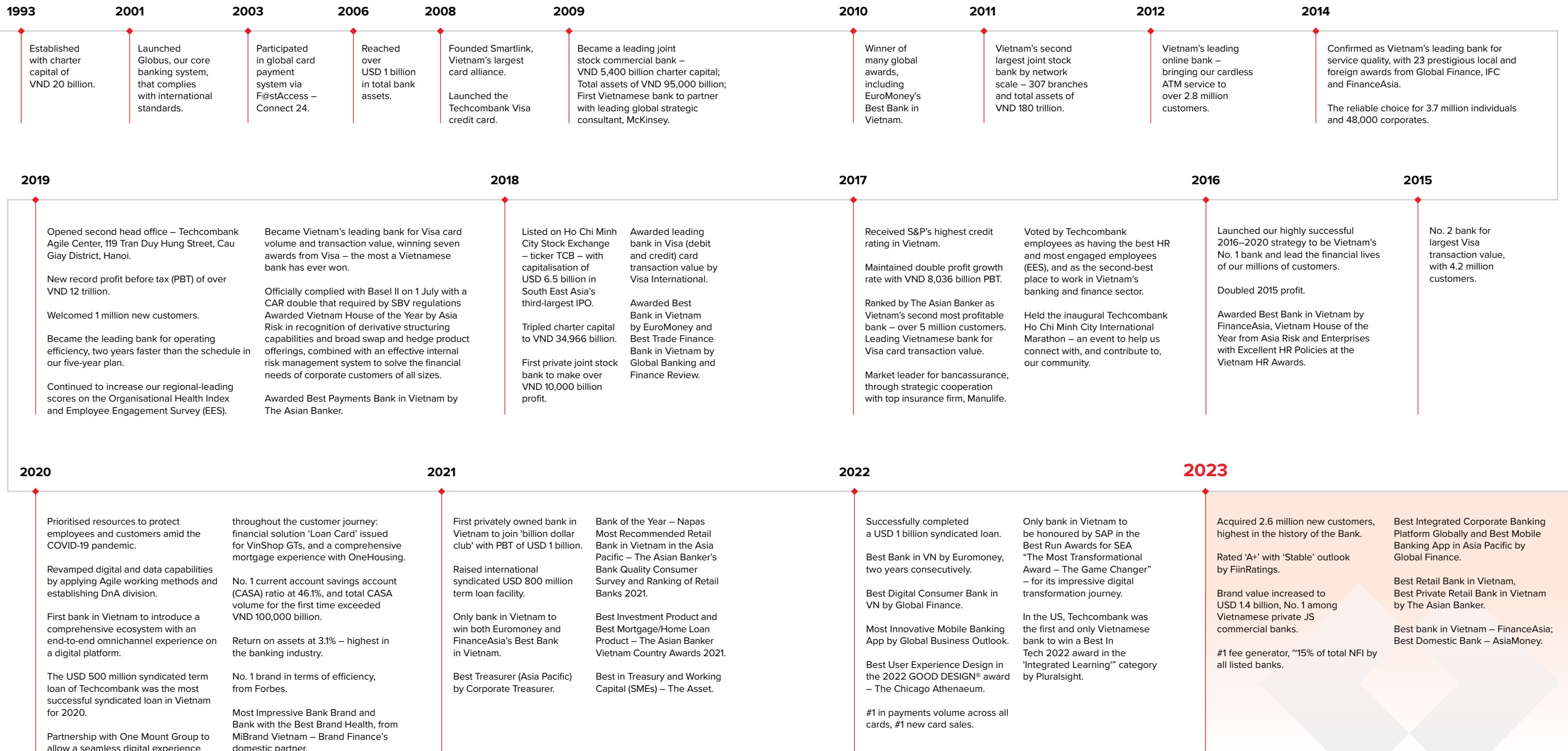
Lead the digital transformation
of the financial industry, enabling
individuals, businesses and
corporations to progress and
thrive sustainably.



HISTORY AND KEY MILESTONES

Techcombank was established in 1993, during the Doi Moi period of economic reform. Like Vietnam's economy, we have passed through various stages of development in our 30-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 2022, Techcombank welcomed a record high 2.6 million new customers, achieved VND 22.9 trillion in profit before tax, and became the leading bank for operating efficiency. We are confidently moving towards our 2024 targets and firmly continuing our transformation to become the best bank in Vietnam.



SHAREHOLDER STRUCTURE

Shareholding structure and changes to shareholder equity as of 31 December 2023

Shares

The total number of common shares issued by Techcombank as of 31 December 2023 was **3,522,510,811** (equivalent to VND **35,225,108,110,000** of charter capital), where:

Number of outstanding shares	3,522,510,811
Number of Treasury shares	0
Number of restricted shares	627,271,213
Number of unrestricted shares	2,895,239,598

Our shareholding structure and investor relations activities

Major and minor shareholders



- Major shareholders
- Other shareholders

	Shares owned	Shareholding (%)
Major shareholders	524,315,499	14.8847
Other shareholders	2,998,195,312	85.1153
Total	3,522,510,811	100

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

Institutional and individual shareholders

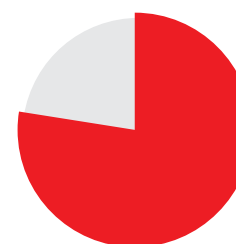


- Institutional shareholders
- Individual shareholders

	Shares owned	Shareholding (%)
Institutional shareholders	1,638,514,019	46.5155
Individual shareholders	1,883,996,792	53.4845
Total	3,522,510,811	100



Domestic and foreign shareholders



- Domestic shareholders
- Foreign shareholders

	Shares owned	Shareholding (%)
Domestic shareholders	2,730,441,768	77.5141
Foreign shareholders	792,069,043	22.4859
Total	3,522,510,811	100

Changes in shareholders' equity

In 2023, Techcombank increased share capital of VND 35,172,385,140,000 to **VND 35,225,108,110,000**.

Transaction of Treasury shares

In 2023, Techcombank had no Treasury share transactions and there were no such shares on book as of 31 December 2023.

Other securities

Not applicable.



INVESTOR RELATIONS ACTIVITIES IN 2023

Share Information as at 31 December 2023

- ◆ Ticker symbol: **TCB**
- ◆ Market capitalisation: VND 112,016 billion
- ◆ Outstanding shares (shares): 3,522,510,811
- ◆ Foreign ownership cap: 22.4860%

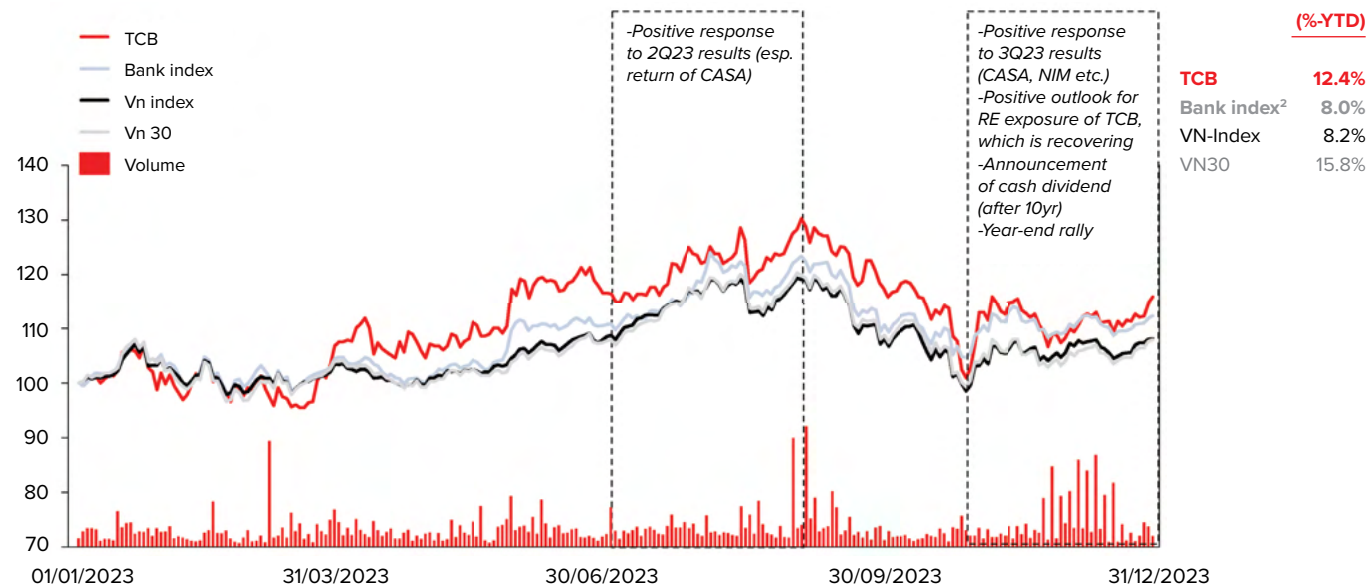
Stock performance

During 2023, TCB's stock price gained **23%** from VND 25,850/share and closed last trading day of the year at VND 31,800/share. Average trading volume was 8.1 million shares per day.

The VN-Index gained 12.2% from 1,007.09 to 1,129.93 on 29 December 2023 with an average trading volume of 661.2 million shares per day.

Performance of TCB stock price vs. key indices

LTM indexed share price performance⁽¹⁾



(1) As of 31 December 2023

(2) Bank index includes ACB, BAB, BID, CTG, EIB, HDB, KLB, LPB, MBB, NVB, SHB, STB, TCB, TPB, VCB, VIB, VPB

Nguồn: FiinProX

Highlights

IR Award 2023: 'Top 3 Investor Relations Activities selected by Financial Institutions' – Large Cap group.

The goal of IR activities:

1 Proactivity and transparency in information disclosure

- ◆ Ensure information disclosures comply with Circular 96/2020/TT-BTC and aim towards the highest international standards
- ◆ Constantly update and disclose information in English and Vietnamese
- ◆ Proactively disclose information which could affect shareholders and investors' interests
- ◆ Ensure that the information is accurate and reflects the nature of business activities

2 Enhancing data credibility

- ◆ Enhance the comparability of financial information by publishing statements under both VAS and IFRS – Techcombank was the first bank in Vietnam to apply IFRS 9
- ◆ Ensure financial statements are reviewed and audited
- ◆ Apply 'four eyes' principle for any published or presented data, to ensure it is reviewed by the heads of the relevant departments and reconciled with financial statements

3 Strengthening communication with investors

- ◆ Use various channels such as online meetings, face-to-face meetings, investor conferences, etc. to provide updated information about the Bank's business performance and strategy, macroeconomics and legal environment, answer investors' questions and address their concerns (if any)
- ◆ Provide updated business results on a quarterly basis, highlighting key achievements of the Bank during the quarter and year-to-date
- ◆ Actively attend international and domestic investor/capital market events organised by reputable financial institutions

Investor relations (IR) is an essential part of a listed corporation's role to maintain transparent and uninterrupted relationships between the company and the investment community, shareholders, and partners.

At Techcombank, protecting the interests of shareholders and investors is always one of our core priorities:

- ◆ We always commit to providing information equally to investors and shareholders. In which, the voting rights, the right to approve critical matters for the Bank such as: annual financial statements, following the annual business plan, dividend policy, or restructuring programs, etc., the right to access information regarding the Bank, are fully implemented in a transparent manner.
- ◆ TCB's quarterly investor presentations, and regular financial updates and press releases, available in both Vietnamese and English, can be found on the Bank's website at www.techcombank.com, under the Investor Relations section.
- ◆ The Bank discloses financial, non-financial information and other information beyond the requirements of Circular



We communicated with over 200 investors and analysts and hosted over 60 meetings at our head office.

No. 96/2020/TT-BTC of the Ministry of Finance – guiding information disclosure. Accordingly, in 2023 the Bank did not violate any regulations on information disclosure.

- ◆ Throughout the year, we regularly hosted online and offline briefings, annual and quarterly meetings, conferences with foreign and domestic investors and analysts to keep shareholders and investors updated on the Bank's business performance, new product/service campaigns, dividend programs, etc. These activities act as a bridge between shareholders, investors and the Bank.
- ◆ The Bank promptly discloses important business information via several channels such as the website, mass media and regular meetings with investors, journalists, etc. in various formats including press releases, presentation decks, event re-cap infographic for the best accessibility.
- ◆ We conduct a bi-annual survey on the satisfaction of retail investors towards IR activities to help us understand investors' sentiment and preferences. Based on the survey results, we customise the format and contents of conferences for retail investors, addressing exactly what they care about.

In 2023, TCB's IR team successfully organised 11 investor events including: the AGM in April 2023, 8 quarterly earnings calls for institutional investors/analysts and retail investors, two analyst meetings and 62 meetings at TCB's head office.

We also actively attended investor conferences arranged by leading international and domestic brokers such as: SSI, HSC, Vietcapital Securities, Citi Bank, J.P. Morgan, Maybank, Goldman Sachs and HSBC.



IR events calendar in 2023

No.	Event	Quarter
1	FY22 Analyst Presentation	Quarter 1
2	FY22 Earnings call for retail investors	
3	Vietnam C-Suite Forum 2023 – hosted by Citi x SSI	
4	Vietnam Access Day – hosted by Vietcap Securities	
5	2023 Vietcap Taiwan Conference – hosted by Vietcap Securities and SinoPac	
6	2023 Annual General Meeting of Shareholders	Quarter 2
7	1Q23 Analyst Presentation	
8	Analyst Meeting	
9	1Q23 Earnings call for retail investors	
10	HSC Emerging Vietnam 2023 Investor Conference – hosted by HSC	
11	Invest ASEAN 2023 Investor Conference – hosted by Maybank Investment Banking Group	Quarter 3
12	2Q23 Analyst Presentation	
13	Analyst meeting	
14	2Q23 Earnings call for retail investors	
15	30th CITIC CLSA Investors Forum – hosted by CLSA	
16	2Q23 Analyst Presentation	Quarter 4
17	Analyst Meeting	
18	3Q23 Earnings call for retail investors	

We have made relentless efforts to bring Techcombank closer to the investment community. In 2023, Techcombank's Investor Relations department was honoured at **'Top 3 Investor Relations Activities selected by Financial Institutions' – Large Cap group**. This award is the most highly valued by financial institutions. It recognises transparency and efficiency in financial communication, accuracy in management and outstanding performance in IR activities at Techcombank.

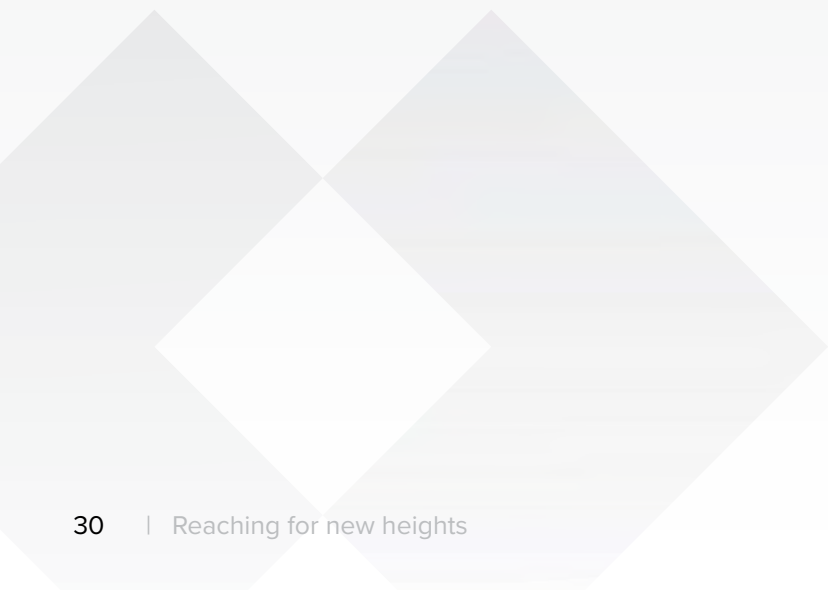
For 2024, Techcombank Investor Relations will continue to strengthen IR activities to increase interactions with the investment community, improve transparency and enhance investor engagement.

Investor Relations continues to strive to respond promptly to all investor and analyst inquiries. The Shareholder and Investor Relations Department can be contacted at: ir@techcombank.com.vn.



03.

THE ACHIEVEMENT OF TECH





BANK-WIDE MANAGEMENT REPORT



“

In 2023, Techcombank delivered a solid set of financial results and achieved all components of the financial guidance provided to shareholders. This performance was attained despite persistent headwinds, particularly in the first half of the year. The same growth initiatives which supported the Bank's financial trajectory mean we are well placed to accelerate as the operating environment continues to improve in 2024.

Alexandre Macaire
Chief Finance Officer

Although Vietnam's gross domestic product (GDP) ended 2023 with growth of 5.1%, the first half of the year was particularly challenging with declining exports and high interest rates restricting the access of businesses and households to credit. Thanks to the Government's efforts and improvements in the global economic landscape, the economy recovered as the year went on and continued to gather pace in 2024.

However, the context of high-interest rates, which persisted through most of 2023 caused our net interest margin (NIM) to compress. Meanwhile, the deteriorating economic conditions led to an increase in our non-performing loan ratio (NPL) and overall credit costs.

The impact on our financial performance was compounded by uncertainties and slower activity in the bond, banca and real estate markets, which are traditional areas of strength for Techcombank.

Against this challenging backdrop, Techcombank was still able to deliver a broadly stable TOI of VND 40.1 trillion, supported

by an expanding customer base and strong growth in diversified fee income.

While consolidated PBT declined by 10.5% year-on-year (YoY) to VND 22,888 trillion, it exceeded guidance by 4%, thanks to tight control of operating expenditure, which only increased by 1.8% YoY.

Despite a tougher economic environment, our NPL ratio (1.2%) and credit costs (0.8%) remained among the lowest in the industry. Meanwhile, our capital adequacy ratio was maintained at a healthy 14.4% at year end and was the second highest among all Vietnamese banks.

Despite the headwinds, our trajectory remains in line with the performance and growth aspirations of our five-year strategic plan. The favourable economic trend in Vietnam, our underlying balance sheet strength and asset quality, and the return of positive momentum across a range of operating metrics in the second half of the year all support our expectation of a significantly improved financial performance in 2024.

Financial highlights

- ◆ **Profit before tax**
22.9 trillion
-10.5% YoY – exceeding the target of VND 22 trillion.
- ◆ **Total operating income**
VND 40.1 trillion
-1.2% YoY. TOI reached VND 11 trillion in Q4, the Bank's highest ever quarterly TOI.
- ◆ **CASA ratio of**
~ 40%
positive CASA momentum in the second half of the year, driven by a strong increase in CASA balances.
- ◆ **Total credit exposure increased to**
VND 530,148 billion
up 19.2% YoY, in line with the credit quota granted by the State Bank of Vietnam (SBV).
- ◆ **Capital adequacy ratio**
14.4%
at year-end, significantly above the 8.0% regulatory requirement.
- ◆ **Return on equity (ROE)** **Return on assets (ROA)**
14.8% **2.4%**
remained among the highest in the industry.

Operating results: resilient income in spite of margin compression

Income drivers

Total operating income (TOI) was VND 40.1 trillion, down by 1.2% YoY, driven by a decline of NII, partly offset by the strong performance of net fee income.

Net interest income

In 2023, **net interest income (NII)** declined by 8.6% YoY to VND 27.7 trillion. However, 4Q23 witnessed a strong turnaround in NII, which grew 11.4% YoY after three quarters of contraction. The net interest margin (NIM) in 2023 narrowed to 4.2% from 5.1% a year earlier. The lower NIM was largely due to the higher overall cost of funds compared to 2022. While the increased liquidity in the system and lower interest rates facilitated an improvement in our cost of funds as the year went on, this was offset by softer asset yields due to intense loan pricing competition as well as the temporary effect of the significant credit growth at the end of the year.

Net fee income

We continued to drive more fee income than any other bank in Vietnam. **Net fee income (NFI)** grew by 9.5% YoY to VND 10.2 trillion driven by strong performance from cards, Letters of Credit (LCs), cash and settlement fees, and FX while we introduced new initiatives to revitalise our Banca business.

- ◆ **Cards (VND 2,148 billion, up 33.7% YoY):** Strong value propositions, including Signature and Platinum cards tailored to each customer segment, allowed the Bank to affirm our leadership in several card payment metrics, including digital wallet, cross-border, credit, and debit card payment volumes, as acknowledged by VISA and Mastercard. Techcombank's market share for credit and debit card payment volumes, in particular, stood at the impressive level of 17.2% by 6M23¹, highest in the industry.
- ◆ **Letters of Credit (LC), remittance, and other cash and settlement (VND 4,509 billion, up 81.5% YoY):** The Bank continued to reap the benefits from the digitisation of customer journeys, including innovative digital-led trade and supply chain financing, payment and collection solutions (SmartPOS, real-time digital signatures, QR247) and cash and liquidity management solutions.
- ◆ **FX sales (VND 995.7 billion, up 9.2% YoY):** In 2023, the greater volatility in the FX market and interest rates decoupling between the Vietnamese dong and US dollar drove up demand for FX hedging (up 18.2% YoY), while FX flows remained steady (up 6.3% YoY).
- ◆ **Banca fees (VND 667.3 billion, down 61.9% YoY):** Amidst persistent challenges in the industry affecting customer confidence, Techcombank's commitment to a need-based selling philosophy and our pro-active approach to re-designing customer journeys and delivering compelling products has allowed the Bank to outperform the market. 4Q23 showed a strong recovery in banca fees, up 25.2% QoQ, lifting FY23 annual premium equivalent (APE) to VND 928.0 billion (-36.9% YoY). We were able to maintain the No.1 APE position in the industry for three consecutive months during September–November 2023.
- ◆ **IB fees (VND 1,839 billion, down 29.0% YoY):** The YoY decrease was primarily driven by a challenging first half of the year, whereas the second half saw an encouraging recovery. In 4Q23, IB fees posted VND 632.3 billion, up 135.8% YoY and 4.1% QoQ. A differentiated digital-led approach to brokerage, coupled with compelling propositions allowed Techcom Securities (TCBS) – the Bank's securities arm – to significantly increase its market share on the Ho Chi Minh Stock exchange, accounting for 7.6% of trades (vs. 6.8% in 3Q23, and 5.2% in 4Q22). With this, TCBS emerged as the third largest broker in terms of market share and continued to lead the industry in profitability.

¹FY23 industry data was not available as of Annual Report regulatory publishing date

Cost efficiency

In 2023, operating expenses rose moderately to VND 13.3 trillion, up 1.8% YoY, enabling the Cost-to-Income Ratio (CIR) to remain at a very healthy 33.1%. We put a strong focus on cost control throughout 2023, while still investing in our data and technology capabilities and the development of our employees.

Digital and Data

The Bank maintained a high level of investment in Digital and Data technologies in line with our five-year transformation strategy. Our market-leading digital capabilities have helped us to accelerate customer acquisition, deepen engagement, and shorten time-to-market for new offerings. On data, we continued to invest in the adoption of cloud services, pioneering the use of AI capabilities to increase work efficiency, enable faster decisioning and deliver more personalised experiences for our customers. Overall, our technology and infrastructure expenses increased 45.9% in 2023, reaching VND 2.3 trillion.

Talent

Talent is one of the three core pillars of Techcombank's transformation strategy, and we continued to invest in training programs for our employees so they could gain new skills and reach their full potential. Across the Bank, employees received approximately 915,000 hours of training in 2023, equivalent to around 82 hours each, up 17.1% YoY (2022: 70 hours each), which evidences our continued efforts in talent development.

The focus on training and recruitment of top talent, coupled with the investment in Digital and Data technologies, translates into significant productivity gains for our staff and enables a highly competitive compensation policy. The Bank's overall headcount as at 31 December 2023 stood at 11,614, down from 12,339 a year earlier, while staff costs increased by a moderate 0.9% YoY in 2023.

Marketing and promotion expenses

Marketing costs decreased by 29% YoY in 2023, in line with the overall operating environment. The implementation of a dedicated customer experience panel allowed us to be more targeted and effective in the design of our campaigns and offerings, driving enhanced customer engagement and loyalty. The focus was put on customer acquisition through our ecosystem partnerships and digital channels, with the addition of an unprecedented 2.6 million new-to-bank customers. Meanwhile, we slowed down activities in marketing-intensive areas like banca, amidst persistent challenges in the industry. In 2023 the Bank also celebrated its 30th anniversary, and we took this opportunity to embed our brand story through the opening ceremonies of two new landmark head office buildings in Hanoi and HCMC.

As a result of these activities, Techcombank ended 2023 with a Net Promoter Score of 82, ranking number two among banking peers, according to YouGov. Techcombank's 'Top of Mind' score for brand awareness jumped from 13% to 19% in 2023, also the second highest in the market. In addition, the Bank's Brand Consideration Index accelerated to number one in the market in 4Q23, according to NielsenIQ.

Improved balance sheet strength

The Bank's total balance sheet grew 21.5% YoY, reaching VND 849,482 billion at 31 December 2023:

- Customer lending and corporate bonds increased by

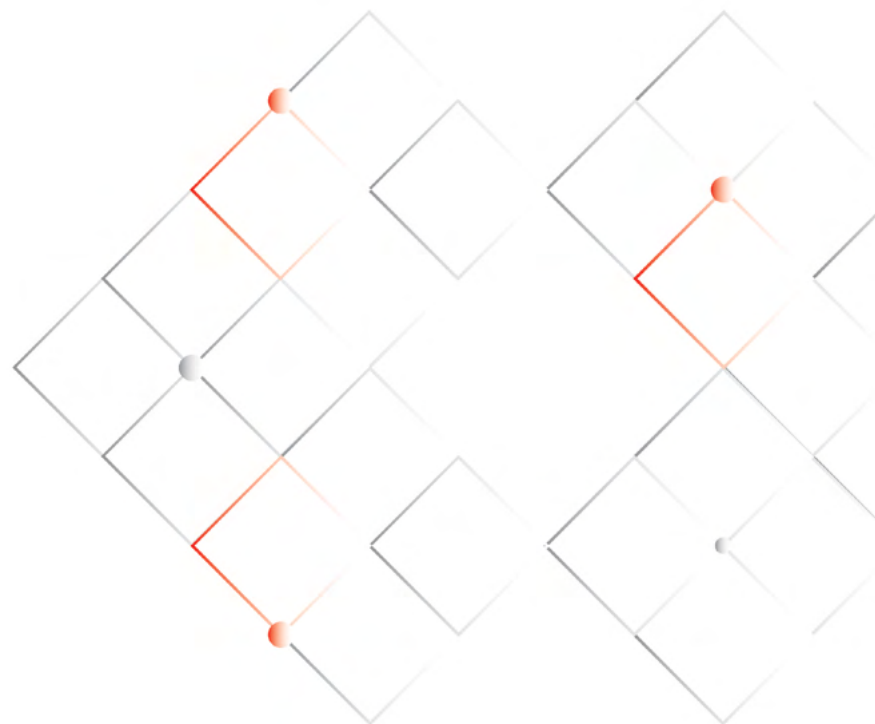
21.6% YoY
to VND 561,150 billion.

- Customer deposits and Certificates of Deposit increased by

34.3% YoY
to VND 507,157 billion.

- Total equity expanded by

16% YoY
to VND 131,616 billion.



Items (VND bn)	2023	2022	Movement	
			+/-	%
Balance from the SBV	0	8	(8)	-98.3%
Medium to long-term funding from overseas financial institutions	37,095	42,543	(5,447)	-12.8%
Balance from other financial institutions and credit institutions	116,077	125,019	(8,942)	-7.2%
Deposits from customers	454,660	358,404	96,257	26.9%
Term deposits	273,186	225,941	47,245	20.9%
Current accounts and margin deposits	181,473	132,461	49,012	37.0%
Value papers issued	84,703	34,006	50,697	149.1%
Total funding	692,537	559,981	132,556	23.7%
Share capital	36,257	36,204	52	0.1%
Reserves	45,028	11,608	33,420	293.9%
Retained earnings	49,013	64,482	(15,469)	-24.0%
Minority interest	1,316	1,128	187	16.6%
Total equity	131,616	113,424	18,191	16.0%

Robust funding position and positive CASA momentum

Despite tighter liquidity conditions in 2023, which led to higher term deposit rates, Techcombank successfully expanded total deposits from customers by 26.9% to VND 454,661 billion, while keeping our cost of funds among the lowest in Vietnam's banking sector.

Our strategies to accelerate new client acquisition and make Techcombank the primary banking relationship of our customers helped us grow our current accounts and saving accounts (CASA) balances by 37% in 2023. Our CASA ratio reached 40% at 31 December 2023, supported by seasonal inflows from our corporate customers.

A big contributor to our CASA momentum was our value-chain approach, which is helping us capture an increasing share of the funds in our corporate customers' ecosystems.

Among retail customers, our market-leading digital capabilities and our ecosystem partnerships helped us to add around 2.6 million new customers, contributing around VND 6.7 trillion to CASA growth.

Strong credit demand from corporate customers – more subdued in retail sector

At the Bank-only level, customer credit grew 19.2% YoY to VND 530.1 trillion, per quota granted by the State Bank of Vietnam.

Corporate credit (i.e., loans and bonds to customers of Wholesale Banking and Business Banking divisions) grew 44.7% YoY. Most of the growth came from large corporates, while our loans to SME customers saw a commendable 16.8% expansion YoY, amidst an overall challenging economic backdrop.

Within our corporate credit book, we saw robust demand from the real estate, construction and construction materials sector,

as all our projects had clear legal title and were progressing to completion. While lending to these sectors grew by 38.6% YoY, our loans to the other sectors grew even faster, at over 60% YoY, reflecting our continued focus on diversification.

Our decision to merge our Wholesale Banking and Business Banking divisions into a new entity called Corporate and Institutional Banking Group (CIBG) from 1 January 2024 will further enhance our capacity to develop a sector-based strategy and grow in new priority sectors, such as fast moving consumer goods (FMCG).

Emerging SME and Micro SME customers will move to our Retail Banking Group, enabling us to fully leverage the potential synergies in network and digital capabilities.

Our retail loans (including margin lending) were slightly down in 2023, by 2.3% YoY, slowing our credit diversification effort. However, retail lending did begin to recover in the second half of the year primarily thanks to a strong rebound in margin lending and progressive recovery in mortgages. In particular, secondary mortgages grew 48% YoY to make up one third of our mortgage balance by 2023-end.

Our long-term credit strategy is to rotate our credit book from large corporates towards retail and SME customers to further diversify our credit exposure, enhance our risk profile and improve our capital efficiency.



Liquidity management

In addition to the liquidity ratio limits as regulated by State Bank of Vietnam, the Bank has developed internal liquidity management indicators and early warning triggers following advanced international standards such as Basel III.

The framework of liquidity management policies and regulations is approved and annually reviewed by the Board of Directors.

Liquidity stress tests are conducted every month based on a set of scenarios comprising market-wide as well as bank-specific events and with varying levels of severity. The results of these stress-tests are used to guide our liquidity and funding strategy and calibrate our High-quality liquid assets (HQLA) buffer.

Our Liquidity contingency plan (LCP) and annual Liquidity fire-drill exercises further strengthen the capability of functional units to timely response against liquidity crisis situations.

Liquidity ratios	Limit 2023	Actual 31/12/2023	Limit 2022	Actual 31/12/2022
	%	%	%	%
Liquidity reserve ratio	≥ 10%	16.58%	≥ 10%	18.38%
30 days solvency ratio – VND	≥ 50%	95.28%	≥ 50%	77.02%
Lending deposit ratio	≤ 85%	77.40%	≤ 85%	76.57%
Short-term funding for medium-to-long-term loans ratio	≤ 30%	26.35%	≤ 34%	28.75%

Asset quality

Overall, in 2023, the Bank’s asset quality remained within our appetite and in line with projections for Special mention and Non-performing loans (NPL).

Techcombank’s special mention loans (also referred to as B2) ratio continued to decline to 0.88% at 31 December 2023, down from 2.12% at 31 December 2022. Nearly 30% of classifications in B2 resulted from cross-default impacts driven by the credit bureau, for borrowers who were still current in our books. Excluding these impacts, the Bank’s organic B2 ratio lowered to 0.64%.

The Bank’s **non-performing loans** increased compared to 31 December 2022 but finished the year on an improving trend, with a reduction from 1.4% in 3Q23 to 1.19% in 4Q23. Within the retail book, the decrease in NPL was driven by credit cards, where the Bank strengthened risk management practices and applied proactive provision making.

Our coverage ratio at the end of 2023 was over 100%, reflecting the high proportion of secured loans in our portfolio and the strong value of the collateral held against these loans. Overall, Techcombank was the only large bank in Vietnam to report a reduction in the volume of our delinquent assets in 2023.

Capital management

Techcombank’s Capital Adequacy Ratio (CAR) as at 1 December 2023 was 14.4%, well above the Basel II, Pillar I minimum requirement of 8.0%. Our funding structure improved, with deposits from customers representing 73% of our total funding as of 31 December 2023, compared to 67% a year earlier.

The resilience of the Bank’s balance sheet and operating metrics through multiple downturn cycles, including the most recent one, and confidence in the Bank’s ability to sustain this path, was a primary driver in management’s decision to recommend the payment of a cash dividend in respect of the financial year 2023.

Forward looking: reaching for new heights

Techcombank ended 2023 strongly and this momentum is expected to continue in 2024 as Vietnam’s economic recovery gathers pace.

While the global economic and geopolitical environment is likely to remain volatile, Vietnam’s economy is forecast to accelerate and achieve GDP growth of around 6% in 2024.

The investments we have made in the Bank’s market-leading Digital and Data, our revamped customer value propositions, and fast expanding customer base mean that Techcombank is well placed to compete and win as the operating environment improves.

In 2024, our business initiatives will continue to follow the Bank’s Strategic Plan, and we will dial up the pace in three priority areas, being the expansion of our CASA deposits, the diversification of our credit portfolio, and the acquisition of Main Operating Account relationships.

To continue to build our CASA momentum, we will accelerate the launch and adoption of unique and differentiated customer value propositions.

We will fully launch our new break-through Auto-earning product that enables customers to optimise their idle cash and earn better interest rates by automatically moving current account balances into Bao Loc Certificates of Deposits (CDBL).

We will continue to expand our T-Pay solution for one-touch payments at over 3,600 WINLife stores as part of the ‘all-in-one’ WINLife ecosystem.

Merchants will benefit from new value propositions such as digital-led payment and collection solutions, including our new QR code payment service that enables them to collect payment via a customer mobile banking app.

In-line with our strategy to further diversify our credit portfolio towards retail and SME customers we will accelerate the rollout of Smart Credit, our digital platform for unsecured lending.

To further diversify corporate lending outside of real estate we will launch new integrated offerings which combine supply-chain financing and dynamic discounting to optimise liquidity within an integrated value-chain.

To continue to win Main Operating Account relationships we will launch a compelling loyalty program, new and exclusive wealth solutions, a unique cash and liquidity management solution for corporate customers, and an integrated customer value proposition for SMEs and business owners.

Our credit balances will continue to progress in line with SBV quotas. Cost of funds should keep decreasing and NIM should improve, although the improvement will be moderate due to the impact of the intense competition on asset pricing. As a result, we expect NII to return to double-digit growth in 2024.

We also forecast robust NFI expansion as financial market activities across all asset classes, including equities and bonds, improves. For the banca business specifically, we expect that the context will remain challenging, and we will therefore carry on with our customer-centric need-based selling strategy and the optimisation of end-to-end customer journeys.

We will also aim to maintain our cost-to-income ratio (CIR) and NPL in a similar range as in 2023, while stabilising or even slightly reducing credit costs.

Techcombank enters 2024 in a position of strength, with a strong balance sheet, robust asset quality, a leading CASA ratio, and an increasingly supportive operating environment.

The acknowledgement that Techcombank has reached a new level in terms of strength, resilience and profitability is the reason which led the management to recommend the first-time payment of a cash dividend to the Annual General Meeting (AGM) of shareholders.

Overall, we are aiming to achieve double-digit growth in both TOI and PBT in 2024. This performance, complemented by the exciting prospect of a cash dividend and the launch of more innovative and tailored offerings means that it should be a “Be Greater” year for our shareholders, customers and all our stakeholders.

2024 Financial Targets

Techcombank’s Board of Directors will propose the 2024 business plan to shareholders at the General Meeting of Shareholders on 20 April 2024. It outlines:

Credit balance¹:

VND
616,031 billion
and
+16.2% YoY

(in line with credit quota granted by the SBV)

Total deposits:

To be in line with actual credit growth,

so as to optimise balance sheet management

Profit before tax:

VND
27,100 billion

(up 18.4% YoY)

Non-performing loans:

lower than 1.5%

¹Bank’s credit balance and growth are calculated according to SBV’s regulations.

The Bank’s plans for 2024 are presented in the CEO letter and broken down, by business division, below.

RETAIL BANKING GROUP (RBG)



“ Investments in Adobe’s Experience Cloud and partnership with Personetics allowed Techcombank to more precisely tailor customer experiences on our digital platforms, including AI-powered, personalised money management advice, product recommendations and marketing messages.

Nguyen Anh Tuan
Acting Chief Retail Banking Group Officer

Overview

2023 was a year of remarkable customer growth and strategic achievements for Retail Banking Group.

Our customer base grew by a substantial 2.6 million, compared to 1.2 million in 2022, while our deposit portfolio increased by 24.9% from 2022, reinforcing its strength and stability.

While credit growth trailed our 2023 plan, we made significant progress in secondary mortgages.

Retail Banking Group recorded a modest ~1% increase in total operating income (TOI), mostly as a consequence of disruptions in the bond and bancassurance markets affecting the fee income of the division. Net interest income remained resilient, +8% YoY on the back of strong recovery of retail CASA, an important source of low-cost funding for the Bank.

Our *Inspire* branded tier grew further and we repositioned customer value propositions (CVPs) for *Priority* and *Private* customers.

Techcombank Mobile, achieved a net promoter score (NPS) of 82, ranked #2 among our peers with a 4.8 /5 rating on the App Store and 4.9 /5 on Google Play, leading numbers among banking apps. This reinforces our digital edge and commitment to customer satisfaction.

“ Our breakthrough product, the Bao Loc Certificate of Deposit (CDBL) saw remarkable uptake, increasing by approximately **142%**.

We made big advances in our technological infrastructure with the implementation of Adobe’s digital marketing platform, enhancing our customer relationship management (CRM) and frontline productivity. Collaborating with renowned companies was an important contributor to positive commercial outcomes.

2023 Highlights

“ 2023 was a busy year for RBG division as multiple digital platforms, dedicated to different branded tiers, were launched or upgraded – such as AI-powered CRM, Adobe digital marketing, loyalty platform and our award-winning Techcombank mobile app.

New digital platforms

- ◆ *Deepening relationships with customers via our AI-powered CRM platform*
In January 2023, Techcombank was first in Vietnam to launch a state-of-the-art CRM system across all business divisions, in collaboration with Salesforce. The CRM platform offers sales and service staff a centralised, comprehensive view of customer data (Customer360) and their interactions, enhancing customer relationships and boosting staff productivity. It features real-time, machine learning-driven recommendations and tasks, coupled with real-time performance reporting, and fosters improved and expedited decision-making throughout the organisation. We have 6,200 active users, representing over half of our employees.
- ◆ *Adobe digital marketing platform*
In 2023, we embraced the Adobe digital marketing platform. By integrating the customer interaction management tool and Adobe’s digital marketing solutions, we have significantly enhanced our ability to deliver

tailored solutions and campaigns to our extensive customer base, which now exceeds 13 million.

- ◆ *Launching a ground-breaking loyalty platform*
A key initiative was the development of an innovative Techcombank Rewards platform. Using Adobe, we gained deeper insights into our customers’ needs and behaviours, whether it was frequent purchases at a coffee chain or presents for pets. This data will allow us to better tailor our offerings and communications to individual preferences, enhancing customer engagement. Techcombank Rewards is scheduled for full implementation in 2024.
- ◆ *Further enhancing the award-winning Techcombank Mobile app*
Techcombank Mobile is currently one of the highest-rated applications in Vietnam, with impressive scores on both the App Store and Google Play. Founded on the Backbase platform, it is the first mobile app in the Vietnamese market to use big data to provide personalised financial management tools to customers.

Affluent customers

A key focus of 2023 was on fine tuning our wealth management offerings. We relaunched *Techcombank Private* with tailored CVPs to serve our highest-earning customer class.

- ◆ *Wealth strategy*
Our wealth management strategy proved to be highly effective. While an adverse market impacted performance in the first half of 2023, resilience and innovation saw us emerge at year’s end as the preferred choice for investment products.

Seamlessly integrating with our Priority and Private banking services, the Bank’s wealth management products cater to the diverse investment needs and risk profiles of our customers. A broad range of options match their individual preferences, particularly in terms of risk and return trade-off.

Our online liquidity platform simplifies the buying and selling process for customers, making it more convenient for them to manage their investments with us. This digital innovation aligns with our commitment to provide accessible and efficient wealth management solutions.



- ◆ **Unique services dedicated only to the highest-earning Private banking customers**
Throughout 2022–23, we developed a suite of high-end and outstanding services, exclusively available to our most affluent customers within the *Private* tier:
 - Top-notch service from our elite team of financial advisors, who deeply understand the needs of each customer – the biggest differentiating factor between private and regular banking
 - Luxurious private lounges and a series of VIP red carpet services at our two new office buildings in Hanoi and Ho Chi Minh City
 - The privilege of private family banking services
 - 24/7 Private Hotline and Hotline Concierge, offering service across the globe – anytime, anywhere
 - Comprehensive incentives across the entire package of offerings (payment, money transfer, foreign currency, credit cards, savings, protection and diverse investment products)
 - Launch of ultimately luxurious Techcombank Infinite Private debit and credit cards.

Expansion into mass affluent and mass customers
Our *Inspire* tier, launched in 2022, is designed for the young, aspiring and mass affluent ‘Why not?’ generation. It offers unique privileges, promotions and experiences combined with private banking and faster service. This tier grew from 200,000 to 632,000 customers in 2023. Its rapid expansion is a clear indicator of our commitment to engagement and deepening relationships with customers.

Bringing micro and emerging SMEs into RBG
As part of our determination to understand and serve the diverse needs of our customers, we strategically repositioned our micro and emerging small and medium-sized enterprises (SME) segment into RBG. This move was based on our recognition that these customers often manage their business finances alongside personal banking requirements.

- ◆ Through our extensive network of over 300 retail branches we can scale our services to better meet the needs of SMEs and micro SMEs, while continuing to serve households.
- ◆ We can address the dual financial needs of business owners with a single, cohesive banking experience and an omnibus credit line. It eliminates service fragmentation by offering a uniform set of services catering to both individual and company activities. This holistic, bundled solution makes every aspect of a business owner’s financial operations more seamless and efficient. The unified service model is managed by dedicated advisors, ensuring tailored and attentive support for every customer.

Our new approach reaffirms Techcombank’s commitment to supporting the growth and success of micro and emerging SMEs and underscores the Bank’s role as a pivotal partner in their financial journey.

Unique offerings to drive customer engagement
We spent 2023 initiating several strategic advancements that will lay the foundation for an even more customer-centric approach in 2024:

- ◆ **Dynamic campaigns through partnerships** – We launched a series of dynamic marketing campaigns, developed in collaboration with various partners. All were designed to maximise benefits for our customers, particularly in using credit and debit cards at participating merchants.

- ◆ **Personalised customer experience** – The Adobe Martech stack enables us to better identify and cater to specific customer segments. Personalisation extends to customised messaging and offers aligned with individual preferences.
- ◆ **Bringing Apple Pay to Techcombank customers** – In August, we introduced Apple Pay, offering a safe and private payment method that minimises physical contact while maximising transaction security. Apple Pay authenticates each purchase with Face ID, Touch ID or a device passcode, underlining our commitment to customer security and privacy. It is easy to set up and the process for adding Techcombank’s credit and debit cards is also straightforward. Customers can use Apple Pay to apply for, and instantly receive, a virtual debit card through Techcombank Mobile. At the end of 2023, around 228,000 customers were using Techcombank cards via Apple Pay at a total transaction value of ~VND 1.2 trillion. This innovation positions us as the leading bank in Vietnam for Apple Pay use, aligning with our vision to “Change banking, Change lives”.

- ◆ **Musical events to connect our customers** – In 2023, we organised two musical events to express our deepest gratitude for customers. In March, Techcombank organised ‘Dau an vang son’, a major musical event that helped the Bank to engage with ~600,000 existing and potential affluent customers. Through the event, this sought after group were encouraged to use the Bank’s best-in-class services through a unique digital journey. The event received overwhelmingly positive feedback from audiences and customers. Building on the success of ‘Dau an vang son’, to celebrate a decade of our *Priority* customer tier, Techcombank hosted ‘Thoi Khac Giao Thoi’. The event featured an exhibition of our Private, Priority, and Inspire customer tiers and our customer-centric strategy. More than 5,000 people attended, and the event received over 13,500 mentions on social media – 2.5 times the engagement we had for the ‘Dau an vang son’ event.



Great success with WINLife partnership
Our collaboration with WINLife was particularly fruitful. We leveraged their extensive network of over 3,600 stores nationally to add nearly one million new customers. The partnership has proven to be a dynamic channel for rapid and scalable customer engagement.

Revamped bancassurance strategy
We redefined our bancassurance strategy to focus on needs-based selling, ensuring our products meet actual customer

demands. We are at the forefront of introducing digital-led insurance products like TechCare+ and An Gia Như Ý, available directly via our mobile app. These competitively priced products provide comprehensive protection.

We are the first bank in Vietnam to establish a dedicated bancassurance customer service call centre. Additionally, our enhanced iTCBLife platform is now integrated with our CRM system, streamlining lead management and the sales journey, to enrich the customer experience.



2024 Focus

We will:

- ◆ Accelerate our expansion into the mass and emerging mass affluent segments, with different CVPs, including Auto-earning, Techcombank Rewards and unsecured lending.
- ◆ Build an integrated CVP which moves away from looking at a business owner as a retail customer and their business as a business customer, toward solutions that address both sets of banking needs concurrently
- ◆ Maintain our leading position in the traditional affluent segment via best-in-class wealth management propositions, including new breakthrough offerings and enhanced Priority Relationship Manager (PRM) capabilities.

◆ BUSINESS BANKING (BB)



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More than ever before our business customers were provided 'super convenience' in everyday banking from on-boarding to digital lending, liquidity management to world-class tools such as C-Cash, in partnership with Kyriba.

Phung Quang Hung
Deputy CEO
cum Chief Business Banking Officer

Overview

By successfully facing many challenges this year, Business Banking (BB) confirmed that our strategy is the right one for delivering a solid financial performance. **In 2023, we attracted over 23,000 new customers, 122% more than in 2022**, our operational capabilities are strong and our new offerings well targeted. As the market recovers, we are in a position to enable fast growth and improved customer satisfaction.

In 2023, we bolstered our efforts to offer micro-SMEs and SMEs:

- ◆ Super convenience in everyday banking
- ◆ Easier access to credit through digital lending
- ◆ Higher yields from surplus cash.

For our larger customers, we focused on:

- ◆ Personalising financing packages to turbocharge their businesses
- ◆ An enhanced cash and liquidity management solution.

2023 Highlights

Micro SMEs and SMEs

BB offered this customer group differentiated digital-led value propositions.

1. Super convenience in everyday banking

Enhanced onboarding process

In 2023, Techcombank upgraded our end-to-end digital onboarding for new corporate customers with instant creation of digital signature, allowing account opening turnaround time to be shortened to 15 mins in many cases.

Easier banking with new innovative features on Techcombank Business

- ◆ **Same device, multi-accounts:** Customers with multiple businesses can manage different corporate bank accounts by simply switching between them on the Techcombank Business (TCBB) app.
- ◆ **Earn more from CD Bao Loc online:** Customers earn higher return while managing their liquidity easily.
- ◆ **One stop Merchant dashboard:** Bring ease to owner of merchant business by generating store QR payment codes and summarise revenue collected in different stores with a user-friendly dashboard. More information on our holistic merchant solutions can be found in the BusinessOne below.

2. Easier access to credit through digital lending

Our new credit product also enables SME and micro-SME customers to apply for an overdraft via TCBB – credit access is more convenient and easier than ever. With some simple supporting documentation, credit application can be done

in minutes and credit approval in just hours, compared to previous wait times of up to three days.

Harnessing our advanced data and analytics, we are able to offer pre-approval for unsecured lending up to VND 5 billion and partially secured lending up to VND 20 billion.

Our digital journey enables easy utilisation of bank-guaranteed with large numbers of usage. With our bank guarantee digitalisation, we are the first and only bank in Vietnam to offer an end-to-end online journey, and extend our solutions to big corporate customers, allowing millions of USD of complex bank guarantees to be easily completed online. We also increase the variety of credit usage, with the latest addition being loan disbursement for overseas telegraphic transfers (OTT).

3. Higher yields from surplus cash

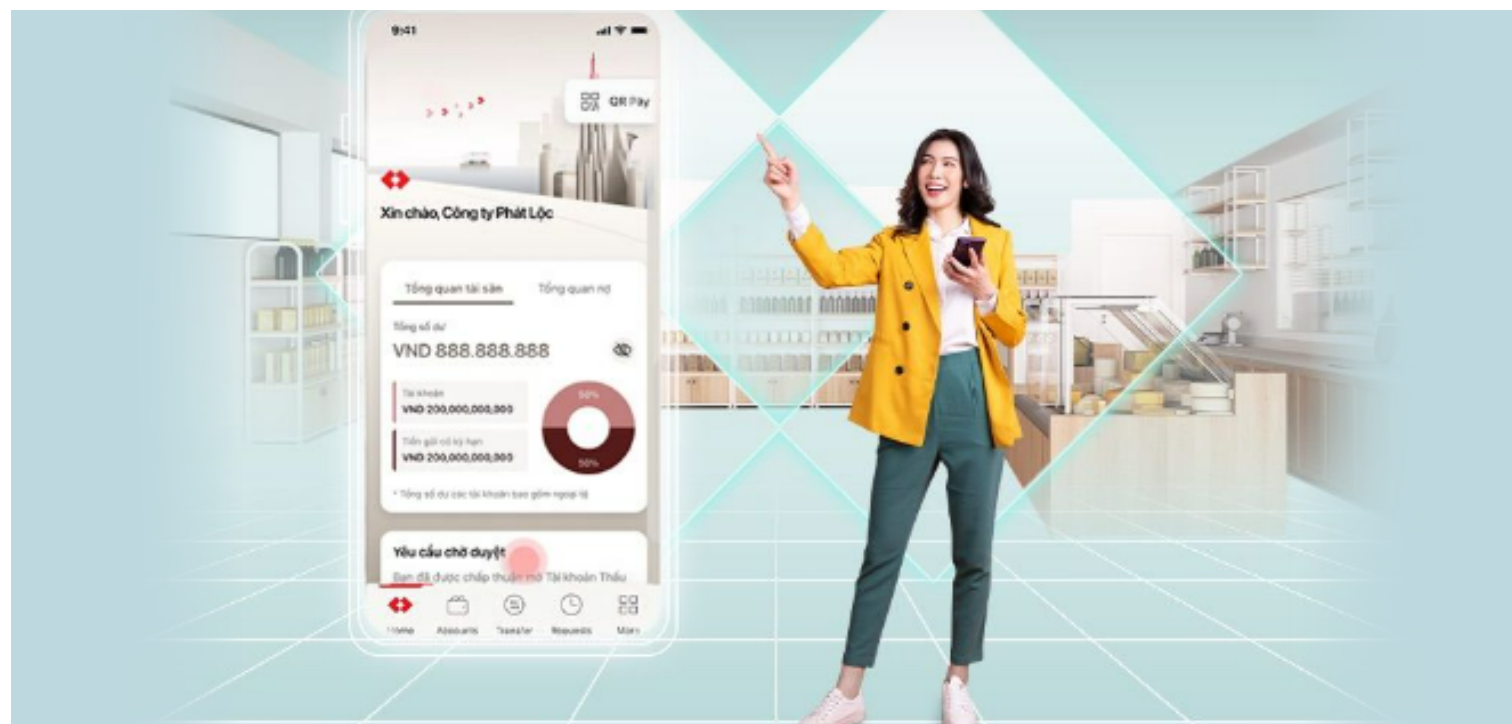
Micro-SMEs and SMEs can invest any excess capital in our popular market-leading Bao Loc Certificates of Deposit (CDBL) where they earn attractive interest (roughly 2% higher than current account) with high liquidity. Corporate clients can now access CDBL both over the counter and online.

The launch of our new product platform for CDBL vastly improves transaction speed and enables smaller denominations and simplified statements and reports. This has boosted the customer experience on TCBB.

4. BusinessOne

We expanded our flagship BusinessOne package with a new customer offering – MerchantOne. It provides a holistic payment and collection solution tailored to merchants' specific 'business personas' and includes:

- ◆ Bundled offerings for both our merchant owners and their businesses
- ◆ Convenient onboarding – same time business and personal sign-up
- ◆ Multiple ways to be paid – Store QR, Dynamic QR and SmartPOS



“

TCBB's features make it well loved by customers. It has around 100,000 users, and top reviews (4.9/5 rating) on the App Store.

- ◆ Helpful store operating tools – One-stop dashboard that brings ease to merchant business owners by generating store QR payment codes and summarising revenue collected in different stores in real time
- ◆ Integrated loyalty – end-users redeem rewards points in our merchants' stores.

5. Ecosystem partners

We continued to collaborate with our third-party ecosystem partners to make banking services more readily available. This included working with MISA to leverage their customer base:

- ◆ We worked together on products that suit start-up businesses. For example, Techcombank digital packages can be bundled with MISA digital products (such as accounting and sales software and digital invoicing) so businesses can get their financial operations running easily and seamlessly. Around one thousand businesses already use MISA to access their finances and, early in 2024, we'll help make this fully digital.
- ◆ Demand for non-cash payment is growing in Vietnam, especially in the food and beverage (FnB) space. Our breakthrough QR collection solutions have been integrated into MISA CukCuk – a company sales management platform. FnB companies on CukCuk benefit from an integrated sales dashboard and automatic reconciliation. Their customers can pay via QR code and cashiers get instant payment notifications. The synergies created from our partnership are removing bottlenecks for restaurant owners and helping bring customers a holistic finance ecosystem.

Medium-sized businesses

We also have more differentiated value propositions for medium-sized businesses.

1. Personalised financing packages to turbocharge businesses

Relationship managers research and develop their understanding of particular industries, build relationships with customers in these sectors, then provide them with high-level advisory services. We already offer pre and post shipment financing for import-export customers, especially those in the garment, cashew and wood industries.

This approach has allowed the Bank to **grow our exposure to Upper-SME and middle market companies by 22.4% YoY**, and diversify the credit book across specific industries. This is despite some sectors, such as export and real estate, facing headwinds.

2. Enhanced customers' cash and liquidity management through world-class capabilities and tools

After a successful pilot in 2023, BB is rolling out a non-credit offering called C-Cash, in partnership with Kyriba. This offering adds to the Bank's existing strengths in credit and helps company CFOs, or those in similar roles, take a more holistic and integrated view of their financial positions. It means that even though CFOs may have funds invested with four or five banks, they can still get a 360 view of their total financial operations so they make more informed, smarter decisions.

Industry recognition

Our commitment to excellence was recognised with a host of prestigious industry accolades in 2023:

- ◆ Best Integrated Corporate Banking Platform Globally – by Global Finance. This is the first global-scale award we received for our leading mobile app.
- ◆ Most Innovative Digital Banking Platform for Corporates – by Global Business Outlook.
- ◆ Best corporate digital bank in Vietnam – by International Finance.

2024 Focus

In 2024, Business Banking (BB) and Wholesale Banking (WB) will be integrated into a single Corporate and Institutional Banking Group (CIBG).

The focus of CIBG in 2024 will be on differentiated offerings across the entire value chain, all the way from very large corporate customers to our SME customer base, focusing on six high-growth economic sectors: real estate, FMCG, utilities, financial services, automotive, travel and leisure.

Particularly, we will:

- ◆ Focus on achieving national roll-out of our C-Cash solutions, helping corporate customers to raise their treasury management capability to world-class level. Particularly we plan to implement and continuously improve outstanding features such as enhanced cash and the dashboard or cash flow forecasting with connectivity to major banks, with the support of world-class consulting partners.
- ◆ Continue to introduce and enhance our sector-based solutions to further differentiate through industry expertise.

- ◆ Double down on our leading position in debt capital market (DCM), loan syndication and project financing to enable customers to achieve long-term objectives.
- ◆ Scale out our value-chain solutions to other sectors to solve the issues of inefficiency, unlock trapped working capital, and grow value chain' resilience.

Emerging SMEs (ESME) and micro-SMEs (MSME) will be serviced by Retail Banking Group (RBG) division providing an even more dedicated digitally-led and integrated value proposition for small businesses and owners that focuses on simplicity, operational efficiency and value adding. Specifically, our offerings to them include:

- simplified credit access with advanced underwriting practices including digital lending, eKYC, secured and unsecured lending, credit facilities based on movements in customers' bank accounts or on data provided by a third party,
- truly secured and convenient banking, empowered by data, and
- bundled offerings including preferential interest rates, fees, liquidity tools etc.



WHOLESALE BANKING (WB)



“
In 2023, we achieved great milestones in our diversification strategy and sustainability commitment, significantly enhancing service quality while *Reaching for new heights.*”

Phan Thi Thanh Binh
Chief Wholesale Banking Officer

Overview

Despite unusual challenges in 2023, Wholesale Banking (WB) met our annual objectives and continued marching towards our 2021-2025 strategic goals. Our ability to maintain non-performing loans (NPL) at nearly 0% is the fruit of our robust risk management framework and market-leading approach to project financing. We only finance developments with a clear title and in strategic locations such as central business districts (CBD) or high-demand, well-developed and connected areas.

The year also saw us shift gears as we diversified our revenue streams beyond real estate. This strategic move yielded substantial 60% year-on-year (YoY) growth in lending to non-real estate business customers. Similarly, fee income grew a notable 61% YoY. These achievements underscore the Bank's ongoing commitment to achieving balanced, prudent expansion across different customer segments and markets.

2023 Highlights

Our ongoing revenue diversification strategy produced strong growth in 2023. Specifically, this included:

Total operating income (TOI)	Growth (YoY)
Utilities	84%
Travel and leisure	28%
FMCG	15%
Automotive	255%
Financial services	23%
Total for sectors not related to real estate	69%

Such strong revenue growth and contribution came from the significantly higher credit provided to customers outside the real estate space:

	Credit growth ¹ (YoY)
Utilities	57%
Travel & Leisure	311%
FMCG	14%
Auto	227%
Financial services	35%
Total for sectors not related to real estate	96%

¹ Quarterly average credit balance during 2022 and 2023.

WB intensified efforts to refine the skills and efficiency of our Relationship Managers (RMs) to offer more holistic financial solutions encompassing lending, cash management, trade, and markets. RMs can now enter open ended, strategic discussions with clients' executive teams with highly value-added solutions. Leveraging Techcombank's specialised sector expertise provides a competitive edge, with RMs delivering a level of advice that sets the Bank apart.

“
Overwhelmingly positive customer feedback has won us **Vietnam's No.2 Net Promoter Score (NPS)** in banking.”

Our focus on RM capability, investment in state-of-the-art payment, collection and treasury management solutions and leading FX and derivative capability drove strong sector-wide growth in CASA and fee income.

NFI growth (YoY)	61%
Utilities	79%
Travel and leisure	232%
FMCG	12%
Automotive	287%
Financial services	71%

CASA balance growth ² (YoY)	128%
Utilities	26%
Travel and leisure	334%
FMCG	3%
Automotive	258%
Financial services	183%

² CASA balance at end of 2023 vs. end of 2022.

“
In 2023, WB played a vital role in the Bank's long-term ESG journey, not only ensuring Techcombank's compliance with advanced ESG practices but also enabling sustainable business for our clients.”

2024 Focus

Merging WB with Business Banking to create CIBG has been important to our strategic transformation. Not only will our value chain strategy become a real differentiator, across different sectors, for all our institutional clients but it will also allow us to better serve customers and deepen relationships with them.

Other areas of focus in 2024 include:

- ◆ Enhancing RM capabilities, deepening industry expertise such as supplier led and distributor led value chain financing
- ◆ Continuing to offer advanced, helpful tools at scale, e.g., global leading treasury and cash management via the Kyriba platform
- ◆ Increase commitment to sustainable lending and best practices, leading with innovative solutions in targeted sectors like agriculture and textiles, energy, electric vehicles, and green construction.





GLOBAL TRANSACTION SERVICES



The GTS team’s deep understanding of customers’ needs helped them to manage 2023 market volatility successfully. At the same time 2023 marked important progressive expansion through business to customers (B2C) such as holistic innovative merchant solutions.

Phan Thanh Son
Deputy CEO cum
Chief Global Transaction Services Officer

2023 Highlights

Supporting the Bank’s strategy to expand its ecosystem through business to customers (B2C)

The Bank aspires to increase the number of corporate businesses who use merchant services like WINLife and product bundling; and to be the bank of choice for micro-SMEs and SMEs – making household and business banking more seamless for these customer groups.

This ambition was the driving force behind a key area of focus for GTS – offering our merchant customers a holistic end-to-end payment and collection solution, tailor-made to address exactly what their businesses need. Key offerings include smart payment services via QR code, SmartPOS and collection via virtual accounts.

In 2023, we provided the payment service to about 327,000 merchants including ~200,000 new customers. Our B2C payment service meets the diverse demands of different

merchant types from household/retail stores to big chains like WINCommerce and Golden Gate. By expanding our ecosystem to merchants, the Bank taps into new sectors, such as FMCG – FnB, supermarkets, convenience stores, e-commerce – travel/leisure, logistics and others.

Gaining a deeper understanding of customer needs, helping them manage market volatility

The year saw strong customer demand for foreign exchange and interest rate hedging, especially among export-import businesses, businesses with offshore loans, and retail customers looking to study and work abroad.

Leveraging financial market opportunities available due to the difference between Vietnamese and US interest rates, we offered several innovative foreign exchange and interest rate hedging solutions to corporate and retail customers:

- ◆ FX Forward (for both retail and corporates) to mitigate upward exchange rate risk for customers with low hedging costs

Overview

Key performance highlights for 2023 were being the unrivalled leader in fee income and our robust improvement in CASA. This was, in large part, due to Global Transaction Service’s (GTS) creation of a comprehensive suite of innovative, digital-led offerings. Some notable figures:

- ◆ **Letters of Credit**
#3 Market share in Letters of Credit – up from #4 in 2022
- ◆ **Market Share in bank guarantees**
#4 Market share in bank guarantees – maintained from 2022
- ◆ **Market share in Foreign Exchange (FX) Services**
#5 Market share in foreign exchange (FX) services – the only private joint stock bank in Top 5
- ◆ **Share of National Payment Corporation of Vietnam**
13% Share of National Payment Corporation of Vietnam (NAPAS) payment and collection volume.
- ◆ Cross Currency Swap (another interest rate derivative) means corporate customers can hedge against unfavourable market movements in both exchange and interest rates, while taking advantage of the stronger US dollar, to optimise business cash flow day by day.



GTS’ advanced solutions and dedicated sales force helped Techcombank drive nearly VND 1 trillion net fee income (NFI) from foreign exchange sales in 2023, the highest in the Bank’s history.

Techcombank’s payment guarantee helps corporate customers tap offshore funding

2023 was a challenging year for Vietnamese corporate funding. Companies seeking reasonably priced mid and long-term funding were met by a stagnant domestic capital market.

Amidst this environment, Techcombank payment guarantees, which are backed by our brand and creditworthiness, and our deep understanding of what customers want, saw a strong rise in demand. Corporates can now approach international investors (for example banks, funds, leasing companies) for an alternative source of long-term funds. Our guarantee also gives offshore investors (especially new investors unfamiliar with the Vietnamese market) more confidence to invest in Vietnam.

Ongoing product innovation

Launching C-Cash to local corporates
In Q2 2023, Techcombank collaborated with world-leading cloud-based treasury platform provider, Kyriba, to design C-Cash. This management solution incorporates:

- ◆ A holistic treasury management platform
- ◆ An in-depth treasury toolkit
- ◆ Other value-added services.

C-Cash provides corporate customers with:

- ◆ Full visibility over their cash across entities and banks
- ◆ The ability to forecast cash flow by leveraging information from their bank position (investments, debts, FX exposure, etc.)
- ◆ Automatic bank and Enterprise Resource Planning (ERP) data fed to Kyriba simplifies processes and enables companies to reduce manual works in producing multi-bank cash dashboards as well as cash forecast on frequent basis
- ◆ A corporate treasury advisory package that helps local companies to adopt best practices in cash and liquidity management operation.



The convenience and efficiency of C-Cash incentivises corporate customers to choose Techcombank as their main banking account.

Key achievements during the soft-launch included:

- ◆ Engaging 220+ entities
- ◆ Onboarding ~70 entities under 11 groups
- ◆ Very positive client feedback.

Innovative idle cash optimisation solutions

The attractive yields and high liquidity of Techcombank's Bao Loc Certificates of Deposit (CDBL), purchased and transferred over the counter and online, drew strong customer interest. CDBL is unique in four ways:

- ◆ **Flexibility:** provides high liquidity and a solid return on surplus cash
- ◆ **Attractive returns:** up to 3.3% interest based on the holding period and, unlike other investment products, with no taxes or trading fees
- ◆ **Convenience:** can be managed and traded 24/7 via the mobile app
- ◆ **Experience:** a simple, intuitive interface makes it easy for customers to track and manage asset portfolios.

We significantly improved CDBL in 2023, by:

- ◆ Lowering minimum investment value from VND 100 million to VND 10 million
- ◆ Improving retail customers' experience on our mobile app by enabling self-calculation of their effective CDBL yields
- ◆ Launching (for corporate clients) both online and OTC, a new product platform that vastly improves transaction speed and enables smaller denomination and simplified statements and reports – this platform substantially enhanced customer experiences on our Techcombank Business app.

The product has been well-received:

- ◆ Total CDBL value more than doubled to VND 41.6 trillion over the year.
- ◆ Total customers nearly tripled during 2023 to reach over 60,000.
- ◆ On average, there were over 10,000 CDBL transactions daily, demonstrating the product's liquidity.

Improved digital capabilities, further digitalising the customer journey

Merchant collection solutions

In mid-2023, Techcombank rolled out an easy, integrated QR solution:

- ◆ We were first in market to launch an instant notification app to multi-cashiers and owners. This removes transaction bottlenecks and allows businesses to optimise payment efficiency.
- ◆ We rolled out an in-app performance tracking dashboard, giving merchants a holistic, daily view of their business to make faster, better decisions.
- ◆ Merchants can establish a relationship with the Bank and enjoy all the advanced and top-tier merchant services (from front to back-end operations) immediately.

We aim to provide even more benefits so merchants can easily run and grow their businesses. These include loyalty programs, an auto reconciliation tool and more – all tailored to the merchant's type, category and size.

Our partnership with logistic company, BEST Express, is an early success story. When receiving packages delivered by BEST Express, customers can now scan their dynamic

QR code to make cashless payments. This solution was awarded Best Virtual Account Management and Best Cash Management and Transaction Bank in Vietnam – *The Asian Banker*.

Service quality and customer satisfaction

According to McKinsey's *The Business Value of Design* report, companies that are strong at designing their products/services also show superior business performance, outperforming industry growth benchmarks by as much as two to one.

We asked ourselves:

- ◆ What metrics should be monitored to measure the impact on the business' bottom line?
- ◆ What key performance indicators (KPIs) should be tracked and what frameworks used to measure service quality success?
- ◆ What differentiates our proposition?

To find out, we applied the reliability, assurance, tangibles, empathy, and responsiveness (RATER) service quality framework. This measured our position at different angles from the customers' point of view, then set service quality standards to aim for.

The new standards are embedded in the first stage of product and service design, improving our value proposition. This customer-driven design focus is one of the reasons the Bank has such good revenue and business growth.



Our net promoter (NPS) score ended 2023 at 82, vs 75 by 3Q23, ranking No. 2 in the market.

Our key objective from here is to broaden the gap between us and our competitors so our position becomes very hard to challenge.

Industry and customer recognition

The Asian Banker:

- ◆ Best Cash Management And Transaction Bank In Vietnam 2023
- ◆ Best Virtual Account Management 2023 – Asia Pacific

London Stock Exchange Group Foreign Exchange matching:

- ◆ Best Market Maker In Vietnam

Vietnam Bond Market Association:

- ◆ Outright Highest Trading Volume Market Maker
- ◆ Outright Best Quote Market Maker
- ◆ Outright Second Most Tenor Offering Market Maker
- ◆ Repo Second-Highest Trading Volume Market Maker
- ◆ Repo Third-Best Quote Market Maker
- ◆ FX Swap Second-Highest Trading Volume Market Maker

NAPAS

- ◆ Outstanding Performance Bank.



2024 Focus

In 2024, we will:

- ◆ Scale-up the launch of C-Cash from Q2 2024, together with innovative corporate liquidity management solutions – based on the success of CDBL product – to quickly capture main operating accounts and grow CASA from corporates
- ◆ Scale up and go-to-market with C2B collection solutions, based on QR payment and multi-form factor point of sale (POS) – smart and soft – to capture CASA and payment flows
- ◆ Continue to invest and innovate our capabilities in cash and liquidity management, and value chain management that further solidify our leading position in corporate CASA and fee income by expanding our MOA share of wallets among our existing and new customers.
- ◆ Guide clients through the complexities of fluctuating foreign exchange and interest rates, so they can confidently conduct business.

SUBSIDIARIES

TECHCOM SECURITIES – TCBS

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TCBS, TCC and AMC play a pivotal role in Techcombank's success. They helped the Bank *Reach for new heights* with innovative digital-led wealth management solutions, amidst significant challenges in the operating environment.

Nguyen Xuan Minh
Chief of Investment Banking



Overview

TCBS aims to become The Orchestrator of capital flows in Vietnam. Our success is based on the Wealthtech financial technology strategy, building a comprehensive TCInvest ecosystem for investment and asset management. By the end of 2023, TCBS had served nearly 1 million customers, including individual and corporate customers. The journey of creating a superior comprehensive investment experience has helped TCBS stand out from others, and capitalise on the strong growth potential of Vietnam's financial market.

2023 highlights

Operational efficiency

In 2023, the Company's PBT surpassed VND 3,028 billion, exceeding the initial full-year plan of VND 2,000 billion by an impressive 51%. TCBS boasted an industry-leading PBT per employee of VND 6.27 billion in 2023, a staggering 4 times higher than industry average. This impressive figure marked a 2.7% increase compared to 2022. By embracing Wealthtech trends with streamlined processes, efficient procedures, and

reduced paperwork, TCBS has enhanced its ability to identify customer needs and pain points. This continuous cycle of improvement has translated into enhanced services and skyrocketing employee productivity.

TCBS maintained a stellar cost-to-income ratio (CIR) of 14% in 2023, nearly flat compared to the previous year. This impressive cost control was underpinned by our unwavering commitment to optimisation and cost efficiency, evident by our investment in a cloud computing infrastructure (AWS), which not only optimised resource usage but also positioned us

2023 Highlights

- ◆ **As of 31 December 2023**
~ 1 million customers
- ◆ **Profit before tax, broadly flat YoY**
VND 3,028 billion
- ◆ **Total assets as 31 December 2023**
VND 43,788 billion
increased 68% YoY
- ◆ **Profit before tax per employee**
VND 6.27 billion
Profit before tax per employee, highest in the industry
- ◆ **Corporate bonds underwritten by TCBS**
VND ~ 70 trillion
increased 139% YoY
- ◆ **Market share of consulting on corporate bond issuance**
TOP 1
- ◆ **Margin lending market share**
TOP 1
- ◆ **Stock brokerage market share in HoSE, 4Q23**
TOP 3

perfectly as a wealthtech pioneer with advanced data analysis. Further highlighting our focus on efficiency, TCBS boasted a 2023 cost optimisation score (Advanced CO Score) by AWS that surpassed both the average for Vietnamese financial services and the ASEAN benchmark.

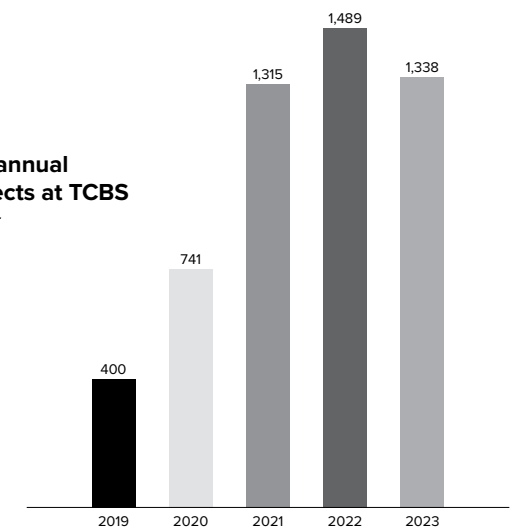
Standard	CO Score
ASEAN average	43.8%
Vietnamese average	37.9%
Vietnamese financial services average	35.7%
TCBS	54.3%

In 2023, TCBS successfully extended short-term foreign syndicated loans to medium-term, with a total value exceeding VND 2,600 billion. Additionally, the Company mobilised VND 2,500 billion from domestic credit institutions, bringing the total borrowing limit to more than VND 17,350 billion (approximately 85% of this limit comprises of unsecured loan).

Enhancing digital experiences with Wealthtech financial technology strategy

Over 52% of employees were IT-related and utilising the Scrum/Agile model for an efficient and adaptable way of working. In 2023, leveraging advanced technological methods and models, the Company significantly enhanced our Go-live capabilities, with 1,338 projects rolled out. Additionally, the TCInvest system demonstrated impressive performance, maintaining stable connectivity even with over 12.4 million visits per month, or over 400,000 visits per day.

Number of annual Golive projects at TCBS
Unit: project








In 2023, more than 95,700 customers opened accounts on TCInvest, bringing the total number of retail customers at TCBS to nearly 1 million.

While continuously undergoing high-frequency upgrades, TCBS prioritising system stability through constant reinforcement of preventive measures and rapid detection of potential information security risks. This commitment to comprehensive security is underscored by 2023 Microsoft Security Score of 83.36/100, around 2 times higher than global organisations of a similar size, and AWS Foundation Security Best Practices Score of 80.5/100.

The above indicators affirm that TCBS is a leading enterprise with capabilities and commitment to information security. This not only enhances trust from customers and business partners but also helps TCBS reduce the risk of data and information loss and improve our ability to prevent cyber-attacks.

Industry accolades

In 2023, TCBS affirmed our pioneering position in digital transformation with 10 technology awards from prestigious domestic and international organisations. This shows that the company's Wealthtech financial technology strategy has achieved outstanding effectiveness and is also a testament to the company's strong potential in terms of human resource quality, technological capability and wide partner network all over the market.

<p>The Asset Triple A Awards</p> 	<p>Digital Wealth Manager of the Year Best Data Analytics Project – TCAntalysis</p>
<p>Finance Asia Country Awards</p> 	<p>Blockchain - Most Innovative Use of Technology</p>
<p>Hiệp hội Blockchain Việt Nam</p> 	<p>Pioneer in Blockchain application in digital transformation of banking and finance</p>
<p>Asian Technology Excellence Awards</p> 	<p>Blockchain: Financial Technology</p>
<p>IBSi Global Fintech Innovation 2023</p> 	<p>Best Wealth Management and Private Banking Implementation: Best Program Vision Best Wealth Management and Private Banking Implementation: Best Adopted Tools and Practices Best Investment and Fund Management Implementation: Most Impactful Project Most Innovative Analytics Deployment: Best Program Vision Most Innovative use of Blockchain in Banking: Most Impactful Project</p>

2024 Focus

In 2024, we continue our 5-year strategic journey, with the goal of becoming The Orchestrator of capital flows in Vietnam. To maintain a leading position in core business segments, aiming to conquer the goal of being the securities company with the highest brokerage market share and best utilising our abundant capital

to bring long-term value to customers and shareholders, in 2024, TCBS will continue to:

- ◆ Increase medium and long-term capital sources from reputable domestic and foreign organisations
- ◆ Build a diverse and specialised ecosystem of digital-led products and services, tailored to different customer needs

- ◆ Invest heavily in IT systems, including the KRX system to bring the best asset management experience to our customers.

2024 will be pivotal in our journey to make TCBS the largest wealth management technology company (Wealthtech) in Vietnam in terms of equity, profit, and operational efficiency in our core business lines.

SUBSIDIARIES
TECHCOM CAPITAL – TCC



Phi Tuan Thanh
Director of TCC

2023 Highlights

- ◆ Total assets reached more than **VND 926.4 billion**

Revenue and pre-tax profit reached **VND 97.2 billion** and **VND 120.8 billion**, respectively

- ◆ A new website

<https://www.techcomcapital.com.vn/>

We enhanced Techcom's Capital brand by building a new website and regularly updating the investment performance of funds on Techcom Capital's social network channels.

- ◆ The total value of assets under management (AUM) **VND 3,286 billion**

TCBF fund AUM reached over **VND 2,500 billion** with over **21,000** customers, AUM of equity investment funds TCEF, TCFIN, TCSME, TCRES, TCFE and trust portfolios reached **VND 766 billion** with over **17,000** investors.



The TCC funds

Techcom Bond Fund (TCBF)

Open-ended fund, established in Vietnam

Total assets under management: VND 2,520 billion as of 31 December 2023.

Investment Strategy: TCBF Fund invests mainly in fixed income assets such as corporate bonds issued by companies with high credit ratings and/or bonds guaranteed by reputable banks, expected to deliver long-term sustainable returns through principal and income growth.

Techcom Equity Fund (TCEF)

Open-ended fund, established in Vietnam

Total assets under management: VND 317 billion as of 31 December 2023.

Investment Strategy: TCEF Fund focuses on investing in stocks of leading businesses listed on the Vietnamese stock exchange with the following characteristics: leading market share in key industries and possessing long-term growing possibilities, excellent management capability, robust finances, diverse and sustainable shareholder structure. The fund's long-term profit is expected to be twice the average 12-month savings interest rate, received according to investment time.

Techcom Balanced Flexi Fund (TCFF)

Open-ended fund, established in Vietnam

Total assets under management: VND 84 billion as of 31 December 2023.

Investment Strategy: TCFF Fund invests in a balance between stocks and bonds to help investors access stocks with good growing possibilities while minimising the risk of market fluctuations through investing in bonds.

Techcom Banking and Finance Equity Fund (TCFIN)

Open-ended fund, established in Vietnam

Total assets under management: VND 79 billion as of 31 December 2023.

Investment Strategy: TCFIN Fund invests in shares of leading enterprises in the field banking and financial services listed on the Vietnamese stock exchange. This is a very crucial economic field and goes hand in hand with the development of Vietnam's economy. The capitalisation of listed companies accounts for nearly 40% of the total capitalisation of VN-Index.

Techcom Small and Medium Enterprise (TCSME)

Open-ended fund, established in Vietnam

Total assets under management: VND 76 billion as of 31 December 2023.

Investment Strategy: TCSME Fund invests in shares of leading mid-cap and small-cap enterprises listed on the Vietnamese stock market, in with the long-term profits is expected to be 2 times the average 12-month savings interest rate, realised according to investment time.

Techcom Real Estate Investment Trust (TCREIT)

Listed closed-end fund, established in Vietnam

Total assets under management: VND 47 billion as of 31 December 2023.

Investment Strategy: Brings long-term benefits to consultants thanks to a steady and stable income stream from real estate and long-term growth of real estate value, based on effective, productive real estate management strategies. In addition, the fund can invest in fixed income assets with good credit quality including bank deposits, Vietnamese Government bonds, corporate bonds, local government bonds, and top listed stocks on HOSE and HNX.

Techcom Bond Fund (TCBF)

Open-ended fund, established in Vietnam

Total assets under management: VND 65 billion as of 31 December 2023.

Investment Strategy: TCRES Fund invests in shares of leading companies operating in the real estate and building material sectors on the Vietnamese stock market with expected long-term profits that are 2 times higher than average savings interest rates of 12 months, realised according to investment time.



2024 Focus

We continue to implement our long-term vision to make TCC the leading fund management company in Vietnam in terms of managed asset value and operational efficiency, building a smart and sustainable financial community, where everyone can achieve their financial goals by:

- ◆ Providing complete investment management and financial consulting services by an experienced professional team.
- ◆ Researching and launching new fund products and wealth management products to serve a variety of customer's needs.
- ◆ Searching, negotiating and signing with potential partners to develop distribution channels for investment products, open-ended fund certificates managed by Techcom Capital, thereby helping investment products to be widely popularised in the investor community.



SUBSIDIARIES

TECHCOMBANK ASSET MANAGEMENT COMPANY LIMITED (TECHCOMBANK AMC)



Tran Nhat Quang
Director of AMC

2023 highlights

Operating in the final phase of the credit cycle, Techcombank AMC takes over the Bank's bad or overdue debts. With active, professional and law-savvy employees, it is a market leader in debt settlement and asset management. In 2024, Techcombank AMC collected VND 3,135 billion in debt, directly contributing VND 725 billion to the Bank's profit. The company reported total revenue of VND 1883.05 billion and profit before tax of VND 768.98 billion.

The fair debt collection rules issued and applied at Techcombank AMC have become a guideline for all employees of the Company. Accordingly, Techcombank AMC orients to carry out debt handling activities in the spirit of respect for the law, fairness and transparency. The company always chooses to prioritise debt handling and customer support to optimise customer benefits after the debt settlement process. Techcombank AMC officers always

perform their operations with the spirit of ensuring respect, honesty and customer orientation, ensuring that debt handling is carried out professionally and meets international standards.

As part of the Bank's commitment to innovative use of technology, both in Vietnam and internationally, Techcombank AMC is always improving its data management and information systems. It is a highly professional and essential part of the Bank's end-to-end lending process. In 2023, Techcombank AMC:

- ◆ Build detailed dashboards, regularly update debt collection progress in key projects
- ◆ Strengthen authorisation work, mortgage signing, liquidation of assets, etc. to ensure compliance with legal regulations and at the same time sped up processing progress
- ◆ Developed an auction plan for property rights, successfully implemented with a number of projects in 2023

- ◆ Successfully designed and built a series of debt collection and debt settlement solutions, especially for personal home loans suitable to the actual situation and for specific projects.

2024 Focus

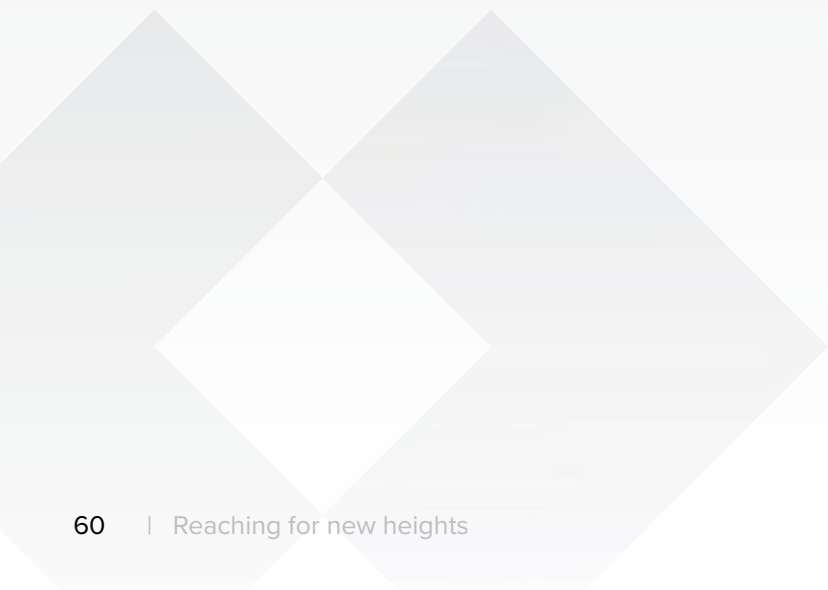
In 2024, Techcombank AMC will continue to improve our measurement tools, especially using digital and data to:

- ◆ Speed up strategic decisions
- ◆ Ensure business efficiency
- ◆ Improve risk management
- ◆ Minimise costs.



04.

THE TRANSFORMATION OF TECH



Clickable headers





TRANSFORMATION REPORT



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We are changing our operating model to accelerate strategic areas of growth; blending technological advancement, functional efficiency, ongoing skills development for our people and market-leading innovations.

Prasenjit Chakravarti
Chief Corporate Strategy and Transformation Officer

Overview

Our five year bank wide transformation – covering Data, Digital and Talent – reflects Techcombank’s adaptability and forward-thinking culture in the rapidly evolving, digital banking landscape. After three years of very purposeful and sequential strategic planning and execution, we are well on the way to becoming a future proof banking platform leveraging best in class digital platforms, cloud-based data and AI and new business models to grow in new areas of business.

This is a major upgrade where we are changing our operating model to accelerate strategic areas of growth; blending technological advancement, functional efficiency, ongoing skills development for our people and market-leading innovations. The breadth of the change is like the journey of the humble, yet determined, caterpillar metamorphosing into a vibrant, silken butterfly.

We are now starting to deploy differentiated customer value propositions using our new best-in-class digital, sales and data platforms.

We’re embracing Agile methodologies Bank-wide, moving from traditional divisions and organisational structures to a more efficient, collaborative, flat and cross-divisional teamwork approach. Our employees reskill as the workplace changes.

“

We have largely completed ‘re-platforming’ – front to back – at a scale and scope not seen in most local and regional banks.

As our generative AI capabilities rapidly advance, we are well-positioned to deploy high impact use cases to improve internal efficiency and deepen customer engagement.

We are putting more emphasis on environmental, social and governance (ESG) considerations. We will actively engage with our customers to understand how ESG impacts their businesses and explore how we can better support their efforts.

We accomplished a lot in 2023 as we strived to establish Techcombank as Vietnam’s pre-eminent financial institution and a global frontrunner in banking. Our meticulously targeted investments are accelerating our execution capabilities and capturing substantial value. Our customers in the sectors and segments we serve are starting to reap the benefits. Our talented team are the Bank’s wingbeat as we propel ourselves ever upward – *Reaching for new heights*.

2023 Transformation highlights

Two broad areas where we made important strides in transforming our business were:

Strategic use of technology platforms

As we progress on the transformation, we are starting to see meaningful changes in our business models which enable us to grow scale, onboard, deepen and engage customers with new value propositions while managing scale and cost effectively. Some key highlights in FY2023 include:

- ◆ **Customer growth and operational efficiency:** We added ~2.6 million new customers in 2023 while keeping our headcount flat. Combined changes in our working methods, digital platforms and data utilisation capabilities got this done without increasing our employee base. We have decoupled from the idea that to grow customers you need more staff.
- ◆ **Advanced Salesforce platform:** The new advanced Salesforce platform is used by 6,000+ staff significantly frees up front-line employees’ time. It allows them to engage in higher quality conversations with clients, backed by comprehensive information, for a better overall customer experience.

Innovative partnerships

We are continuing to expand our strategic partnership portfolio to scale up our customer base and deliver unique customer propositions.

- ◆ **Unique market propositions:** Our partnership with WINLife, one of Vietnam’s largest retail store networks, leverages our digital, data expertise and new capabilities to offer unique value propositions. It places us at WINLife’s outlets to provide special loyalty offers for customers of both Techcombank and WINLife. This is mostly done via digital channels, allowing us to cover these outlets with a significantly smaller team than we’d otherwise need.

- ◆ **Innovative loyalty platform:** Our new loyalty program offers unmatched personalisation in banking connecting hundreds of partner merchants with millions of customers. Customers earn rewards through their transactions with TCB and redeem them seamlessly at their favourite brands like Starbucks, without complicated points transfers.

AI’s role in our transformation

AI is a cornerstone of Techcombank’s transformation. We have been preparing the groundwork for its integration for the past ~3 years. This involved consolidating data, migrating it to the cloud, cleaning it up and organising it for effective use. This work was crucial in setting us up to harness next-generation AI tools, like Large Language Models (LLMs). By strategically incorporating AI into our operations, we can leverage its potential to transform both internal processes and customer experiences.

Internal productivity with AI: We’re increasing team productivity by having AI automate repetitive tasks. An excellent example is the data team’s translation tool. It can accurately translate documents between Vietnamese and English, retaining the original format and saving approximately two hours per document across the thousands we have to process. Significant cumulative time saved!

“

Techcombank’s ‘data brain’ analyses billions of data points using machine learning to better understand customer needs from daily transactions to mobile app use.

AI in knowledge management: AI is managing our extensive internal documentation, including governance policies and operational guidelines. Navigating this wealth of information can be daunting. However, with AI-powered tools like chatbots and LLMs, employees can access relevant information easily. For instance, a new employee looking for guidelines on a credit card product can get instant, accurate answers.

The ‘data brain’: Techcombank’s ‘data brain’ (overseen by the Data and Analytics Division – DnA) puts us at the forefront of AI innovation. This collaboration between world-class experts and our own skilled Vietnamese professionals analyses billions of data points using machine learning to better understand customer needs from daily transactions to mobile app use.

The 'data brain' uses AI-processed data from our data lake to create a centralised intelligence hub seamlessly personalised to each of our ten million customers. The hub informs and integrates with our various platforms, including:

- ◆ The customer relationship system
- ◆ Mobile applications
- ◆ Loyalty programs
- ◆ Marketing platforms.

This 'data brain' is revolutionising how we interact with, and understand, customer needs, providing more effective business leads, securing better loans for customers and keeping us ahead of fraud. Ironically, it also brings us full circle to the personalised service of traditional banking. With richer data at their fingertips, our business and retail bankers are making better informed decisions and identifying new business opportunities.

The following sections – Digital Office & Information Technology (IT), Data and Analytics (DnA) and Human Resources – provide more detail about what we have done Bank-wide to bring about our incredible transformation.



2024 Focus on Transformation

In 2024 the Bank enters the latter stages of our current five-year transformation roadmap. We have almost completed transitioning away from building and putting infrastructure in place to deploying and capitalising on our significant investments in digital transformation, data management and talent acquisition.

Scaling digital and data platforms: We want to deploy our digital and data platforms on a larger scale within the Bank and among employees and customers. We aim to integrate new ways of working to solidify the commercial benefits of our operating model. Our platforms, now built and progressively coming under control, will be a major focus as we make sure their potential is fully realised in improving our operations efforts include –

“
We'll focus on scaling our digital and data platforms, extracting valuable insights from data and strengthening our commitment to sustainability while continuing to evolve our operating model.

Using data and customer outcomes: In 2024 we aim to fully leverage the structured, cleaned data we've accumulated to deploy TCB's 'data brain' across all customer interactions. We expect to further transform how we understand and serve customers and link data insights directly to business outcomes. DnA will –

- ◆ Take our GenAI and LLMs to the next level driving Bank-wide AI competence (literacy)
- ◆ Implement GenAI and LLM models at scale, driving an 'AI First Bank'
- ◆ Improve the productivity and success of our 12,000 employees and customers
- ◆ Promote data literacy and analytics awareness
- ◆ Embed AI into everyday use, eliminating fear of it and encouraging its safe, ethical and transparent use.

Sustainability and industry leadership: The global shift towards sustainability is a key aspect of our transformation strategy. As a leading financial institution in Vietnam, we understand the importance of aligning with, and ideally surpassing, industry sustainability standards. In 2024 we'll intensify efforts to bolster our internal sustainability capabilities and external standing. This includes our efforts to operate a workplace that is healthy and safe, empowers and rewards people and provides opportunities for staff development.

As part of this aim, HR will:

- ◆ Continue to empower our people and enhance our capabilities
- ◆ Invest more in our people managers by refreshing offerings to this important segment who drive the Bank's performance and future
- ◆ Foster a culture of internal mobility, driven by our excellent development programs; rotations to enhance and broaden our employees' expertise in new areas; and excellent career paths
- ◆ Continue to update and improve Techcom Agile Academy, TechcomPACE – a holistic program integrating ways of working and the Bank's business processes – and the people management skills of our workforce
- ◆ Improve our employees' quality of life via more ways to rent or buy a house or car, or to protect their health and their family's health
- ◆ Work to maintain high quality services for our employees, while strengthening our reporting and data analysis capabilities to gain deeper insights and make data-driven decisions.



DATA AND ANALYTICS (DnA)



“ This year DnA proudly spearheaded innovation, using advanced analytics, Generative AI and large language models to enhance the Bank’s decision making and significantly boosting productivity.

Santhosh Mahendiran
Chief Data and Analytics Officer

Overview

Our data strategy revolves around three key objectives: generating revenue, enhancing productivity and driving innovation. These are at the heart of our decision making and operational processes.

Our focus on data-driven decision making, coupled with innovative technology solutions, puts us at the leading edge of the banking industry globally.

In an outstanding year, Techcombank’s Data and Analytics (DnA) division significantly advanced our analytics, improved our campaigns and increased revenue. We fortified data accessibility and governance, reinforcing our commitment to integrity and innovation and propelling the Bank’s continued success.

As we progress into 2024, Techcombank’s focus on data has never been more crucial. We’re excited to see how these advancements continue to shape our future.

2023 Highlights

Boosting revenue

Techcombank’s sophisticated data analysis, including superior underwriting techniques and model-building techniques, have significantly boosted revenue.

In 2023, DnA supported 17 strategic and business-as-usual initiatives such as Digital Marketing, Customer Relationship Management, Customer Loyalty Platform, Cash and Liquidity Management with Kyriba, Merchant Acquisition, WINLife, among others.

We also used data-driven insights to support 70+ business campaigns, enabling better customer targeting and improved marketing strategies.

“ We grew revenue ~VND 750 billion using top-quality data and models providing superior leads and conversion rates and better customer lifecycle management.

A lot more productive

We are the first Vietnamese bank and one of the first banks globally to build its own chatbots and language translation tools using Generative AI (GenAI) and large language models (LLMs). This puts us ahead of the large-scale industrial global banks. DnA’s new tool suite significantly reduces time on repetitive tasks and improved accuracy and service levels across our operations and workforce.

Leading this revolution is Techcombank’s LLM translation tool ‘Zickoi’. Zickoi has replaced Google Translate and produces accurate English or Vietnamese versions from the various local languages. Unlike before, it retains formatting while comprehending Techcombank-specific abbreviations and jargon. This eliminates time-intensive translation work and potential mistakes. Importantly, its data never leaves the system so it’s extremely secure.

DnA’s 500 new automated dashboards across all domains have streamlined processes, reduced errors and delivered actionable data insights. This transitions us from a culture of ‘Excel Excellence’ to ‘Automated Insights’.

A new tool called ‘User Workbench’ is helping 200+ users more fully explore and use data for better decision making. The Techcombank Data Discovery Center (TDDC) is now the central hub for data management, upholding our data’s integrity, security and compliance. Meanwhile, the stringent data protection standards of the Data Protection and Privacy project, pursuant to Decree 13/2023 by the Government, have bolstered customer privacy.

Leading edge innovation

Techcombank prides itself on being at the forefront of technological innovation. In 2023, we were able to take open source, LLMs from Llama, and customise them in-house to build our own tools and models.

Smartie

Our chatbot, Smartie, is another example of our innovation. It’s both a repository of general knowledge and a detailed guide to Techcombank’s data architecture and road mapping. It has the potential to revolutionise onboarding and training new

staff, making the overall process more interactive and efficient. Its capacity to learn makes it very powerful.

Innovation competitions

DnA fosters innovation with the ‘Data Ideathon’ and ‘Deep Racer’ competitions in which Techcomers showcase creativity and problem-solving skills, using analytics and machine learning. The result was 80+ ground breaking ideas and projects.

Innovation through our ‘data brain’

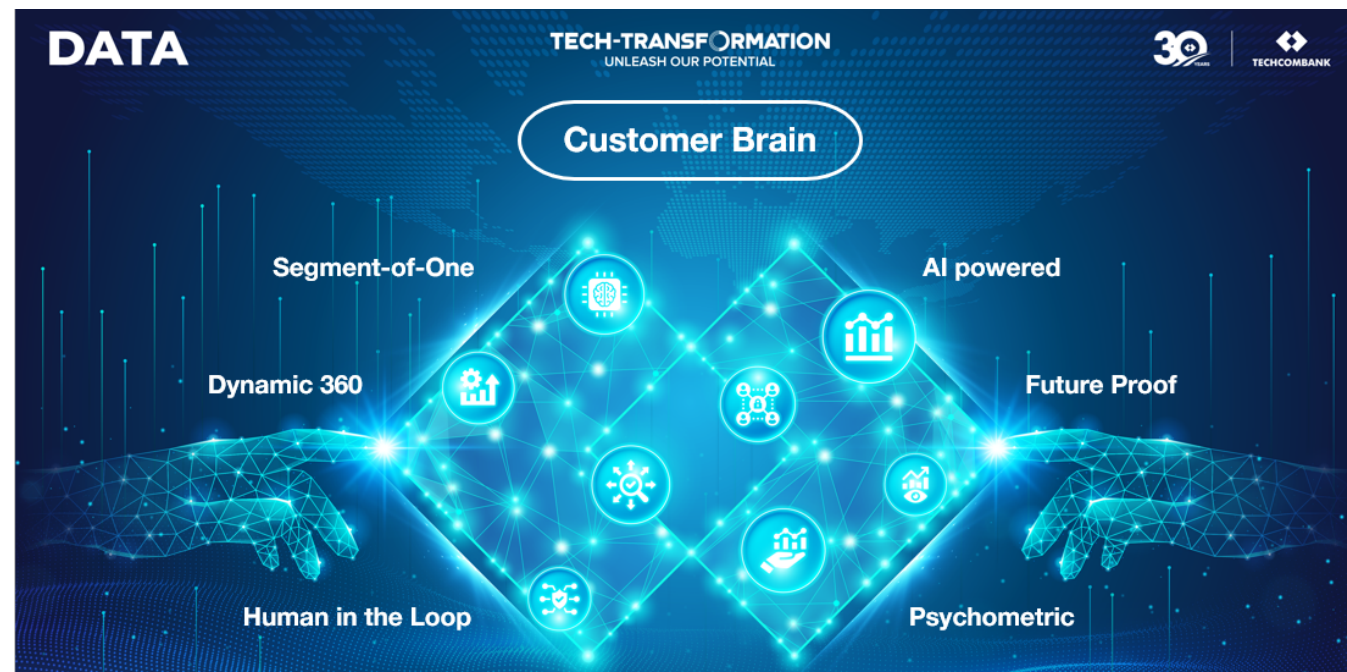
Techcombank’s ‘data brain’ puts us at the forefront of AI innovation. This collaboration between world-class experts and our own skilled Vietnamese professionals analyses billions of data points using machine learning to better understand customer needs from daily transactions to mobile app use. The ‘data brain’ personalises itself to each customer’s unique circumstances across all interactions on every channel.

This data-driven approach is revolutionising operations. It provides more effective business leads, secures better loans for customers and keeps us ahead of fraud. Ironically, it also brings us full circle to the personalised service of traditional banking. With richer data at their fingertips, our business and retail bankers are making better informed decisions and identifying new business opportunities.

2024 focus

We want to:

- ◆ Take our GenAI and LLMs to the next level, driving Bank-wide AI competence (literacy)
- ◆ Implement GenAI and LLM models at scale, driving an ‘AI First Bank’
- ◆ Improve the productivity and success of our nearly 12,000 employees and customers
- ◆ Promote data literacy and analytics awareness
- ◆ Embed AI into everyday use, eliminating fear of it and encouraging its safe, ethical and transparent use.



DIGITAL OFFICE



We offer a hyper-personalised, comprehensive banking experience that is simple for customers to use. Chosen as the trusted digital partner of so many, our operational efficiency means everyone can enjoy the service excellence they deserve. Our digital leadership has even been recognised globally – we won Best Integrated Corporate Banking Platform Globally and Best Mobile Banking App Across the Asia-Pacific Region by Global Finance.

Pranav Seth
Chief Digital Officer

Overview

The Bank's ongoing strategic investment in digital platforms, digital acquisition and providing the best possible digital experiences has seen us attract ever larger numbers of new customers and offer them unique, data-enabled, hyper-personalised experiences. As we delve more deeply into our sea of data to gather insights and harness the power of AI and machine learning, we are continuously making every customer's experience more bespoke. The ability to innovate and effortlessly increase the number of customers we serve, has led to more transactions being done online, costs in several areas being reduced and overall returns rising. Our multi-award-winning digital transformation has the Bank operating at new levels of efficiency and on track for future growth.

2023 Highlights

Building for scale and impact

Digital transformation remains at the heart of the Bank's growth strategy. Online platforms have helped us welcome a wide range of customers quickly, bypassing the need for a large physical branch presence. This year, we acquired 2.6 million new customers, marking a significant increase of 2.3x year-on-year. Of these, 1.2 million joined online and about one million via our ecosystem partnership with WINLife retail.

Importantly, we are not just increasing the number of customers we serve, we're enabling a new customer-centric and efficient service model. Digital engagement has surged, with 94% of retail transactions online and about 88% of corporate customers active on digital platforms. Each of these interactions helps us understand and talk to our customers more effectively.

On the retail front, digital initiatives are responsible for over 30% of total operating income (TOI) and 32% of profit before tax (PBT). This is achieved at a digital cost-to-income ratio

(CIR) of 45%, 9% better than the 54% at traditional branches. In specific numbers, our digital channels show a TOI of VND 5,481 billion and a PBT of VND 3,016 billion.

To build on above, we are aggressively migrating customers away from channels like the contact centre, and towards digital solutions with a significantly lower cost-to-serve:

- ◆ Cost to serve digital current account savings accounts (CASA) are at 27% – 14% less than that of 41% at branches
- ◆ Digital term deposits are at 11% – nearly half that of branches at 20%.

Similarly, on the corporate banking side, digital channels contributed 29% of TOI and demonstrated a CIR advantage of 17%. They also contributed approximately 53% of new-to-bank corporate customers in 2023.

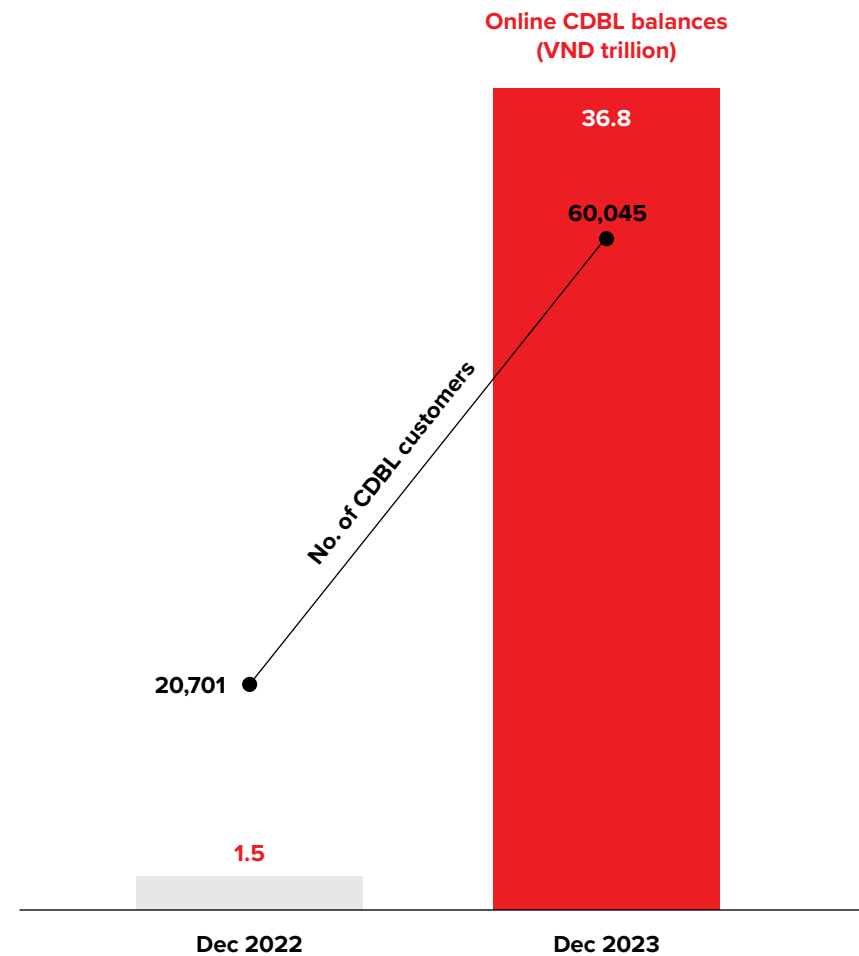
Our 'digital-only' approach, supported by an 'Agile' corporate culture, has significantly improved operational efficiency and customer-centricity, propelling us to even greater heights. It reinforces our position as a leading Asian bank, committed to innovation and excellence.

A simpler and hyper-personalised experience

Our journey of digital innovation is aimed at simplifying, enhancing and personalising the customer experience; improving their satisfaction and financial wellbeing. We:

- ◆ Tackle the inherent complexity often found in banking by simplifying banking products and terminology to ensure better understanding by our customers
- ◆ Restructure our product offerings so they're more user-friendly and tailored to customers' unique needs
- ◆ Continually leverage data to provide contextual and relevant engagements.

A prime example of simplifying our products was for our core wealth product, the Certificate of Deposits Bao Loc (CDBL). On the one hand we simplified the digital journey and on the other made it more accessible by reducing the minimum investment amount to only VND 10 million for retail customers (down from VND 100 million) and VND 50 million for corporates. This drove CDBL to more than 64% of total retail savings and 57% for corporate savings.



Similarly on the lending front, as part of a ground breaking move for Vietnamese digital banking, we were first to offer completely online banker's guarantees for our corporate customers. The journey simplifies our customer's day to day operations – beyond banking – by helping them leverage multiple documentary formats used in the industry. Since its launch in August, this innovative service has seen monthly growth of 50% in the value of banking guarantees and a 96% increase in applications, capturing 37% of the traditional product's customer base. It re-enforces the Bank's distinct position in this segment.

In addition to simplifying our products, we made significant investments to unleash the power of our data to create hyper-personalised experiences across multiple channels; including our website, mobile apps and social media. We are aiming to provide each customer with bespoke interactions and accesses solutions that align with their individual needs.

- ◆ In a technological leap, we implemented the Adobe marketing stack, becoming the first major bank to introduce a real-time customer data platform. We orchestrate and deliver to customers superior experiences at the right time and right place, in the right context and format across all channels and touchpoints. This is based on their past behaviours and preferences with the most relevant action – sales, service, recommendation – delivered to them over the #1 marketing technology platform. For illustration, this has helped us achieve a 24% uplift in CASA acquisition, with:
 - A 20% reduction in cost per acquisition
 - 50% Faster website personalisation
 - A 90% reduction in time for mobile app content updates
 - An 8% uplift in email open rate.
- ◆ Our use of AI and machine learning has been a game-changer, delivering more than 100 million insights views in 2023. These customer specific insights were used across our Private, Priority and Inspire customers in order to improve their understanding of their financial health and habits to drive financial wellness. Users greatly appreciate this, leading to an average customer feedback rating of 4.5/ 5 stars.

We also launched our personalised Techcombank Rewards program featuring 80+ partners, 250+ brands and ~600 deals at ~10,000 merchant accepted stores. It not only rewards our customers but also reflects our leadership in creating bespoke, data-driven experiences.

As a testament to our efforts in delivering customer obsessed experiences, our customers interacted with our Techcombank Mobile app approximately 50 times a month in 2023.

Customer satisfaction and industry recognition

Our commitment to delivering exceptional user experiences earned us top spot for Net Promoter Score (NPS) of 82 by the end of 2023, up from 75 in 3Q23. Our Techcombank Mobile and Techcombank Business apps score 4.8-4.9 on the App Store and Google Play – which is the highest in market. These achievements confirm our commitment to providing a seamless and user-friendly digital platform, enhancing customer engagement and satisfaction.

Our efforts and innovations have been noticed across the industry. We have received many accolades for excellence, reflecting our leadership in integrating technology to deliver superior banking experiences:

- ◆ Best Integrated Corporate Banking Platform Globally and Best Mobile Banking App in Asia Pacific – Global Finance
- ◆ Digital Bank of the Year in Viet Nam – The Asset Triple A Digital Awards
- ◆ Most Innovative Digital Banking Platform for Corporates in Vietnam – Global Business Outlook
- ◆ Celent Model Wealth Manager – Celent
- ◆ Outstanding Innovative Banking Product and Service Award – Vietnam Outstanding Banking Awards
- ◆ Best Digital Business Model in Vietnam – The Asian Banker
- ◆ Digital Consumer Banking Initiative of the Year in Vietnam – Asian Banking & Finance.

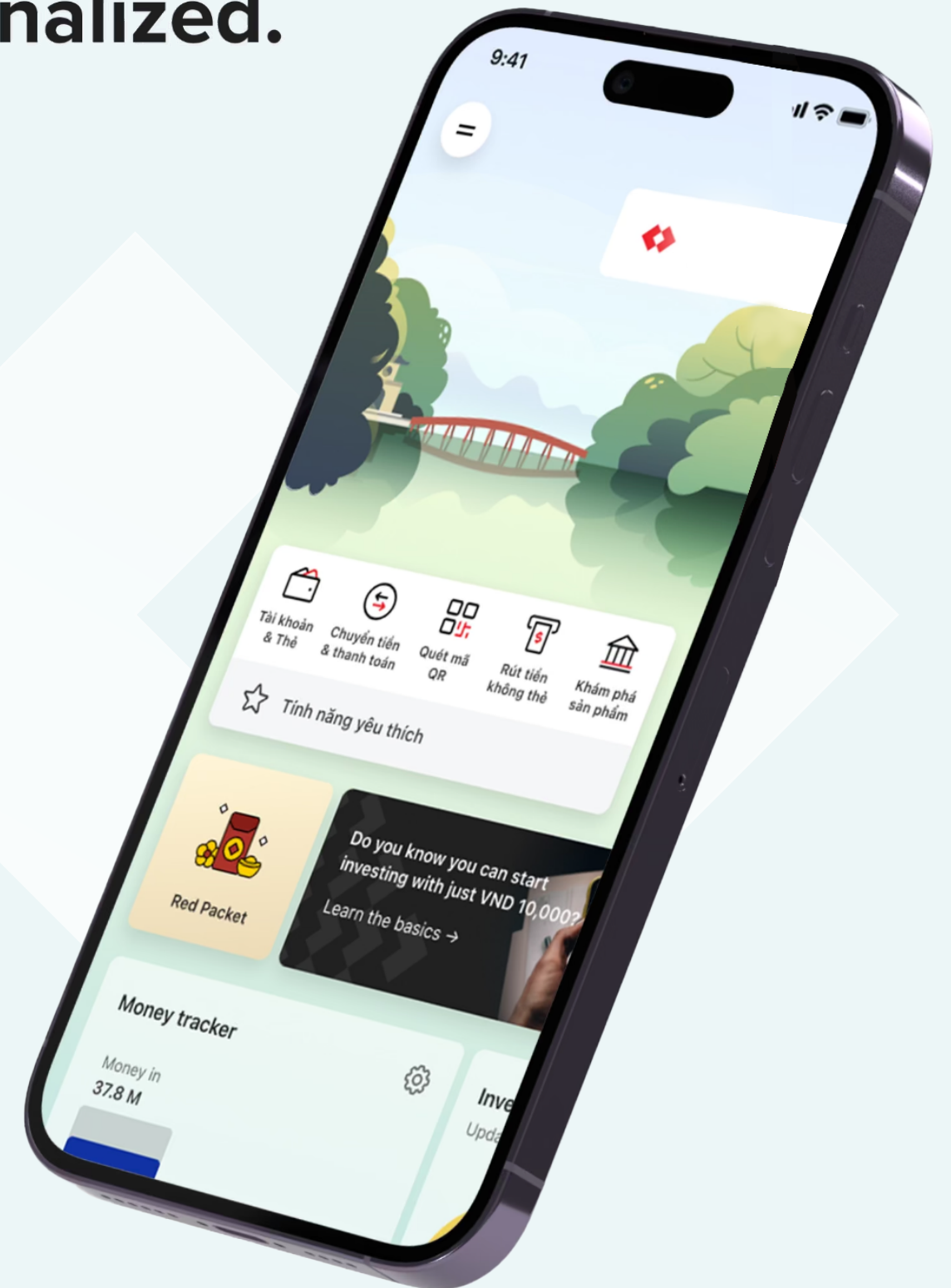
2024 focus

In line with the Bank's overall transformation strategy and focus in 2024, Digital Office will:

- ◆ Strive to maintain our leadership in the digital banking sector
- ◆ Enhance our customers' financial growth by offering innovative solutions, hyper-personalised experiences to meet their evolving needs, including –
 - Commercialising our Auto-earning feature to optimise customers' idle funds – supporting our CASA and net new money growth
 - Expanding credit access through flexible limits determined by enhanced data-led credit scoring.
 - New wealth management products and systematic investment plans
 - Creating an omni-channel approach for our loyalty platform, so it offers a more joyful and personalised user experience including:
 - ◆ Accelerated earning of points
 - ◆ Most favoured redemption options
- ◆ Use multi-touch analytics and an analytics workbench to better understand customer interactions and preferences to improve our offerings so Techcombank becomes their preferred bank.



**Simple.
Secured.
Personalized.**



IT DIVISION



“
The Bank had a paradigm shift in recent years, enabled by outstanding IT capabilities, which in turn has made IT division a destination for top IT students and talent.

Nguyen Anh Tuan
Chief Information Officer

Overview

In 2023, the Bank had a paradigm shift away from the idea that attracting and retaining customers means a proportional increase in our workforce. IT Division played a key role in the Bank's ability to add 2.6 million new customers this year while maintaining a consistent cost-to-income ratio by:

- ◆ Offering the best training possible to IT employees
- ◆ Overseeing the streamlining of operations to make them leaner and more efficient
- ◆ Using data to automate processes wherever possible.

2023 Highlights

6 focus areas

- ◆ People
- ◆ Process
- ◆ Engineering excellence
- ◆ Service excellence
- ◆ Compliance and information security
- ◆ Commitment to digitalisation

Our people

The Bank has a policy of selecting the best possible IT employees and then keeping them at the top of their fields through ongoing training, obtaining new certification from accredited institutions like Amazon Web Services (AWS) and Pluralsight within their specific domain, and by learning skills in areas outside their area of expertise. Training is expected to cover both hard and soft skills:

- ◆ IT employees spent about 114 hours per user per year across all learning platforms.
- ◆ IT Division ran 14 division-based knowledge sharing sessions.
- ◆ IT Division offered 130 sessions at a functional level on various topics from technical to non-technical skills.
- ◆ Employees can study toward 142 sponsored certificates. Of 51 employees who sat the exams for certificates, 44 passed.
- ◆ Regular market testing ensures our training is in line with international industry benchmarks – few organisations offer skills to this standard.

Future Generation in Technology

Each year the Bank recruits from among the top 5% of college IT graduates from Vietnam's best universities. This elite cohort is pushed to develop their potential, which includes learning skills from different IT disciplines. For example, a software developer in college may learn infrastructure, cloud and automation, making them a more well-rounded future leader. The first group of students who started in 2022 and the second from 2023 have really enjoyed learning and working with us. All are actively engaged in strategic initiatives and action plans in roles ranging from Developer, Business Analyst, DevSecOps (DSO) Engineer, Scrum Master and Junior Solution Architect. Their ambition, ability and commitment was recognised by their Matrix Managers with an average Key Performance Indicators (KPI) score of 8.6/10. They are also active in cultural and team-building activities included football, Techcombank's T-talent contest, and the IT running race, all contributing to a dynamic and inclusive workplace.

Highlighting their technical acumen, a team of three won second prize at the AWS Deep Racer contest, a machine learning software development competition held in partnership with AWS and Techcombank. Our aim is to set up a national competition against other Vietnamese banks, and send the winner to an international competition in the US.

The next batch will grow to 16. All candidates are confirmed to come on board in January 2024. The program has also been expanded from 18 to 24 months.

Ho Chi Minh City (HCMC) Digital Centre

The HCMC Digital Centre grew steadily in 2023 and remains our tech hub. The team participated in IT projects, collaborated remotely, and worked closely with the team in Hanoi to deliver on our commitments.

Skills were being continuously honed via official and on-the-job training with the HCMC Digital Centre recording 22,000 hours of learning for 2023.

We delivered all planned events and activities for our HCMC squad. This includes the same level and quality of content as our northern teams across town halls, year-end parties, Techcombank's birthday celebrations, and induction training. The events enjoyed 75%+ participation and a 4.6+/5 average satisfaction.

Employee engagement

This year was the first time IT Division had its own internal communication channel – TechNet. It is a place to share

information about what is happening in the technology community and within the Bank, so every IT employee is aware of their internal and external working environment.

Employees across IT Division recorded excellent Employee Engagement Score, with 76% for Employee Engagement, 81% for Employee Enablement, and 69% for Employee Effectiveness compared to 72%, 78%, and 61% in 2021 respectively.

Other memorable IT Division activities for 2023 included:

- ◆ Nine divisional events (e.g. town halls, year-end parties etc.)
- ◆ 15 functional and management events
- ◆ Fostering corporate culture by introducing 'Yammer', email and 'Sharepoint'.

Our processes

IT transformation

In 2023, we streamlined our IT processes to offer a seamless transition from business demand to realisation. We've reduced manual labour, freeing up time for higher-value tasks through centralised IT service management and integrating portfolio management. Improvements to the measurement matrix have improved IT's accuracy and transparency.

IT Transformation project consists of three modules: Configuration Management Database (CMDB), IT Service Management (ITSM), and Application Portfolio Management (APM).

- ◆ **Configuration Management Database (CMDB):** CMDB is a centralised database that stores information about Techcombank's hardware and software assets, configurations, and their relationships. It is a vital component for IT asset management and change management.
- ◆ **IT Service Management (ITSM):** ITSM refers to the practices and tools used to manage and deliver IT services efficiently. It encompasses processes such as Incident & Problem Management, Change Management, and IT Service Request Management.
- ◆ **Application Portfolio Management (APM):** APM involves the evaluation and optimisation of Techcombank application portfolio. It helps identifying redundant, outdated, or underperforming applications, enabling informed decisions about application investments and retirements.

In 2023, we also piloted the IT Service Management system, serving JiraSM – a platform for IT staff to manage IT Services requests – to ~1,000 users. Change request management was deployed for bank-wide technology alterations. In August, we centralised incident and problem management to improve our response capabilities.

DevSecOps

DevSecOps remains important to our team-based workplace, revolving around automation and security:

- ◆ **Automation:** Automate process to improve productivity and shorten time-to-market. Reduce effort for development and testing, in turn reducing operational costs.
- ◆ **Security:** 100% of projects' products are automatically scanned by security tools, thus minimising potential security vulnerabilities on Techcombank's digital products and customers' data. Enables multi-level security scans on the code before releasing, enhancing the security posture of digital products.

Non-prod Migration

The migration of non-production systems is a key part to improvements in technology and processes. This involves: end-to-end (E2E) infrastructure and application provisioning pipelines on-cloud and on-premises

- ◆ E2E data pipelines to transform and transfer production data into non-prod environments
- ◆ Compliance and operational frameworks, and cost management strategies.

In 2023, we significantly reduced provision time and eliminated human intervention by moving >40 code pipelines to provision applications.

Techcombank's Agile Way of Working – Techcomway

Embedding Techcomway into the IT process drives productivity and collaboration. An agile way of working isn't just about processes; it's a dynamic mindset propelling us forward. TCW lets teams quickly respond to change, fostering a collaborative and adaptive environment. Breaking down complex tasks into manageable iterations improves productivity and outcomes.

Activities and progress in 2023:

- ◆ Baseline IT Agile Maturity levels in 1Q23 matured from 41% to 58% in 4Q23.
- ◆ Jira is the single source of truth for monitoring and tracking work.
- ◆ Our IT teams now follow a regular schedule and duration for project sprints.
- ◆ We held seven training sessions and 10+ knowledge-sharing meetings from agile fundamentals to advanced best practice.
- ◆ We introduced the TCW gamification/contest across various divisions to drive engagement.

Engineering excellence

Engineering excellence is the foundation of our innovation journey. Our best practice environment ranges from robust code architecture to innovative problem solving.

Source control:

Monitoring our monthly release rates ensures consistent, good quality products. In February 2023, 54.35% of projects reached the market. This grew to 72.34% by year's end – an improvement by 18%. This reflects our commitment to enhancing productivity. Our strategic use of resources has led to more frequent product launches, resulting in meeting customer needs faster. Integrating our work methods and adopting best practice has delivered more releases and shorter market lead times.

Code quality:

Our Code quality metric clearly shows IT increasing the quantity and quality of our work. Our aim was to reduce errors and warnings per Code per release by 10% in 2023, but this came in at 94.8%.

Service excellence

Our goal is to deliver a consistently seamless and stable technology experience, always putting the customer first and ensuring consistent performance that exceeds expectations.

Incident management and system availability:

In 2023, the number of incidents decreased by 68% from 2022, including a 60% reduction in critical incidents and a 75% reduction in lower-impact incidents.

The availability of customer-facing services year-to-date (YTD) was 99.98%, slightly above the average for emerging market digital banks.

IT Support:

We continue to improve IT Support by:

- ◆ Daily checks and monitoring IT Service Support quality assurance requests
- ◆ Weekly meetings between all IT Functions to review Operational Level Agreement results and action needed improvements
- ◆ Ensure overall performance, availability, reliability and security of all end-point devices
- ◆ Standardising hardware and operating systems to support end user roles and functions and better manage asset life cycles
- ◆ On-going training and upskilling for the technical team.

Metric	2022 actual	2023 YTD
Service Level Agreement	97.51%	98.46%
First Time Right	97.02%	98.51%
Satisfaction Rate	98.41%	99.16%

Compliance and information security

Anti-Money Laundering (AML) system

IT Division worked diligently to make sure the Bank's AML system continued to comply with best practice international standards and was fit-for-purpose.

Over the past three years Techcombank has worked with a world-leading consultant to prevent money laundering, terrorist financing and other financial crimes. Techcombank is Vietnam's first bank to undergo a full-scale upgrade in these areas and leads the way in compliance and risk management.

In 2023, we successfully streamlined our Know Your Customer (KYC) processes and AML/Sanction control measures by centralising them across both primary and secondary lines of defence.

Other achievements in 2023:

- ◆ We stopped services to 389 organisations and/or individuals on the prohibited list between June 2022 and December 2023
- ◆ We performed real-time AML checks for 150,000 international transactions and 122,000 new customer KYC processes per quarter
- ◆ We reduced average processing time for transaction screening by 50-80%.

IT risk management:

We standardised IT risk management procedures in line with bank-wide risk management regulations which includes process, people and technology.

We applied Key Operation Risk Indicator including five key indicators measuring key risks and KPI's status to provide early warnings. We recognised 73% more self-identified risks than during 2022 and handled 100% of top IT risks on time, compared to 93% in 2022.

IT governance framework

We used 2019's Control Objective for Information and Related Technologies (COBIT) to establish the IT governance framework. We built or updated seven bank-wide and six division-level documents.

Other compliance issues

Progress has been made on government-issued Decrees 13/2023 and 53/2022 on Personal Data Protection and Cybersecurity:

Decree 53/2022: we achieved full compliance for all 42 Techcombank applications and systems on AWS cloud and seven out of ten Techcombank Software as a service (SaaS) products. Important progress towards compliance with the remaining three Techcombank SaaS products are being made.

Decree 13/2023: IT Division is coordinating with Data Architecture Governance to set data privacy standards. These will guide Techcombank's data security strategies to meet 2024 compliance requirements.

Information security

- ◆ The Security Operations Centre (SOC) team promptly identified and resolved 74,330 security violations and attacks against the Techcombank system in the preceding year, three times the number of incidents in 2022 and nine times the number in 2021. Actively join the team to handle technology incidents, regardless of time.
- ◆ We became the first bank to implement new Cloud-based security solutions: Platform for distributed denial of service (DDoS) protection and cloud workload protection (CWPP). These solutions help protect the bank service and workload from hundreds of malicious attacks.
- ◆ We completed re-assessment and achieved PCI DSS certification for 2023.
- ◆ We completed the periodic audits of ISO 27001 certification and documented as compliance.

Commitment to digitalisation

Cloud adoption

This shift has made our maintenance as efficient as possible with AWS handling infra patching, with a cost optimisation (CO) score of 49.9% in 2023, surpassing the top performing large bank in ASEAN (at 42%).

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In 2023, we reached a significant milestone by migrating **31.1%** of our workload to the cloud, ensuring an exceptional availability rate of **99.9%**.”

Operational productivity has been a focal point, with each full-time employee now effectively supporting approximately 4.5 applications in the cloud – a substantial increase from 2.8 applications on-premises.

Techcombank Mobile and Techcombank Business Application

Techcombank's retail and business apps are now among the highest rated mobile banking apps in Vietnam on the Google and Apple App stores. This excellence was recognised internationally when Techcombank became the first Vietnamese bank to win Best Retail Mobile Banking App in Asia-Pacific and the Best Integrated Corporate Banking Platform Globally, from the prestigious US-based magazine, Global Finance. For more information, please see the earlier Retail Banking Group section and Business Banking section.

Customer Relationship Management (CRM) system

To-date Techcombank is the only Vietnam bank that has implemented cloud-based Customer Relationship Management (CRM) with over 6,200 staff using it to benefit customers. For more information, please see the Digital Office section.

Adobe Digital marketing platform

We adopted the Adobe's Martech stack to enable personalisation and messaging optimisation (i.e. right message, right time, right channel) for continuous improvement in relevance and customer value deepening for both new and existing customers. For more information, please see Digital Office section.

The focus of IT for 2024

In 2024, IT continues to focus on our three important pillars, which are engineering excellence, process excellence and people excellence:

Engineering excellence:

- ◆ Improving IT – Business alignment and collaboration
- ◆ Driving change and improvement via international standard engineering
- ◆ Productivity boost by applying AI and automation

Process excellence:

- ◆ Enterprise architecture and information security
 - Build an architecture engine to improve productivity and reliability
 - Drive the innovation by continuously exploring technology trends
 - Protecting the Bank with Productivity boost and Automation
- ◆ Service excellence - Delivering the best IT services
 - Continue to enhance the monitoring capability for critical services
 - Sustainable systems – On-cloud and on-premises

People excellence – Strengthening IT leadership, continuing to invest in Talent and promoting inclusive culture.

TALENT (HR)

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In 2023, Techcombank took significant strides in recruiting the most talented people, offering them tailor-made development programs and providing best-in-class support for their career and personal growth. Simultaneously, we have been building robust technological capabilities for future effectiveness.

Nikki Dang My Quyen
Chief Human Resources Officer



Overview

Our strategic vision for human resources is to be 'home to the best talent'. In a challenging business environment, talent has become even more important to achieving the Bank's five-year strategy. We successfully developed and retained talent throughout the year, building concrete foundations for future effectiveness, reflected in our very positive Employee Engagement Survey (EES) results. We received more prestigious awards that reflect our efforts:



◆ 1st and only bank in Vietnam to win "Best Workplaces in Asia" and among the 'Best Workplaces in Vietnam' 2023 – by *Great Place to Work*



◆ Top 50 Vietnam Best Places to Work – by *Anphabe*



◆ Employer of The Year – Banking and Achievement in HR Technology – by *the Stevie Awards 2023*



◆ Best company to work for in Asia – HR Asia; our third consecutive win!

Non-stopping investment by Techcombank in employee development over years led to significant return with lower turnover rate and in 2023, ~80% senior positions in the Bank was filled internally by existing employees, and ~75% mid-level positions.

2023 highlights

Building our Human Resource Information System (HRIS) technology stack

Throughout the whole journey, Techcombank strives to provide employees with the best experience. HR's digital transformation has enabled us to move to our HRIS, HRConnect on cloud enabling 60-70% of our HR transactions to online and paperless. In 2023, we expanded our HR technology stack with 3 additional modules:

- ◆ **Performance Management** – a powerful digitalised tool for continuous performance development including a simplified and automated goal library. As the Bank continued to explore more business areas, employee scope of expertise also expanded to more operational models, more positions. It was critical to have a performance management mechanism that is not only simple but also flexible enough to evaluate employees effectively in such diversified situations.

We simplified and automated employees for goal setting and performance management with 90% satisfaction across employee segments. Employees and managers have clear development plans and transparency in mid-year and year-end performance review. Created the goal library to guide and support managers and employees to create meaningful goals and measure achievements and outcome. Provide transparency and track employee's performance, identify areas of improvement, and link performance to talent development initiatives. We set up a consistent KPI structure and principles for goal setting and performance assessment for use by all non-frontline employees. The Goal Library is a collection of predefined goals and metrics that apply to all 1,000+ non-frontline positions. Employees can see a top-down view of the Bank's goals and use these as a reference to set meaningful goals for the year. Line managers use the library to share and cascade team goals to all members in their unit. This platform provides tools for creating personalised development plans for our employees with their managers to help them grow and develop professionally.

- ◆ **Talent Management** – to further enhance our talent selection, development and retention processes. A platform to further enhance our talent selection, development and retention to support our focus on developing and groom a strong talent pipeline to achieve long term success of the bank and drive retention of our key talent. Our succession plan identifies and develop internal talent to fill key roles in the bank to smooth transition in key roles, ensure continuity and mitigate risk and maintain organisational stability. Implementing our Succession and Talent management platform has streamlined the process and provides visibility into the talent pipeline across the Bank based on skillsets and expertise to enable proactive talent development and promotion for internal employees.
- ◆ **Compensation and Rewards** – to provide more clarity and empowerment for line managers handling compensation. We implemented a new performance pay for bonus program that has significantly boosted morale and motivation. We streamlined the annual merit increase process, which allowed managers to easily locate budget, provide real time access and analytics to evaluate employee's performance, ensuring fairness across the bank. The new platform saves time by automating tasks such as salary adjustments and bonus allocation and compensation reviews. With the new platform, employees will also be able to have full visibility of their total rewards thru our new total rewards statement.

Specifically, in 2023 we refreshed our performance bonus scheme offering an overall increase in the bonus level and better phasing of the bonus tiers.

With this, Techcombank will have an end-to-end online visibility of employee journey as well to enhance our employee life cycle experience to best serve our Techcomers.

Acquiring the best talent and providing the best onboarding experience

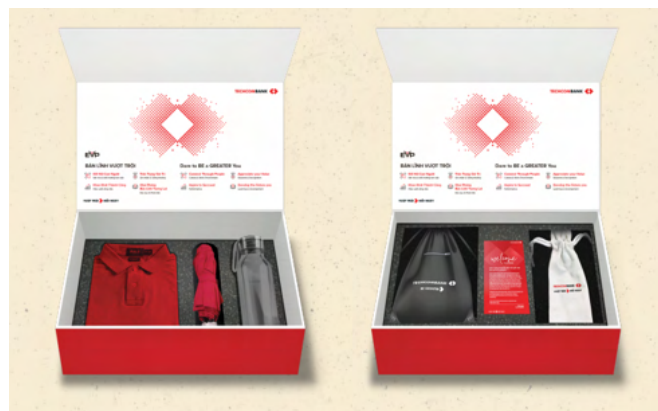
In 2023, we continued to reach out to the world, with a talent roadshow to Sydney, to seek the hard-earn talent with targeted Vietnamese home comers with niche skills. We have also retained the proactive approach to share information on our culture and environment, direction and opportunities to the market labour to attract fitting talent. An effective and transparent recruitment process helped to benefit both the Bank and applicants, leading to 97% of positions recruited with high satisfaction by both the recruiting units and the applicants.

We aim to provide all new Techcomers with a great experience from the day they join us and pride ourselves on our thoughtfully designed Welcome Kits. These provide the basic information and items an employee needs to immediately feel at home, but also go beyond the expected. For example, the kits make it very clear that the Bank is committed to employees' physical and mental wellness, and we use only recyclable materials – these inclusions demonstrate our commitment to ESG. Our onboarding program also increased from a half day to three days this year, so new employees

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We are pleased to have recorded about **90% satisfaction** across our employee segments at various steps in their performance management journey.

have ample time to learn our critical policies, processes and other information, but can also familiarise themselves with our incredible culture and the experiences on offer. We want them to quickly appreciate, and integrate into, their new family.



Techcombank's impressive Welcome Kit

Learning and development

A key focus for Techcombank to become the "home to the best talent" is developing and empowering our own existing staff. Average learning hours by employee continued to increase, with each Techcomer spending about **81.7 hours**, or two working weeks on professional development this year.

The Bank's ongoing investment in employee development has led to significant returns. One great benefit is that we can create and promote people internally. This means employees can clearly see potential career paths and also means the Bank saves on the costs of recruiting from outside. In 2023:

- ◆ About 80% of the Bank's senior positions were filled by existing employees
- ◆ About 75% of mid-level positions were filled internally.

In addition to the general training courses we provide on-demand, the Bank offers focused training programs. For example, IT and Data employees were objectively assessed to identify any skill gaps they needed to bridge to bring them closer to industry benchmarks. We also trained and upskilled employees in evolving and transforming areas, such as product owner, customer journey and digital/martech.

A highlight of 2023's learning and development journey was revamping our Key Talent segments with corresponding specialised training program. Our Key Talent makes up less than 5% of the Bank's total population and have high leadership potential or/and high value niche functional skills. For each of the Key Talent segments, Techcombank provided focused tailor-made programs with modern tool and training environment such as:

- ◆ Techcom Manager
- ◆ Techcom Leader
- ◆ TechcomLEAP
- ◆ TechcomRISE
- ◆ The Future Gen.

In 2023, Techcombank also established TechcomAcademy, a specialised training unit with unique model to accelerate critical skill development for critical Individual Contributor career track to develop niche specialist skills such as product

owner, customer journey, digital/martech. As the result of this focus and tailor-made approach, our employee retention rate was 89.3% for 2023, higher than in 2022 and continued to be higher in Q1 2024. Retention of employees with 1 year or less at Techcombank was also very strong at 86.8% in 2023, showing equality and consistency across employees' tenure.

Employee Benefits

As our employees develop and perform better, Techcombank has updated our compensation and benefits. We also developed a new performance pay for performance bonus program in the HRConnect system that have significantly boosted morale and motivation. We streamlined the annual merit increase process online, making it easy for managers to easily locate budget, provide real time access and analytics to evaluate employee's performance, ensuring fairness and equality across the Bank. Employees can also easily have full visibility of their total rewards via our new total rewards statements.

Specifically, in 2023 we refreshed our performance bonus scheme offering an overall increase in the bonus level and better phasing of the bonus tiers, we offered new targeted benefits, such as insurance, corporate discounts and others, are welcomed and appreciated. A particular highlight is An Cu 1, 2,3, our 'settled accommodation' program for employees who dream of owning their own home. We worked with real estate partners to introduce a corporate discount and offered subsidies and payment support programs to reduce financial obstacles. Already 800 Techcomers are homeowners.

On a day-to-day basis, we acknowledge the important contributions and achievements of our employees in small, yet important, ways. For example, on an employment anniversary, we send a warm and personal e-message to mark the occasion and express appreciation of their contribution to the Bank and our society. We also continue to encourage managers and other employees to send an email or use the HRConnect's thanking function to thank a fellow Techcomer for doing something great and copy in their manager or other team members. It is important to us that our employees feel acknowledged when they go the extra mile or help another team member.

2024 focus

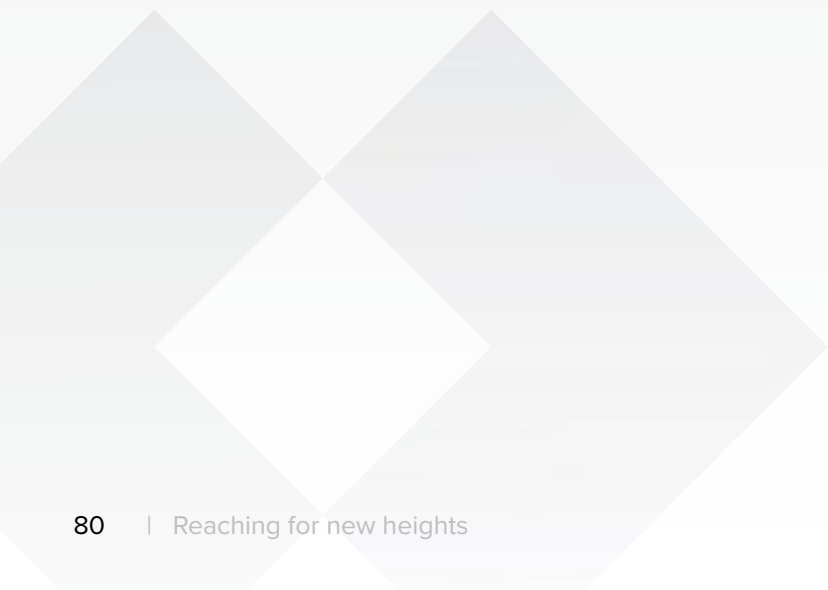
In 2024, we will:

- ◆ Continue to empower our people and enhance our capabilities.
- ◆ Invest more in our people managers by refreshing offerings to this important segment who drive the Bank's performance and future.
- ◆ Foster a culture of internal mobility, providing opportunities for all employees to grow and expose to new areas, and with that expansion in capability better perform in their current position as well as explore new positions and career paths within the Bank.
- ◆ Continue to improve our employees' quality of life by providing more offerings to help them rent or buy house, and children's education. Alongside this, we're placing a strong emphasis on maintaining the highest quality of service for our employees, while simultaneously strengthening our reporting and data analysis capabilities to gain deeper insights and make data-driven decisions.



05.

THE FOUNDATION OF TECH



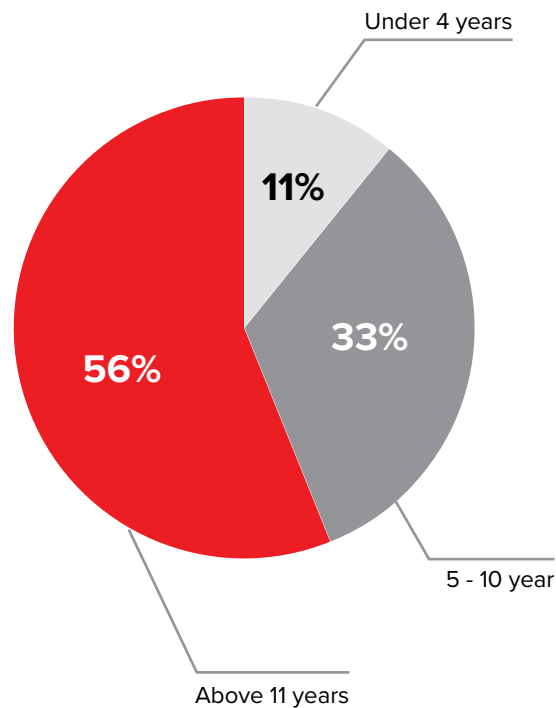
CORPORATE GOVERNANCE

On Corporate Governance

In 2023, strictly following the orientation and direction of Board of Directors, Techcombank always ensure compliance with corporate governance regulations according to Vietnamese law, as well as proactively apply best practices of governance in the region and in the world to enhance governance efficiency for the whole bank and raise awareness of managers and employees about best corporate governance practices.

Techcombank's Corporate Governance and Structure always aims at transparency and efficiency, ensuring benefits for customers, employees, shareholders and investors, thereby ensuring the development and sustainable value of the Bank.

Tenure of BOD



- 8 Non-executive members
- 1 Independent member

Board of Directors - Techcombank

2019 - 2024 term



Mr. Ho Hung Anh
Chairman

Age 54
Board member since: 03/2004

Experience

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

Diploma

Mr. Ho Hung Anh holds a degree in electrical engineering from the Kiev Polytechnic Institute in the Ukraine and a Master's in Human Resource Management from Moscow Automobile and Road Construction State Technical University.



Mr. Nguyen Dang Quang
First Vice Chairman

Age 61
Board member since: 01/2000

Experience

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

Diploma

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



Mr. Nguyen Thieu Quang
Vice Chairman

Age 65
Board member since: 06/2000

Experience

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

Diploma

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





Mr. Nguyen Canh Son
Vice Chairman

Age 57
Board member since: 05/2008

Experience

Mr. Nguyen Canh Son has served on the BOD since May 2008 and has been Vice Chairman since April 2009. Mr. Nguyen Canh Son has more than 20 years of experience, including positions as chairman and member of BODs of large corporates such as Eurowindow JSC, Eurowindow Holding JSC and Trade Center Investment JSC – Hanoi Moscow.

Diploma

Mr. Nguyen Canh Son graduated as a Civil Engineer from the Moscow Institute of Civil Engineering was named after Valerian V. Kuibyshev in Russia (now Moscow State University of Civil Engineering).



Mr. Ho Anh Ngoc
Vice Chairman

Age 42
Board member since: 04/2021

Experience

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

Diploma

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



Mr. Lee Boon Huat
Non-executive Director

Age 67
Board member since: 12/2012

Experience

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 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.

Diploma

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



Mr. Saurabh Narayan Agarwal
Non-executive Director

Age 43
Board member since: 04/2019

Experience

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

Diploma

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

Corporate Governance Officer cum Company Secretary



Mr. Nguyen Nhan Nghia
Independent Director

Age 55
Board member since: 04/2019

Experience

Mr. Nguyen Nhan Nghia was appointed as Techcombank’s BOD independent director in April 2019. Prior to joining Techcombank, he held executive positions at financial institutions and banks, including Deputy Head of Department, Head of Rural Finance Project under the International Credit Project Management Unit at the State Bank of Vietnam; Deputy Head of BIDV’s Business Center 3; Deputy CEO and CEO of BIDV Vietnam Partners.

Diploma

Mr. Nguyen Nhan Nghia graduated from Thuy Loi University, majoring in Water Engineering. He has a Finance and Economics Master’s degree from the University of London and was awarded a CFA (Chartered Financial Analyst) certificate from the International Professional Financial Analysis program.



Mr. Nguyen Tuan Minh
Corporate Governance Officer cum
Company Secretary
Chief of BOD Office

Age 57
Appointed as Corporate Governance Officer since: 11/2019

Experience

Mr. Nguyen Tuan Minh joined Techcombank in May 2013 and has more than 9 years of executive experience, including many different management positions at Techcombank such as Head of Legal; Head of Compliance at Operational Risk and Legal Division; and Head of Legal Counsel at Corporate Affairs Division. Prior to that, he spent over 20 years in legal consulting – as a practising lawyer, an in-house general counsel and in senior management position at a private law firm, in the Vietnam branch of an international law firm and in a commercial bank and securities company. Mr. Nguyen Tuan Minh was appointed Corporate Secretary cum Chief of BOD Office in November 2019.

Diploma

Mr. Nguyen Tuan Minh 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.

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

No.	Full Name	Position in TCB	Position in other companies held by BOD members
1	Mr. Ho Hung Anh	Chairman	None
2	Mr. Nguyen Dang Quang	First Vice Chairman	<ul style="list-style-type: none"> ◆ BOD Chairman, Masan Group Corporation ◆ BOD Chairman cum CEO, Masan Corporation ◆ BOD Chairman, Mobicast JSC ◆ BOD Chairman, VCM Services And Trading Development JSC ◆ BOD Chairman, Phuc Long Heritage Corporation
3	Mr. Nguyen Thieu Quang	Vice Chairman	<ul style="list-style-type: none"> ◆ BOD Member, Masan Consumer ◆ BOD Chairman, Saigon Environmental Technology & Construction Corporation – Senco
4	Mr. Nguyen Canh Son	Vice Chairman	<ul style="list-style-type: none"> ◆ BOD Chairman cum CEO, Eurowindow Holding JSC ◆ BOD Member, T&M Van Phong Investment & Tourism JSC ◆ BOD Chairman, Incentra JSC ◆ BOD Chairman, Eurowindow JSC
5	Mr. Ho Anh Ngoc	Vice Chairman	<ul style="list-style-type: none"> ◆ BOD member – One Mount Distribution JSC ◆ BOD member – One Mount Consumer JSC ◆ BOD member – Viet Nam Cruise Co., Ltd.
6	Mr. Lee Boon Huat	Non-Executive Director	Independent Director – Alliance Bank Bhd
7	Mr. Saurabh Narayan Agarwal	Non-Executive Director	<ul style="list-style-type: none"> ◆ Non-executive member – Nanhe Kadam-non-profit Society ◆ Non-executive director – Circles Asia Cayman Limited ◆ Independent member of BOD – Mobile Service Joint Stock Company ◆ Director – Lion Fintech Investments Pte. Ltd ◆ Non-executive director – Converge Information and Communications Technology Solutions Inc. ◆ Director – Converge ICT Singapore Pte. ◆ Director – WPSG Master Holdings Pte. Ltd. ◆ Director – WOH Logistics Management ◆ Director – Advance Intelligence Group Ltd ◆ Director – Aseana Insurance Holdings Investment Pte. Ltd ◆ Commissioner – BFI Finance ◆ Director – Globe Fintech Innovations Inc
8	Mr. Nguyen Nhan Nghia	Independent Director	None

Activities of Board of Directors in 2023

The Board of Directors oversees the operations of the CEO and the Bank's Executives through the authorisation and delegation mechanism as well as TCB's internal regulations issued by the Board. Activities 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 CEO, upon which the BOD will make decisions promptly for the CEO and other Executives to implement.

In 2023, Board of Directors of Techcombank held 04 Board meetings. Detail content and issuance dates of Resolutions are listed here under:

No.	BOD Members	Position	Day elected as member of the Board of Directors	No. of attended meetings	Attendance rate	Reasons for absence
1	Mr. Ho Hung Anh	Chairman	13/04/2019	04	100%	
2	Mr. Nguyen Dang Quang	First Vice Chairman	13/04/2019	04	100%	
3	Mr. Nguyen Thieu Quang	Vice Chairman	13/04/2019	04	100%	
4	Mr. Nguyen Canh Son	Vice Chairman	13/04/2019	04	100%	
5	Mr. Ho Anh Ngoc	Vice Chairman	24/04/2021	04	100%	
6	Mr. Lee Boon Huat	Non-Executive Director	13/04/2019	04	100%	
7	Mr. Saurabh Narayan Agarwal	Non-Executive Director	13/04/2019	04	100%	
8	Mr. Nguyen Nhan Nghia	Independent Director	13/04/2019	04	100%	

Resolutions of the Board in 2023

No.	Resolution No.	Issuance date	Main Content
1	0170/2023/NQ-HĐQT	24/03/2023	<ol style="list-style-type: none"> Review and approve business performance results until February 2023. Review and approve the business plan, budget and submit to the 2023 General Meeting of Shareholders. Review and approve the report on update of Techcombank's strategy. Review and approve the Supervisory Board's Quarter 1/2023 report. Review and approve the agenda and meeting contents to be submitted to the 2023 Annual General Meeting of Shareholders.
2	0476/2023/NQ-HĐQT	30/06/2023	<ol style="list-style-type: none"> Review and approve business results until May 2023. Review the adjusted business plan for 2022. Review and approve the report on update of Techcombank's strategy. Review and approve the Supervisory Board's Quarter 2/2023 report. The BOD assigned Mr. Lee Boon Huat - Member of the Board of Directors in charge of leading the construction and development of Environment - Society - Governance (ESG) work for Techcombank.

No.	Resolution No.	Issuance date	Main Content
3	0677/2023/NQ-HĐQT	22/09/2023	<ol style="list-style-type: none"> Review and approve the CEO's report on Techcombank's business results until August 2023. Review and approved the CEO's report on updating Techcombank's strategy. Review and approve the Quarter 3/2023 report and recommendations of the Supervisory Board. Review and approve the report on the implementation of Environment - Society - Governance (ESG) at Techcombank.
4	0872/2023/NQ-HĐQT	15/12/2023	<ol style="list-style-type: none"> Review and approve the CEO's Report on Techcombank's business results until December 2023. Review and approve the report on update of Techcombank's strategy. Review and approve the Quarter 4/2023 report and recommendations of the Supervisory Board. Review and approve the 2024 Business Plan and Budget according to the report and proposal of the CEO. Assign the Chairman of the BOD to review, revise, make decision on adjustments (if necessary) and report to the BOD for approval at the next meeting to submit to the 2024 Annual General Meeting of Shareholders. Review and approve in principle and agreed with Techcombank's policy of implementing the Environment - Society - Governance (ESG) program according to the Government's orientation. Assign the CEO to review and align the details of contents and issues, which industries? Which sub-segment? Why not do it? What are the economic benefits? What is social benefit?; introduce Techcombank's initiatives, clear criteria that Techcombank plans to implement on ESG and report to the BOD.

Activities of Independent Board Members

- Executing the rights and obligations of independent BOD members in accordance with Techcombank's internal regulations and the assignment decisions of the BOD/Chairman of the BOD carefully and honestly, contributing to the success of Techcombank's 2023 business results.
- Fully attending the meetings of the BOD, Board Risk Committee (BRC), Nomination Committee (NORCO) and give comprehensive opinions on the issues approved at the meeting and issues approved via written form at the Councils/Committees in which they participate.
- Implementing the resolutions and decisions of the AGM of Shareholders in 2023 and according to the Decision on assignment of tasks of the BOD.
- Reporting and disclosing adequate information in accordance with current law when performing stock transactions (buying ESOP shares) for their affiliated persons at Techcombank.
- Completed tasks and responsibilities in roles and positions as assigned by the BOD, effectively supporting the BOD in making timely decisions on governance process.
- Evaluating the BOD' performance in 2023:

In 2023, the BOD has been active and effective. Accordingly, the BOD proactively and promptly promulgates resolutions and decisions to effectively implement the Resolution of the General Meeting of Shareholders in 2023, in which the following tasks are outstanding:

 - Working with the members of the BOD in directing, supervising CEO/Executive Committee to complete the 2023 business plan approved by the 2023 General Meeting of Shareholders;
 - Performing the roles, functions and responsibilities of the independent members of the BOD in supervising CEO to perform the tasks assigned by the BOD;
 - Reviewing and approving the issuance of internal regulations related to Techcombank's organisation, governance and professional activities under the authority of the BOD;
 - Supervising CEO in organising and implementing control activities, operating and maintaining the information management system and information exchange mechanism, maintaining the control culture and professional ethical standards in Techcombank, supervising the handling of internal violations and professional ethics standards;
 - Giving opinions and discussing on the implementation of Techcombank's annual strategy and development plan;
 - Making decisions on solutions related to market development, marketing and technology solutions;
 - Making decisions on risk management policy and monitoring the implementation of risk prevention measures in Techcombank; and
 - Performing other tasks assigned and directed by the State Bank of Vietnam and the Chairman of the BOD.

List of Directions with Corporate Governance certificates

In 2023, all members of Techcombank’s Board of Directors participated in programs covering corporate governance.

the Securities Research and Training Center under the State Securities Commission.

The majority of Techcombank’s BOD members, the CEO and Company Secretary, have completed a training program on corporate governance for public companies organised by

Senior managers are regularly updated on any new or revised corporate governance regulations that apply to public companies.

Activities of Committees under the Board of Directors in 2023

The Board of Directors established 02 committees in accordance with the law, including the Board Risk Committee and the Nomination Committee, with the function of advising the BOD on related issues. Activities of the Committees in 2023 are as follows:

Board Risk Committee (BRC)

Board Risk Committee is established by the BOD to execute several professional functions and tasks assigned by the BOD in relation to examination, supervision and risk management of the bank. In 2023, BRC reviewed and approved, thereby advising the BOD to make decisions on updating and completing the risk management policy, including periodically reviewing and promulgating amendments to the risk management policy of TCB; Risk Appetite in 2024, in line with the macro economy banking industry and consistent to the strategic objective to “maintain sustainable business development and community engagement whilst maintaining market leading capital, liquidity and prudent leverage ratios...” (Excerpt from Techcombank’s 2024 Risk Appetite Statement). BRC has actively directed and supervised bankwide risk management on basis of monitoring the implementation and compliance the regulations of the law, the State Bank of Vietnam, Risk Management Policy, Risk Appetite and safety thresholds and limits in banking activities, specifically:

- ◆ **Regarding the overall risk management:** BRC continuously directs to enhance risk management; which focuses on promoting the implementation and application of components of the risk governance framework in daily business, enhancing the role of the Risk Management Division in identifying and assessing material risks (credit risk, liquidity risk, market risk, operation risk, interest rate risk on the banking book...) since the design of products/ Offerings, completing the delegation hierarchy for individuals when implementing “Multi-Functional Team” working mechanism. In addition, to be consistent and enhance the Bankwide Risk Governance Framework, BRC endorsed and proposed to BOD’s approval for Risk Governance Framework for TCB’s subsidiaries and affiliates; at the same time, directed the improvement of risk management for subsidiaries. In addition, with the goal of sustainable development, BRC had discussed on ESG matters during the year, reviewed and submitted to the BOD for approval the environmental and social Risk Governance Framework.
- ◆ **Regarding credit portfolio management and credit risk:** (i) In the context of fluctuations of the global economy and Vietnam’s economy, BRC has directed to assess/ analyse the key risk factors in specified period based on the impacts of macroeconomic fluctuations on customer segments. Thereby, improving mechanisms for monitoring, warning, and early response to adverse market fluctuations.

- (ii) Requesting relevant units to enhance customer tracking and monitoring, implement periodic quality management reports to analyse and evaluate customer status/portfolio, promptly give directions to minimise and prevent risks that may arise
- (iii) Propose and advise competent authorities to direct the improvement of credit orientation in line with the Bank’s business strategy, promoting investment in technology, digital transformation and developing automated processes on a conservative basis, effective risk management.

- ◆ **Regarding operational risk management:** BRC is always focused on Operational risk management and spends time discussing operational risk management in regular meetings to strengthen the implementation of the risk governance framework in practice, ensuring proactiveness, speed, fierceness and effective orientation not only at the units directly involved in risk management activities but also the orientation to all Techcombank employees. BRC pays special attention to strengthen mechanisms for identifying, monitoring, assessing and handling operational risks in a quick and timely manner; In particular, it requires: (i) the proactiveness of the risk management unit when directly involved in the process of building products/ business programs/ offerings; (ii) improve decision-making mechanisms in handling operational risks. At the same time, promote the assessment and management of emerging risks such as: operational risk management for 3rd parties, cyber security risks.
- ◆ **Regarding liquidity and market risk management:** (i) BRC maintains quarterly monitoring of liquidity risk, market risk, IRRBB risk (ii) at the same time, BRC continues to advise and propose to competent authorities on managing liquidity risk, market risk with subsidiaries’ risk products portfolios.
- ◆ **Regarding other material risk types:** BRC supervised the implementation through periodic monitoring of the Risk Appetite indicators, Risk limits for material risks and thresholds, assurance limits in banking operations.

Chairman of BRC
Mr. Ho Hung Anh – Chairman

- Member of BRC**
- ◆ Mr. Nguyen Dang Quang – First Vice Chairman of BOD
 - ◆ Mr. Nguyen Thieu Quang – Vice Chairman of BOD
 - ◆ Mr. Nguyen Canh Son – Vice Chairman of BOD
 - ◆ Mr. Lee Boon Huat – Non- executive Director
 - ◆ Mr. Saurabh Narayan Agarwal – Non-executive Director
 - ◆ Mr. Nguyen Nhan Nghia – Independent Director

Resolution of Board Risk Committee (BRC)

No.	Resolution No.	Issuance date	Main Content
1	0169/NQ-BRC	24/3/2023	<ul style="list-style-type: none"> ◆ Endorsed the update and review report Q1/2023, including updating the implementation of the requirements of BRC at the Q4/2022 meeting, organising the implementation of risk management policies: monitor risk appetite, update risk limits periodically, manage, and review the status and strategy for TCB’s material risk, and accessing the impact of changes in legal documents on Techcombank. ◆ Endorsed the contents of the environmental and social risk governance policy framework to meet the requirements of the law and the State Bank of Vietnam, in accordance with the consultancy of 3rd partner and Techcombank’s activities. ◆ Endorsed comprehensive and detailed credit quality reports for each customer segment; continues to improve the quality of the reports, not only maintaining forecasts but also conducting in-depth analytical assessments, and at the same time giving practical and necessary actions to minimise risks that may arise. ◆ Regarding Operational risk management: BRC requested related units to review and re-evaluate the entire manual process, automatic operating process on digitisation platform to effectively control risks in the process of digital transformation and automation.
2	0478/NQ-BRC	30/6/2023	<ul style="list-style-type: none"> ◆ Endorsed the update and review report Q2/2023, including updating the implementation of the requirements of BRC at the Q1/2023 meeting, organising the implementation of risk management policies: monitor risk appetite, update risk limits periodically, manage, and review the status and strategy for TCB’s material risk, and accessing the impact of changes in legal documents on Techcombank. ◆ Regarding the overall risk management: (i) Review the governance structure and authority delegation system to improve risk management effectiveness (including credit risk, operational risk, liquidity risk, market risk) and ensure a flexible working mechanism and effective control; (ii) Enhance the role of the 1st line of defence and 2nd line of defence in risk management assessment, ensuring both prompt offering issues, in accordance with the needs of customers as well as the market, and risk control; (iii) Re-evaluate the governance model between TCB’s Functional Divisions and TCBS. ◆ Regarding to credit risk management: Require (i) Focus the resources on completing the project of appropriate RoRWA calculation, ready to be applied in the development of the 2024 business plan, (ii) Develop a clear and specific plan to complete the construction and monitoring of the overall credit limit for retail customers to meet the business needs of deploying both secured and unsecured products in order to improve customer experience. ◆ Regarding operational risk management: Request (i) Review and complete the operational risk assessment and management when cooperating with partners; (ii) Review the limits/ indicators related to operational risk management for service interruptions, the speed of handling IT incidents to ensure risk management while maintaining the indicators and level of Net Promoter Score (NPS), delivering the outstanding experience in the market.

No.	Resolution No.	Issuance date	Main Content
3	0678/NQ-BRC	22/09/2023	<ul style="list-style-type: none"> ◆ Endorsed the update and review report Q3/2023, including updating the implementation of the requirements of BRC at the Q2/2023 meeting, organising the implementation of risk management policies: monitor risk appetite, update risk limits periodically, manage, and review the status and strategy for TCB's material risk, and accessing the impact of changes in legal documents on Techcombank. ◆ Improved the risk governance framework, promoted the implementation and application of the risk governance framework's components in implementing "Multi-Functional Team" working mechanism. ◆ Regarding credit risk management: promote credit portfolio management to the end of the year; at the same time, it is necessary to build Business Orientation and Credit Orientation for customer segments in accordance with the fluctuations of the macro economy in 2024. ◆ Regarding operational risk management: Require (i) review the management of related documents and contracts, ensuring they are stored and transferred to the contracts PIC systematically when managing partnership; (ii) Update the key issues, trend on Cyber Security Risk at Techcombank.
4	0871/NQ-BRC	15/12/2023	<ul style="list-style-type: none"> ◆ Endorsed the update and review report Q4/2023, including updating the implementation of the requirements of BRC at the Q3/2023 meeting, organising the implementation of risk management policies: monitor risk appetite, update risk limits periodically, manage, and review the status and strategy for TCB's material risk, and accessing the impact of changes in legal documents on Techcombank. ◆ Regarding the risk management at subsidiaries: strengthen risk management at subsidiaries, not only identifying risks but also focusing on specific risk settlement measures, liquidity reserve, detailed operation mechanisms for all types of material risks. ◆ Regarding the optimisation of %RoRWA and the allocation of Risk Weighted Assets: continue completing the foundation tools and calculations to allocate RWA for each business segment, sub-segment, and economic sector; consider to apply this indicator for forecasting the project finance lifecycle. ◆ Credit risk management: (i) Review and strengthen transaction and data systems, improve customer information collection to integrate and standardise into the model; (ii) Complete the system and model of debt reminder and debt management and collection; (iii) Accelerate the progress of research and implementation to build plans with a clear timeline for outstanding consumer and credit products. ◆ Operational risk management: (i) Strengthen operational risk control on technology platforms (Mobile App ROC, eKYC) for transactions in the near future, especially during the upcoming Lunar New Year; proactively develop plans to proactively control and minimise the occurrence of technology, operational risk incidents affecting the bank's reputation when launching new products; (ii) For changes in legal documents and internal documents: carefully assess the level of impact, unify action plans, ensuring Techcombank's leading position in the market and no impact on customer experience and increasing internal operational efficiency; (iii) Quickly complete reporting and information storage mechanisms and decision-making mechanisms when operational risk incidents occur; (iv) Quickly review and make clear and specific plans to amend documents and reports to operate effectively as the adjustments of the bank's organizational structure.

Nomination Committee (NORCO)

In 2023, NORCO has proactively researched, consulted, advised and proposed to the BOD on organising and implementing HR strategy towards the goals of (1) Attracting top talent (2) Building capacity to successfully execute and excel the Bank's strategy (3) Retaining talent who are capable and efficient in their work as well as fitting with the Bank's corporate culture.

NORCO organised five meetings to discuss main groups of issue, including:

Talent development

NORCO discussed and advised on the identification of key talents, policies and development training programs to unleash the potential of these staff, aiming to build a successor pipeline for the Bank

Organisational development

NORCO has researched and consulted on key contents for the organisation to develop continuously and sustainably, such as constantly improving performance management, aiming to digitize human resources activities, ensuring capability of the people manager, standardizing, supplementing and renewing policies and schemes related to salaries, bonuses, and incentives.

Ensure implementation capacity

NORCO continuously consulted and advised the BOD on human resources activities, ensuring that the HR strategy is fully implemented through 2 fixed topics at all NORCO meetings: Update on implementation progress of the HR masterplan and report on HR management indicators.

NORCO has also advised on the HR masterplan for 2024, aiming to proactively retain and develop talent while constantly improving the capability and experience of employees in the organisation.

NORCO Chairman

- ◆ Mr. Nguyen Nhan Nghia – Independent Director

NORCO members

- ◆ Mr. Ho Hung Anh – Chairman of BOD
- ◆ Dr. Jens Lottner – CEO
- ◆ Ms. Nikki Dang My Quyen – Chief Human Resources Officer

Resolution of NORCO in 2023

No.	Resolution No.	Issuance date	Main Content
1	01/2023/BB-NORCO	01/03/2023	<ul style="list-style-type: none"> ◆ Approve the plan to organise NORCO meetings in 2023. ◆ Require the Human Resources Management Division to provide a roadmap to complete periodic reports, fully reflecting the effectiveness of human resource management activities in the Bank. ◆ Approve the plan to organise key talent selection with the goal of identifying, fostering and developing a top talent that will lead and implement the organisation's strategy.
2	02/2023/BB-NORCO	20/04/2023	<ul style="list-style-type: none"> ◆ Recognise that the Human Resources Management Division has organised offerings along the employee's journey at Techcombank; Require the Human Resources Management Division and managers in the Bank to coordinate in building an implementation roadmap, monitoring experience and organising effective communication. ◆ Approve the results of selecting key talent; orient the design of training and development activities for key talent segments to ensure quality, scale and budget. ◆ Orient the design and implementation of organisational culture activities and engagement programs, enhancing employee experiences.
3	03/2023/BB-NORCO	22/07/2023	<ul style="list-style-type: none"> ◆ Orient the implementation of the HR masterplan to aim at the overall results of the Bank, such as customer and employee experiences, simplifying processes, automating operations; Emphasize the role of managers in human resources management activities. ◆ Orient the expansion of programs to attract and develop young talent, develop successors. ◆ Approve the plan two implement activities to promote corporate culture in the second half of 2023.

No.	Resolution No.	Issuance date	Main Content
4	04/2023/BB-NORCO	21/09/2023	<ul style="list-style-type: none"> Recognise the result of developing management reports of the Human Resources Management Division, and requested to continue developing more management reports for other operational areas in the Division. Orient on organising and implementing a number of tasks in 2024 such as: actively communicating with employees, improving regional human resource capability, new ways of working, and training and development; faster human resource policies designing, regularly listening to employees' opinions, and talent development programs in the organisation.
5	05/2023/BB-NORCO	22/11/2023	<ul style="list-style-type: none"> Approve the report on learning and development activities in 2023, the training activities orientation toward developing new competencies in addition to the core competencies of the organisation, enabling internal experts. Orient activity areas: review the timeliness of the competency framework and propose plans to implement employee competency assessment according to the competency framework as well as design appropriate training programs to close the gap on competency; review the timeliness of of labour regulations and ethical standards and refresh them if necessary. Approve the HR masterplan for 2024.

Our Supervisory Board



Mr. Hoang Huy Trung
Head of Supervisory Board and Full-time member

Age 51
BOS's member since: 12/2012

Experience

Mr. Hoang Huy Trung has had many years' experience in the banking industry and has held various management positions at the State Bank of Vietnam and Techcombank. He has been Head of Supervisory Board and full-time member of the Techcombank Supervisory Board since 12/2012.

Diploma

Mr. Hoang Huy Trung graduated with a Master of Economics, specialising in banking, from the National Economics University and has a Bachelor of Accounting from the Academy of Finance.



Mr. Mag Rer Soc Oec Romauch Hannes
Member

Age 49
BOS's member since: 04/2012

Experience

Mr. Mag Rer 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 4/2012.

Diploma

Mr. Mag Rer Soc Oec Romauch Hannes holds a Master's Degree in Business Administration - majoring in Finance, Banking and Marketing - from Klagenfurt University, Republic of Austria.



Ms. Bui Thi Hong Mai
Full-time member

Age 52
BOS's member since: 03/2010

Experience

Ms. Bui Thi Hong Mai has many years' experience in accounting and finance. Since 03/2010 she became a member and a full-time member of the Techcombank Supervisory Board.

Diploma

Ms. Bui Thi Hong Mai holds a Bachelor's degree in Accounting from the University of Finance and Accountancy.

Our Supervisory Board's activities

1. Responsibilities and accountabilities of the Supervisory Board

- Monitor compliance with legal regulations and Techcombank's Charter in governance and management activities of the Bank;
- Perform the internal audit function, including review the effectiveness of internal control system, to the Bank and its subsidiaries;
- Appraise the Bank's semi-annual and annual financial statements;
- Perform inspection and monitoring (if any) in accordance with the law and the Bank's Charter upon request of the competent authority and/or of major shareholders/groups of shareholders;
- Perform other duties in accordance with the law and the Bank's Charter.

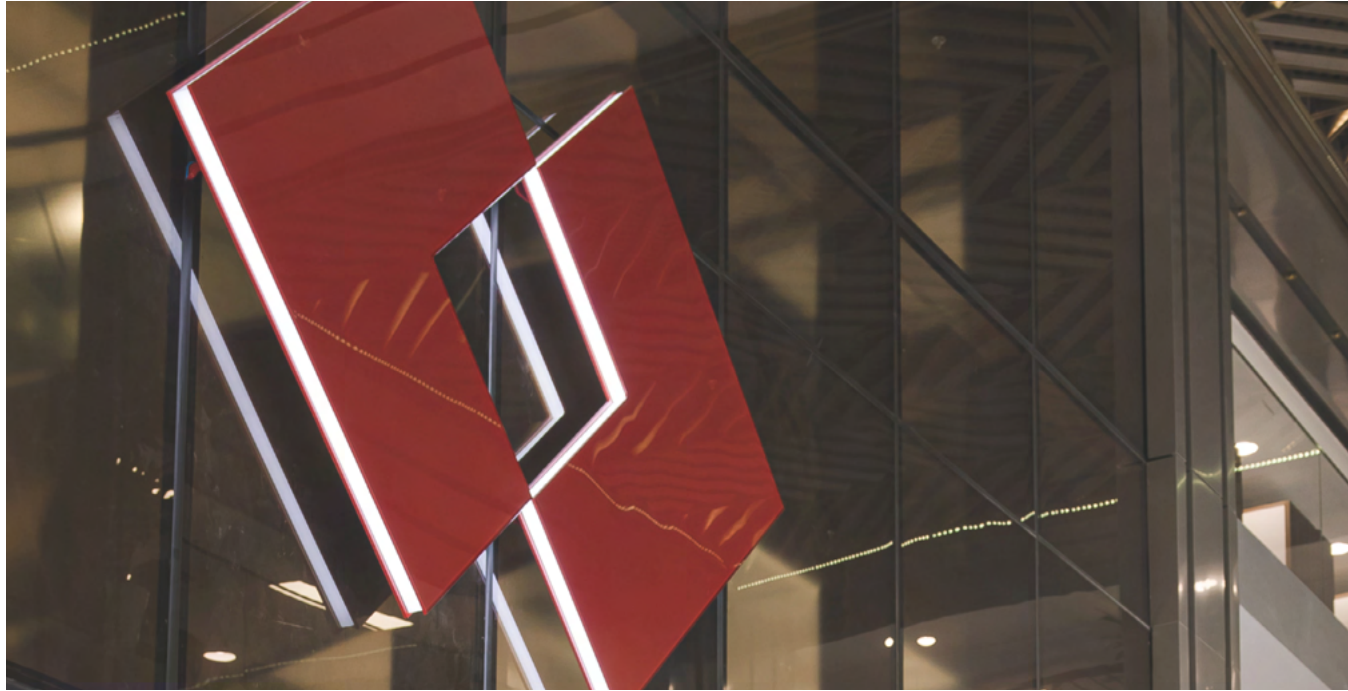
2. Principles of operations and coordination between the Supervisory Board and the Bank's Board of Directors and executive leaders

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

Activities of Supervisory Board

In 2023, the number of Supervisory Board members voted for 2019–2024 term is three members, comprising two full-time members and one part-time member. Meeting attendance of the Supervisory Board members in 2023 is as follows:

No.	Full name	Position	Date become a member	No. of attended meetings	Attendance rate	Notes
1	Mr. Hoang Huy Trung	Head of Supervisory Board cum Full-time Member	13/04/2019	5	100%	–
2	Ms. Bui Thi Hong Mai	Full-time Member	13/04/2019	5	100%	–
3	Mr. Mag Rer Soc Oec Romauch Hannes	Member	13/04/2019	4	80%	Going abroad, unable to connect to online meetings.



Activities of Supervisory Board in 2023 Resolution of Supervisory Board meetings

No.	Resolution No.	Date of convening	Main Content
1	01/2023/NQBKS	21/03/2023	<ul style="list-style-type: none"> Reviewed and approved the internal audit report for Q1/2023, including the Bank's adequacy ratios. Reviewed and approved the internal audit report on the results of supervision of credit and non-credit granting activities with customers, subject to the approval of the Board of Directors. Reviewed and approved the report of the Supervisory Board for the General Meeting of Shareholders and related documents.
2	02/2023/NQBKS	27/06/2023	<ul style="list-style-type: none"> Reviewed and approved the internal audit report for Q2/2023, including the Bank's adequacy ratios. Reviewed and approved the internal audit report on the results of supervision of credit and non-credit granting activities with customers, subject to the approval of the Board of Directors.
3	03/2023/NQBKS	04/08/2023	<ul style="list-style-type: none"> Reviewed and approved the internal audit report on the results of reviewing and evaluating internal regulations of commercial banks and granting credit to customers with large credit balances.
4	04/2023/NQBKS	19/09/2023	<ul style="list-style-type: none"> Reviewed and approved the internal audit report for Q3/2023, including the Bank's adequacy ratios. Reviewed and approved the internal audit report on the results of supervision of credit and non-credit granting activities with customers, subject to the approval of the Board of Directors.
5	05/2023/NQBKS	12/12/2023	<ul style="list-style-type: none"> Reviewed and approved the internal audit report for Q4/2023, including the Bank's adequacy ratios. Reviewed and approved the internal audit report on the results of supervision of credit and non-credit granting activities with customers, subject to the approval of the Board of Directors. Reviewed and approved the report on the performance of the 2023 internal audit and the plan for the 2024 internal audit.

Executive Team



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



Dr. Jens Lottner
Chief Executive Officer

- ◆ Dr. Lottner was appointed Chief Executive Officer of Techcombank on August 18, 2020.
- ◆ Before joining Techcombank, Dr. Lottner was Senior Executive Vice President at Siam Commercial Bank for 5 years. During his tenure, he held roles as Chief Strategy Officer, Chief Transformation Officer and Chief Data Officer, designing and orchestrating the bank's digital transformation program towards more customer centricity. His last role at Siam Commercial Bank was Chief Financial Officer.
- ◆ Dr. Lottner began his career with McKinsey & Company in 1992 in Germany, where he was elected Partner in 2000. He moved to Malaysia in 2001 and to Singapore in 2005, where he was a Senior Partner leading McKinsey's financial services practice in ASEAN until 2012. He simultaneously led its Asia Pacific Risk Management Practice and was a member of the Asia Pacific Management Committee. From 2012 to 2015, Dr. Lottner was Senior Partner and Managing Director of the Boston Consulting Group in Singapore, heading its financial services practice across ASEAN.
- ◆ Dr. Lottner holds a Doctorate in Economics from the Dresden University of Technology, Germany, and attained a Diploma in Economics from the University of Bonn, Germany.



Mr. Phung Quang Hung

- Deputy CEO
- cum Chief Business Banking Officer (until 31/12/2023)
- cum Chief Corporate And Institutional Banking Group Officer (from 01/01/2024)

- ◆ Mr. Phung Quang Hung has many years of management experience and has worked at international banks. Previous positions include Head of IT and Operations at ABN AMRO Vietnam, and Business Partner at the National Australia Bank, London. Mr. Phung Quang Hung joined Techcombank in January 2010 as Head of the Operations and Technology Division, before being appointed Head of Sales and Distribution (S&D), Head of Customer Service and Financial Advisory Division (CSA), Managing Director and then Standing Deputy CEO, Chief Business Banking Officer.
- ◆ Mr. Phung Quang Hung has a master's degree in international business from Washington State University (USA) and a bachelor's degree in Information Technology from the Hanoi University of Science and Technology (Vietnam).



Mr. Phan Thanh Son

- Deputy CEO cum
- Chief Global Transaction Services Officer

- ◆ Mr. Phan Thanh Son was appointed Deputy CEO and Head of Global Transaction Banking Division in August 2019. Prior to this, he was a Transformation Director of Transaction Banking and Head of the Treasury and Financial Markets Division from February 2011. He has more than 25 years of experience in local financial markets and played an important role in developing local foreign exchange, fixed income markets. He was the Deputy Chief Executive Officer at Tien Phong Bank. He has held various positions in the Global Markets Divisions at Standard Chartered Bank (Vietnam), Citibank (Vietnam), and Citigroup Global Markets Ltd. (Hong Kong).
- ◆ He holds a Master's degree in Economics from the National Economics University (Vietnam).



Mr. Pham Quang Thang

- Deputy CEO cum
- Chief Corporate Affairs Officer

- ◆ Mr. Pham Quang Thang joined Techcombank since 1994 and has been working for nearly 30 years in the banking industry, where he has held many key leadership positions. These include Chief Accountant and Director of Treasury Centre.
- ◆ Since October 2007, he was appointed Deputy CEO and cum Head of Business Banking Division, Head of Credit Approval Division, Head of Legal and Compliance division, and Chief Corporate Affairs Officer.
- ◆ Mr. Pham Quang Thang holds a Master's degree from Swinburne Technology University (Australia), a Bachelor's degree from the National Economics University (Vietnam).



Mr. Nguyen Anh Tuan

- Acting Chief Retail Banking Group Officer (from 01/11/2023)

- ◆ Mr. Nguyen Anh Tuan has many years of leadership experience working in the field of finance and banking. He has held various leadership positions at Techcombank, roles in both business and retail banking.
- ◆ With 18 years working at Techcombank and experiencing many positions in management roles, he held the positions of Branch Manager, Regional Director, Head of Omni Channel Development, Deputy Chief of Business Banking and Deputy Chief of Retail Banking then he was appointed Chief of Retail Banking Group.
- ◆ He holds a Master's degree in Business Administration from the University of Applied Sciences and Arts Northwestern Switzerland and a bachelor's degree in Financial Banking from the Banking Academy of Vietnam, Viet Nam.



Ms. Phan Thi Thanh Binh

- Chief Wholesale Banking Officer (until 31/12/2023)

- ◆ Ms. Phan Thi Thanh Binh was appointed Head of Wholesale Banking from April 2018. Prior to this, she joined Techcombank as Transformation Director of Wholesale Banking in July 2017. She has more than 20 years of experience with ANZ in various positions, including Head of Markets Vietnam, acting CEO of ANZ (Vietnam), member of the Board of Directors at ANZ (Vietnam, Cambodia and Laos) and Chairwoman of ANZ (Laos).
- ◆ Ms. Phan Thi Thanh Binh holds a Master's degree from Université libre de Bruxelles (Belgium).



Mr. Siva R. Krishnan
 • Deputy CEO cum
 • Chief Risk Officer (until 30/11/2023)

- ◆ Mr. Krishnan has over 25 years of experience; covering global and regional banks and payment technology companies. He brings balanced cross functional.
- ◆ Experience, encompassing business strategy, transformation, risk management, data science and product development.
- ◆ Prior to joining Techcombank, he was the Executive Vice President (Retail and Business Banking Risk Management) and Head of Credit Risk Analytics at Siam Commercial Bank (SCB), Thailand.
- ◆ Prior to SCB, Mr Krishnan was the Deputy Chief Executive and Executive Vice President (Retail and SME Risk Management and Business Infrastructure) of Scotia Bank and instrumental in the acquisition and integration of its affiliate banks viz. Thanachart Bank, Siam City Bank Thailand. Mr. Krishnan was appointed Techcombank's Deputy CEO on 10 January 2021.
- ◆ Mr. Krishnan holds a Master's degree in Commerce from University of Madras, India; a Graduate membership of the Institute of Cost and Management Accountants, India; an Associate membership of the Indian Institute of Bankers; and a Diploma in Finance from Chartered Financial Analysts of India.



Ms. Nguyen Thu Lan
 • Acting Chief Risk Officer

- ◆ Ms. Nguyen Thu Lan joined Techcombank in 2001, and held several critical positions in Techcombank and our subsidiaries. These include Head of Risk Governance; Chief Credit Officer; Deputy Chief Risk Officer.
- ◆ With over 22 years of experience, Ms. Nguyen Thu Lan was appointed Acting Chief Risk Officer of Techcombank from 1 December 2023. She is in charge of constructing and enhancing risk management capabilities and platforms of the Bank, ensuring Techcombank's position as one of the most efficient banks in terms of risk management.
- ◆ Ms. Nguyen Thu Lan graduated the National Economics University (Vietnam). She also held a Bachelor's degree in Russian literature of the University of Languages and International Studies (Vietnam).



Mr. Darren Buckley
 • Chief Retail Banking Group Officer
 (until 31/10/2023)

- ◆ Mr. Darren Buckley has over 35 years of experience in global financial services in senior banking positions in London, New York, Tokyo, Shanghai, Singapore, and Bangkok.
- ◆ Prior to joining Techcombank, Mr. Buckley worked for 29 years with Citi, including as CEO in Japan, their third largest country globally, and Business/Country Head for China, Thailand, Cambodia, Myanmar and Laos. With responsibilities in both corporate and consumer banking, he has a track record of developing strong government and corporate client relationships and transforming retail banking through external partnerships and digitally.
- ◆ Enabled client-centric business models.
- ◆ Mr. Buckley, a Business Finance and Economics graduate from the United Kingdom, is also a UK Chartered Accountant (FCA), an honorary professor at two Chinese universities, the former Vice Chairman of the Thai Board of Trade, Chairman of the Thailand Association of International Banks, President of the American Chamber of Commerce (AmCham) Thailand, Director of the Japan International Bankers Association and Director of the Nippon Keizaidantai Rengoukai.



Ms. Nikki Dang
 • Chief Human Resources Officer

- ◆ Ms. Nikki Dang is a senior professional with extensive experience in human resources for banking and financial services industry, having worked for the Federal Deposit Insurance Corporation (FDIC) – a primary banking regulator for United States. She has held many senior positions, including EVP & Chief HR Officer at Bank of California; Director of Human Resources at National Credit Exchange; Resolution & Receivership Specialist at Federal Deposit Insurance Corporation (FDIC); Operations Manager at Bank of America.
- ◆ Prior to Techcombank Ms. Nikki Dang was Executive Vice President & Chief HR Officer at Hanmi Bank, 2nd largest Korean American Bank in the US where she led the transformation of HR technology solutions, designed Executive Leadership development program and implemented a Long-Term Equity Program for Executive. Additionally, she served the role of Diversity Officer responsible for the development of Diversity and Inclusion programs.
- ◆ Ms. Nikki Dang graduated with a Bachelor of Business Administration – International Business from California State University, Fullerton, USA.



Ms. Thai Minh Diem Tu
• Chief Marketing Officer

- ◆ Ms. Thai Minh Diem Tu is a seasoned marketing and general business leader with over 20 years of experience in consumer marketing and business management with leading FMCG companies in Vietnam.
- ◆ Prior to joining Techcombank, Ms. Tu Thai held various senior executive positions, including during 10 years with FrieslandCampina where she reached the position of Vietnam Director, Specialized Nutrition and Global Specialized Nutrition Business Group Management team. Under her leadership, the business achieved considerable success, including sustainable profit growth and digital transformational milestones in strengthening brand health. Prior to that, Ms. Tu Thai worked for Unilever for 8 years, where her last assignment was as 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 from HCMC's University of Foreign Languages and Information Technology.



Mr. Chu Hong Ngoc
• Chief Operations Officer

- ◆ Mr. Chu Hong Ngoc has many years of experience in the field of banking and project management. He manages a team that ensures the Bank has appropriate operational controls, administrative procedures and effective reporting so it delivers quality service and runs efficiently.
- ◆ Before joining Techcombank, he had held many positions, such as Technical Supervisor, Engineering at O'Connor's Singapore office, Project Director-cum-Technical Director at Millicom Company, Project Manager at VP Bank's Board of Directors Office and COO at VP Bank.
- ◆ Mr. Chu Hong Ngoc graduated with Honours from his Bachelor of Telecommunication Engineering, University of South Australia.



Mr. Nguyen Anh Tuan
• Chief Information Officer

- ◆ Mr. Nguyen Anh Tuan has over 27 years of experience in technology and management. He held senior management positions at Citibank N.A. Prior to these, he was the Chief Information Officer, Claims Division at Travelers Insurance; and Chief Technology Officer at Finastra, Las Vegas Sands, Wolters Kluwer, and General Electric.
- ◆ Mr. Nguyen Anh Tuan holds a Master's Degree in both Business Administration and Computer Science, as well as a Bachelor of Science (Computer Science), all from Virginia Commonwealth University. He furthered his study with an Advanced Master's Certificate at George Washington University, USA. He is also a certified Project Management Professional (PMP) from PMI.



Mr. Santhosh Mahendiran
• Chief Data and Analytics Officer

- ◆ Mr. Mahendiran has over 20 years of global experience, specialising in data and digital, along with leadership experience in Technology, Data Management, Analytics, Digital & Governance. Before joining Techcombank, he worked for Standard Chartered Bank, Singapore as Managing Director and Global Head, Digital Foundation Technology. Previously, he was the Global Technology Head of Data, Analytics & AI and Global Head of Enterprise Data Management, where he was responsible for strategy, design, development and delivery of a bank-wide Enterprise Data Management (EDM) platform. Before Standard Chartered, he held various senior leadership roles at Citibank, Singapore, including Vice President responsible for the delivery, implementation and support of data warehouses in Europe, the Middle East and Africa. He was also the head of the development team that pioneered the world's first touch screen onboarding systems for Citibank, Japan.
- ◆ Mr. Mahendiran holds two Master's degrees – Computer Applications and Software Engineering – from Madurai Kamaraj University, India and the National University of Singapore. He has completed the leadership program at the European Institute of Business Administration (INSEAD) in 2015.



Mr. Pranav Seth
• Chief Digital Officer

- ◆ Mr. Seth was appointed to the position of Chief Digital Officer on 13 January 2021. He has over 18 years of experience as a transformational leader and corporate entrepreneur with a proven track record of building businesses and championing & executing large scale business and organisational transformations.
- ◆ Recently, Mr. Seth worked for OCBC Bank, Singapore, as Senior Vice President & Head of Digital & 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 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. Seth holds a Master of 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 & Organisation from Stanford University Graduate School of Business (Stanford).



Mr. Prasenjit Chakravarti
• Chief Corporate Strategy and Transformation Officer

- ◆ Mr. Chakravarti joined Techcombank with over 20 years of experience from Accenture PLC, McKinsey & Company, and Standard Chartered Bank. At Standard Chartered Bank, he was a member of the Consumer Banking Executive Committee and held various executive global management positions including Global Head of Personal Banking, related to defining strategy, customer value proposition, organisational transformation and commercialisation of multi market business models. Previously, in his role at Accenture PLC (the world's leading consulting firm specialising in digital transformation and technology services) as ASEAN Head, Banking and Sustainable Finance Practice, he led the engagement of ASEAN banking clients to drive enterprise level digital transformation initiatives across Corporate, Retail and Payments domains. Previously at McKinsey & Company, Mr. Chakravarti was an Associate Partner, leading teams that solved senior management issues at the intersection of strategy, technology and operation for top 10 North American Banks, insurers and Asset Management firms.
- ◆ Mr. Chakravarti received his Bachelor of Technology from Indian Institute of Technology, Bombay and his MBA, focused on General Management and Strategy, from Harvard Business School, Massachusetts, USA.



Mr. Alexandre Macaire
• Chief Finance Officer

- ◆ Mr. Alexandre Macaire is Group Chief Financial Officer of Techcombank, overlooking the operations of the Finance and Planning Division and coordinating the bank's investor relations. He is a member of the Executive team of Techcombank and a Director of Techcom Securities Company.
- ◆ Prior to that, he worked at HSBC for 15 years in senior positions across Investment Banking, Capital Management and Finance. He was Chief Financial Officer for Wealth and Personal Banking, Asia Pacific. In this capacity, he helped scale up manufacturing and distribution capabilities across the region and expand into new products and channels, contributing to HSBCs' ambition to be the top wealth manager in the region.
- ◆ Mr. Alexandre Macaire graduated from the French National School of Administration and gained a master's degree in Mathematics and Physics from Ecole Polytechnique.

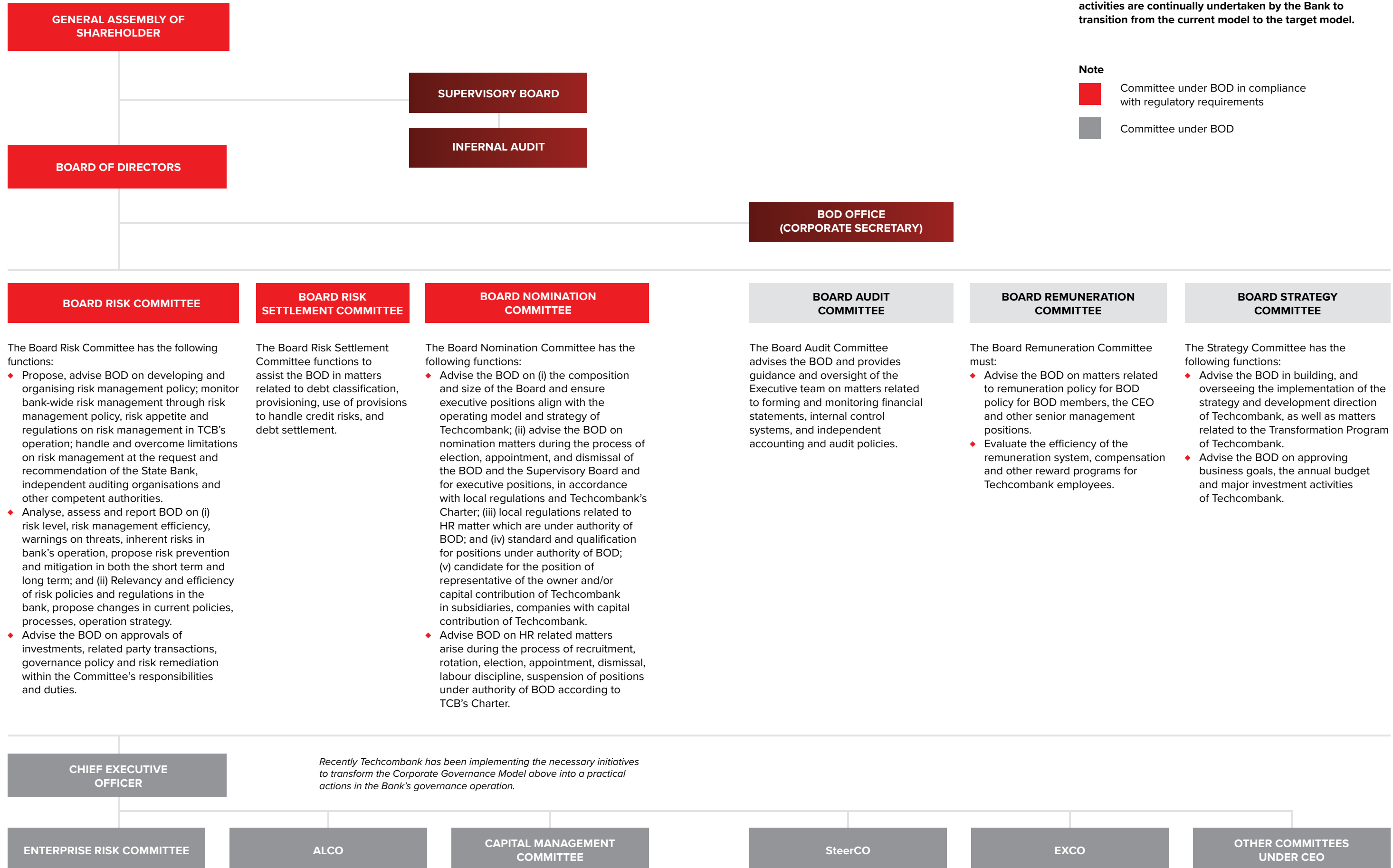


Mr. Nguyen Xuan Minh
• Chief of Investment Banking

- ◆ Mr. Nguyen Xuan Minh was appointed Head of Investment Banking Division – Chairman of the Board of Directors of Techcom Securities Company. He has more than 25 years of experience in fund management and investment banking, including in previous positions such as CEO of Vietnam Asset Management Ltd. (VAM), Senior Vice President of Franklin Templeton Investments under Mark Mobius in Singapore and a member of the Board of Directors of many listed companies in Vietnam.
- ◆ He holds a Master's degree in Applied Finance & Investment from Securities Institute of Australia (FINSIA), Master of Science in Engineering with major in petroleum mechanics from Gubkin Russian State University (Russia). He is a CFA Charterholder.

Corporate Governance Model

Techcombank's 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 2023, specific activities are continually undertaken by the Bank to transition from the current model to the target model.



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 2023

No.	Name	Position in Techcombank	Number of Techcombank shares	% Shareholding
Board of Directors				
1	Mr. Ho Hung Anh	Chairman	39,309,579	1.115953%
2	Mr. Nguyen Dang Quang	First Vice Chairman	9,403,176	0.266945%
3	Mr. Nguyen Thieu Quang	Vice Chairman	30,256,431	0.858945%
4	Mr. Nguyen Canh Son	Vice Chairman	17,954,979	0.509721%
5	Mr. Ho Anh Ngoc	Vice Chairman	0	0.0000%
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	0.00738%
9	Mr Nguyen Tuan Minh	Corporate Governance Officer cum Company Secretary Chief of BOD Office	236,778	0.006721%
Supervisory Board				
1	Mr. Hoang Huy Trung	Head of Supervisory Board cum Full-time Member	57,504	0.001634%
2	Ms. Bui Thi Hong Mai	Full-time Member	48	0.000001%
3	Mr. Mag Rer Soc Oec Romauch Hannes	Member	0	0.0000%
Executives¹				
1	Dr. Jens Lottner	CEO	439,000	0.012462%
2	Mr. Phung Quang Hung	Deputy CEO cum Chief Business Banking Officer	2,127,867	0.060407%
3	Mr. Pham Quang Thang	Deputy CEO cum Chief Corporate Affairs Officer	1,518,421	0.043106%
4	Mr. Phan Thanh Son	Deputy CEO cum Chief Global Transaction Services Officer	2,376,574	0.067468%
5	Mr. Kalyanaraman Sivaramakrishnan (resigned)	Deputy CEO cum Chief Risk Officer	164,654	0.004674%
6	Mr. Alexandre Macaire	Group CFO	129,170	0.003666%
7	Ms. Thai Ha Linh	Person Authorised to Disclose Information	370,275	0.010511%
8	Ms. Nguyen Thi Tra My	Chief Accountant	8,340	0.000236%

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

Shares transactions by internal shareholders and affiliated person

In 2023, the number of transactions and volume of Techcombank shares traded by internal shareholders were as follows:

	Number of Transaction	Transaction Volume (number of share)
Buy	6	1,038,360
Sell	2	1,083,169
Total	8	2,121,529

In 2023, the number of transactions and volume of Techcombank shares traded by internal shareholder's affiliated parties were as follows:

	Number of Transaction	Transaction Volume (number of share)
Buy	5	256,416,140
Sell	1	174,130,290
Total	6	430,546,430

Detailed information on the transactions by Internal shareholders and their affiliated parties are published on Techcombank's website: <https://techcombank.com/en/investors/financial-information/financial-statements-vas>.

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

No.	Name	Position in Techcombank	Salary/Rewards/Remuneration and other benefits
1	Mr. Ho Hung Anh	Chairman	Refer to the 2023 Consolidated Financial Statement – Footnote No. 42 on “Transactions with related parties”
2	Mr. Nguyen Dang Quang	First Vice Chairman	
3	Mr. Nguyen Thieu Quang	Vice Chairman	
4	Mr. Nguyen Canh Son	Vice Chairman	
5	Mr. Ho Anh Ngoc	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	

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

No.	Name	Position in Techcombank	Salary/Rewards/Remuneration and other benefits
1	Mr. Hoang Huy Trung	Head of Supervisory Board cum Full-time Member	Refer to the 2023 Consolidated Financial Statement – Footnote No. 42 on “Transactions with related parties”
2	Ms. Bui Thi Hong Mai	Full-time Member	
3	Mr. Mag Rer Soc Oec Romauch Hannes	Member	

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

No.	Name	Position in Techcombank	Salary/Rewards/Remuneration and other benefits
1	Mr. Jens Lottner	CEO	Refer to the 2023 Consolidated Financial Statement – Footnote No. 42 on “Transactions with related parties”

Contracts or transactions with internal shareholders

Refer to the 2023 Consolidated Financial Statement – Footnote No. 42 on “Transactions with related parties”.

Report on performance of Corporate governance regulations

In 2023, Techcombank maintained compliance with all applicable regulations and guidelines on corporate governance issued by state management agencies before and in 2020, includes:

- ◆ Law on Securities No. 54/2019/QH14
- ◆ Law on Enterprise No. 59/2020/QH14
- ◆ Law on Credit Institutions No. 47/2010/QH12 and Law amending and supplementing a number of articles of Law on Credit Institutions No. 17/2017/QH14
- ◆ Decree No. 71/2017/ND-CP on guiding corporate governance applied to public companies
- ◆ Decree No. 155/2020/ND-CP on clarification and guiding for Law on Securities amendment
- ◆ 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
- ◆ Circular No. 96/2020/TT-BTC on guiding information disclosure for listed company in the securities market
- ◆ Code of Best Practices-based Corporate Governance issued in August 2019 by State Securities Commission and International Finance Corporation (IFC)

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

Techcombank has implemented specific tasks to establish a transparent and clear decentralisation and authorisation mechanism to define responsibilities and avoid conflicts of mutual interest. According to Article 4 of the Internal Governance Statue, the bank shall develop a matrix of delegations to specify the approval authority of each level and each title in the bank. Approval authority is based on Techcombank’s governance structure, ensuring compliance with the law and fully according to the Bank’s decentralised system.

- ◆ The Board of Directors stipulates the authority for the Committees and Councils under the Board of Directors; CEO.
- ◆ The CEO stipulates the authority for the Councils under CEO, titles from Deputy Director, Head of Division and equivalent titles or less.

RISK MANAGEMENT



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Advanced risk management capability enables us to mitigate and diversify our risk across different business segments. With this strong foundation, we successfully enhance our customers’ experience and engagement, while strengthening our end-to-end credit management.

Nguyen Thu Lan
Acting Chief Risk Officer

Overview

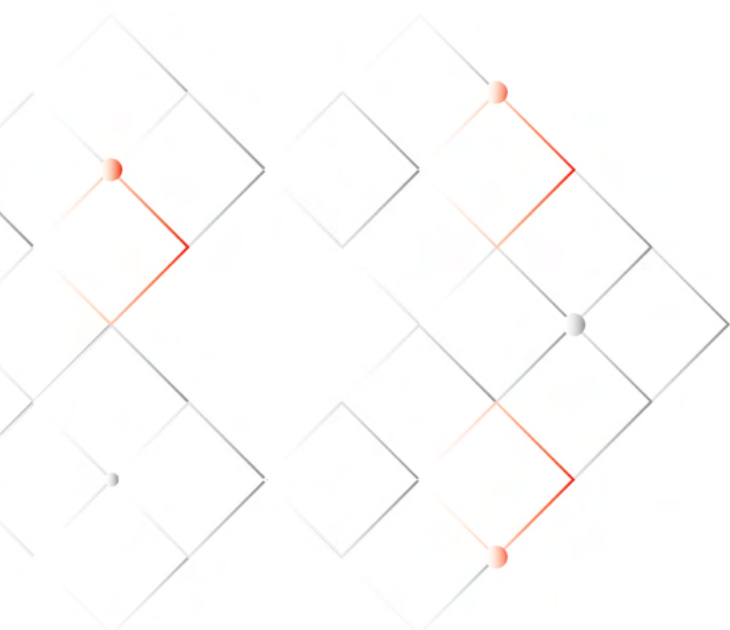
In the third year of Techcombank’s five-year strategy, with a vision to ‘Change banking, Change lives’, Risk Management Division (RMD) continued to achieve great progress. In line with requirements of the Bank’s regulators and stakeholders, we aimed to:

- ◆ Improve risk management and oversight capacity by actively building up the risk management framework of Techcombank and our subsidiaries
- ◆ Use data, analytics applied into modelling, and systems to optimise credit underwriting and controls with higher accuracy and efficiency
- ◆ Strengthen the model risk management framework, including developing and enforcing new policy and standards Bank-wide
- ◆ Diversify credit portfolios to create an optimal mix along risk, return and long-term sustainability dimensions.

While aiming for the highest standards of compliance and transparency, we exposed current and emerging risks and devised ways to deal with them.

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Significant investment saw us raise our compliance and risk management capability to new industry standards, while ensuring operational resilience throughout both financial and non-financial risk management functions.



2023 Highlights

Credit risk management

We continue to leverage advanced capabilities from recently deployed platforms like Credit Decision Engine for Retail (Smart Credit) and for Corporate (BCDE) to include post-control capacity with sharper models and processes. New working methods – like cross functional team collaboration and being more Agile – combined with disciplined thinking about the connection between business execution and risk goals, lead to better credit risk management:

- ◆ An improved Credit Decision platform for corporate customers (BCDE) and for retail customers (Smart Credit), with broad-scale end-to-end credit management that reduced turnaround time for customers and optimised processes
- ◆ Risk management was centralised and fortified, with early warning signals, so RMD can look across all divisions and recommend changes, giving divisions better information about how they are doing, so they can take prompt actions as needed
- ◆ Progress toward offering credit risk management specifically for our target micro-SMEs, including CreditOne – with integrated offerings for businesses and their owners/managers – merchant services, unsecured lending and more.

Rigorous and consistent underwriting and post-disbursement monitoring practices allowed the Bank to weather one of the lowest numbers of non-performing loans (NPLs) in the whole banking system, despite slower than expected overall GDP growth and slow recovery in the real estate sector. Our NPL was 1.2% at year's end compared to the industry median of 2.0%¹. Our total credit costs for the year were 0.8%, lower than our peers – median of 1.1%.

Liquidity risk management

We made significant progress in liquidity management, getting closer to achieving Basel III standard:

- ◆ We developed and upgraded our asset-liability management (ALM) forecasting system to ensure our net stable funding ratio (NSFR), liquidity coverage ratio (LCR) and behaviour-adjusted cash flow were adequate for both business-as-usual and stress conditions.
- ◆ We continuously upgraded our liquidity stress test assumptions and scenarios during the year, so they reflect all stress factors and ensure the Bank's systems are fit-for-purpose at different risk thresholds. These tests play an important role in strategically optimising our balance sheet.
- ◆ Liquidity fire-drills were also held periodically to strengthen the capability of functional units across the Bank when responding to stress events. We used what we learned to upgrade the Bank's liquidity contingency plan in line with our changing business model and organisational structure, and market practice.
- ◆ We also developed and applied a variety of customer behaviour models to see how they affected figures like CASA, term deposit and others. This is an advanced level of liquidity risk management.

Interest rate risk in the banking book and market risk

Interest rate risk in the banking book

In 2023 we took a big leap forward in the way we manage interest rate risk in the banking book (IRRBB). Our new, more holistic approach applies and monitors three types of risk:

- ◆ Repricing risk: we implemented a market/fair value measurement methodology to better reflect the Bank's risk position when interest rates move
- ◆ Basis risk: we enhanced business decision-making on ALM by upgrading our measurement and monitoring methodology
- ◆ Option risk: key behaviour models, including CASA, term deposit early withdrawal, loan prepayment, are in place, so we can better measure impacts on overall IRRBB.

Besides, in light of the inconsistency between Basel and other regulatory standards around how risk ought to be measured for IRRBB, we have introduced Delta Net interest income (Delta NII) measurement and risk limits. In 2024 it will monitor short-term risk, while Delta Economic value of Equity (Delta EVE), which has been put in place, continues to measure and monitor long-term risk.

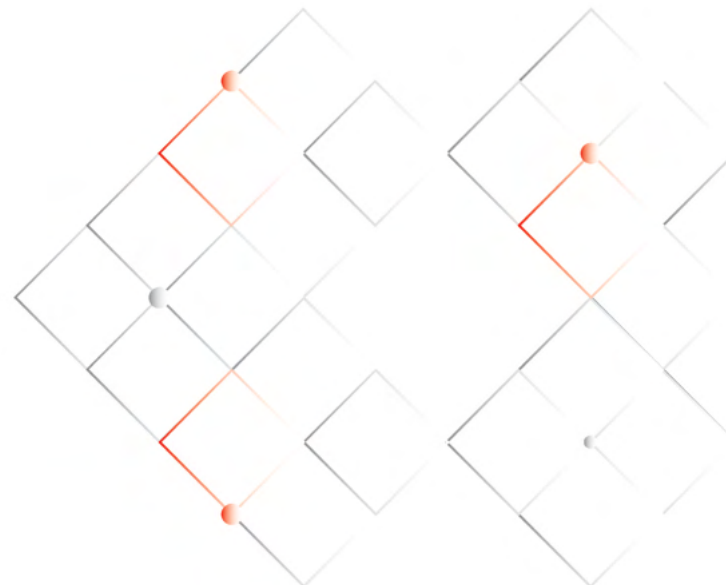
Managing market risk and counterparty credit risk

As part of our work toward meeting Basel II/III quantitative standards, we developed a value at risk (VaR) model to better consider stress conditions at different liquidity time horizons. These 10D VaR and stressed VaR (SVaR) models will be used by business units in 2024 to:

- ◆ Calculate the reserve capital required for market risk, based on an internal models approach (IMA) to Basel II.5 standards
- ◆ More accurately capture the trading book's risk profile.

The IMA should ensure the Bank has enough capital to cover potential losses, and improve resilience in our trading activities.

We also comprehensively assessed corporate and business banking customers' exposure to counterparty credit risk by enhancing PFE estimation methodology, to improve how we set limits for these customers.



Operational risk management

The way we manage operational risk has improved markedly through proactive development and application of solutions aimed at protecting customer benefits when they transact with us. These include:

- ◆ Minimising the risk of fraud from international financial criminals who attempt account takeover, card fraud or other forms of transaction fraud via vigilant monitoring and prevention strategies through a Proactive Fraud Risk Management System –
 - Near-real-time and real-time sanction screening and filtering
 - Real-time streamlined customer onboarding
 - Effective transaction monitoring and detection of unusual transactions.
- ◆ Strengthening early operational risk identification and offering backup solutions so our platforms offer stable and continuous service for both individual and corporate customers.
- ◆ Reducing technological risks by enhancing the security of information, both on-premise and on-cloud – we are the first bank in Vietnam to have all financial crime compliance management modules on the cloud.

“
We are the first bank in Vietnam to have all financial crime compliance management modules on the cloud.”

Techcombank also participated in an Operational Risk Management Forum with SBV, and other commercial banks in Vietnam. We welcomed the opportunity to share our experiences of applying technology and learn from others. By contributing to proposals and solutions together, we can jointly improve the effectiveness of operational risk

2024 Focus

As part of the Bank's five year strategic transformation journey, RMD will keep improving how the Bank's risk management performance aligns with local and international standards. This includes adopting regional Basel standards, but also parts of Basel III in the four main risk areas:

- ◆ Market
- ◆ Liquidity
- ◆ Credit
- ◆ Operational.

We will continue to leverage our advanced data and model capabilities to improve our accuracy at predicting and preventing adverse events, and explore possibilities to improve productivity across RMD.

management in Vietnam's banking industry and ensure benefits for our customers.

Model risk management

In 2023, TCB formally adopted Model Risk Management (MRM) practices, building on groundwork laid in 2022. We've expanded these efforts to:

- ◆ Establish comprehensive bank-wide MRM regulations
- ◆ Ensure the significance of model risk is recognised bank wide
- ◆ Standardise our model definitions
- ◆ Outline the model approval and governance process, based on model tiers.

We've also put in place a Model Governance Standard, which includes a:

- ◆ Uniform approach to model inventory
- ◆ Guidance for identifying models
- ◆ Method for classifying models by tier and category
- ◆ Clear definitions of model lifecycle stages and responsibilities and RACI framework.

Additionally, the new risk and non-risk models underwent independent validation to confirm their quality and alignment with business goals before being approved.

For oversight of model risk status and more timely decision making, we now report quarterly on model risk management to the Board Risk Committee and other relevant authorities.

Internal capital adequacy assessment process (ICAAP)

The internal capital adequacy assessment process (ICAAP) compares required capital to projected supply under various scenarios, including severe macroeconomic conditions. It is performed annually or on an ad hoc basis in response to microeconomic and macroeconomic conditions, or portfolio developments.

By assessing capital adequacy and potentially risk portfolio segments and inherent systematic risks, we can develop contingency plans and mitigating actions ahead of time. Also, the ICAAP ensures our business plans are consistent with the Bank's risk appetite.

We will research, plan, then implement the internal liquidity adequacy assessment process (ILAAP) so the Bank always has sufficient funds available to meet demand, at a reasonable cost.

We will improve our ability to comply with the capital rules for wholesale trading activities that are set out in Basel III's Fundamental Review of the Trading Book (FRTB). We continue to be the pioneering bank in Vietnam striving to meet both SBV and Basel III guidance.

To manage operational risk, we will continue our strong investment in minimising application fraud as well as enhance technology transformation in operational risk management to optimise processes and products, thereby increasing benefits for customers.

¹ Median of top 20 Vietnamese banks (BID CTG VCB MBB TCB VPB ACB STB SHB HDB VIB TPB LPB SSB MSB OCB EIB NAB ABB BAB)

CORPORATE CULTURE

“

At Techcombank, we create a culture that fosters excellence, professionalism, collaboration, innovation, empowerment, inclusion and engagement.

Nikki Dang My Quyen
Chief Human Resources Officer



A thriving culture

Our Culture Journey program – refreshed in 2022 – is the key channel where we nurture Techcombank’s five core values:

- ◆ Customer-centricity
- ◆ Work efficiency
- ◆ Collaboration for common objectives
- ◆ Self-Development
- ◆ Innovation and Creativeness.

These values are explained to our employees on their first day with us and must guide their business decisions, their interactions with colleagues and their service to customers every time. Our value-driven culture is the essence of who we are as a Bank and what we stand for. It enables us to consistently deliver on our brand promise – to always ‘Be Greater’.

“

In our thirtieth year of operation, we can proudly say the Bank is a positive, welcoming, effective and rewarding organisation.

Our employees are comfortable with change and ideas flow freely, even those about how we might do things better. Employee feedback helps the Bank improve customer service and prosper and has also led to new initiatives that strengthen the employee value propositions (EVP). We have created a place where people and careers thrive – a workplace to be proud of. This is affirmed not just by our valued employees, but outside the Bank:

- ◆ The Bank’s Employee Engagement Survey delivered very good to excellent results

◆ **94%**
of employees agree that the five core values are consistently demonstrated Bank-wide

- ◆ Awarded Best Workplace in Asia, Large Company category – *Great Place to Work*
- ◆ YouGov Research 2023 measured our net promoter score (NPS). It shows our customer-centricity improving over the year, a testament to our ‘Customer centricity’ core value:



All leaders on the same page
Since values are central to our culture, they cannot be compromised. At every level, our leaders must have a shared

understanding of what they are, and how value-driven behaviours look for different sections of the Bank. Leaders must live the values at all times and, where appropriate, reward or guide other employees based on how they are meeting our standards.

Senior managers:

Teamwork is crucial to a collaborative, diverse and thriving culture so we have 16 ‘joint teams’ – intentionally made up of employees from front-line and back offices, headquarters and branches, and different geographical regions. Heads of Divisions (HoDs) are involved in developing and maintaining the Bank’s culture whether they are managing their own direct reports or a joint team. Each HoD attends a quarterly Culture Report Meeting of top-level Bank executives. They also host a Leader Talk every three months where they are responsible for communicating strategic messages to employees. The forum may even be used to upskill or coach staff.

Empowering the next level of leaders

- ◆ Corporate Culture is embedded in the quality professional development programs we offer our high potential leaders (HIPO) team.
- ◆ We also have an exciting new group of change agents who act as the Bank’s cultural ambassadors. Sponsored by our CEO, this prestigious 300 strong employee team is called REDS. They are chosen for their ability to quickly take on the vision/direction of management and the Board and empower others to do the same, as well as helping others advance professionally. Divided across our 16 joint teams, these early adopters are directed by the REDS Committee on ‘missions’ to lead Culture Journey activities that help spread our core values and promote transformation within the Bank.

In 2023, REDS attended essential training workshops to enhance their cultural and organisational insight. These included:

- *Changing Mindset* – adopting new habits to make oneself more effective (this course was also available to some other qualified Bank employees).
- *BEAN* – exclusive training for REDS team, which covers ways to encourage behavioural change within the Bank and taking on assigned missions.

Initial results of this program are encouraging – 77% of Bank employees are satisfied with REDS’ activities. We look forward to seeing what this inspiring group can achieve.

Employee voices

Employees are the backbone of our success. They are ‘on the ground’ in the Bank and best placed to identify what we do well and what we can do better as an organisation.

Employees are obviously the best people to answer questions about how to improve their working lives. So, in an effort to make sure we deliver an excellent EVP and maximise value for the Bank, we provide opportunities for employees to offer feedback and share their concerns. Some important ways the Bank listens are:

Employee Engagement Survey:

Our 2023 Employee Engagement Survey (EES) delivered:

- ◆ 97% participation rate
- ◆ 93% culture
- ◆ 87% employee enablement (top 14% of Asia Pacific companies)
- ◆ 82% employee engagement score (top 14% of Asia Pacific companies)
- ◆ 77% employee effectiveness (top 9% of Asia Pacific companies).

These strong results demonstrate that the Bank is headed in the right direction; building a strong culture with capable and highly engaged people who hold shared values, while doing the right thing for customers.





TeaTalk

TeaTalk allows HoDs to meet with selected employees and hear their experiences of the employee journey, via informal small group coffee chats. This in-person, two-way interaction allows management to better understand employees' thoughts and expectations. Practical and feasible solutions can then be implemented. In 2023:

- ◆ 23 TeaTalk sessions were held
- ◆ 8 HoDs participated, 450 Techcomers 'had tea'
- ◆ 86.4% of participants felt that open sharing was encouraged and their opinions were heard.

By always listening to employees across different channels, we have made many improvements to our EVP. One outstanding example is our 'An Cu 1, 2, 3' program. So far, 800 employees have realised their home ownership dream, with the Bank providing a stable mortgage even when market interest rates are rising.

Fostering work life balance

This year we introduced our breakthrough Team Active Saturday (TAS) program. Employees can now use Saturday morning for engagement and learning activities, to form a group to generate innovative ideas, or to do physical activity, such as running, together.

TAS is unique because of the flexibility it offers:

- ◆ Anyone: Activities can be held for groups of any size – from all joint team members to divisional teams, to groups or units.
- ◆ Anywhere: There are no logistical limitations. Activities can be done in or out of the office, in person or virtually.

TAS helps Techcomers nurture the two Core Values 'Collaboration' and 'Self-development' via:

- ◆ Opportunities for networking and engagement with Techcomers who would not be met in a regular work week
- ◆ Innovative learning and development opportunities.

In 2023:

- ◆ Employees participated in an average of 16.6 TASs
- ◆ 39% were spent in cross-functional groups
- ◆ 56% TASs covered culture, business and professional skills (like customer insight, data and technology) and soft skills (such as time-management and mental wellbeing). The other 44% included: engagement activities, team building, and other CSR activities.
- ◆ Employee feedback was overwhelmingly positive.

WeKaizen

We took a fresh approach to WeKaizen, helping foster 'Innovation and Creativeness' and 'Work efficiency' – two of our Core Values. Everyone can do Kaizen, Kaizen from the smallest thing.

In 2023, we organized a series of Kaizen Coach sessions, allowing employees to learn about lean production model/ utilisation, Agile, and how to leverage automation tools on the system. The joint teams were then asked to generate ideas for improving the Bank's operations. The teams' ideas were very different – some Kaizens might save seconds or minutes on a task, while others could save the Bank millions in VND on maintenance costs or by optimising workflow.

Over **1,900 Kaizens** were invented and deployed in 2023. We recognised the individual in each team whose Kaizen would have the greatest impact.

◆ | SUSTAINABILITY REPORT



“ This report outlines the Bank’s strategy, progress and ambitions in addressing key environmental, social, and governance (ESG) issues. Over 2023 we focused on our top five ESG priorities, aligning them with our operations to improve efficiency and effectiveness across the Bank.

TCB's ESG key highlights in 2023

<p>E Environment</p>	<p>VND 13.9 TRILLION in green credits exposure</p>	<p>LEED GOLD certification for green building HO Hanoi and HCMC</p>	<p>INITIATIVES To achieve a greener and more sustainable working environment</p>
	<p>VND 148 BILLION donated for community and social development</p>	<p>VND 3.4 TRILLION Loan balance to support mSMEs</p>	<p>61% Female managers Expats from</p> <p>16 Nationalities</p>
<p>S Social</p>	<p>NON-EXECUTIVE DIRECTOR in charge of overseeing ESG initiatives</p>	<p>ESG TEAM STRUCTURE UPDATED ◆ HOD sponsor, ESG ◆ Advisory Board ◆ ESG Core Team</p>	<p>ESG MATERIAL ASSESSMENT Update key ESG material topics</p>
<p>G Governance</p>	<p>191 CIBG clients tracked for ESG metrics based on our E&S risk management framework in line with SBV regulation</p>		

Vietnam context

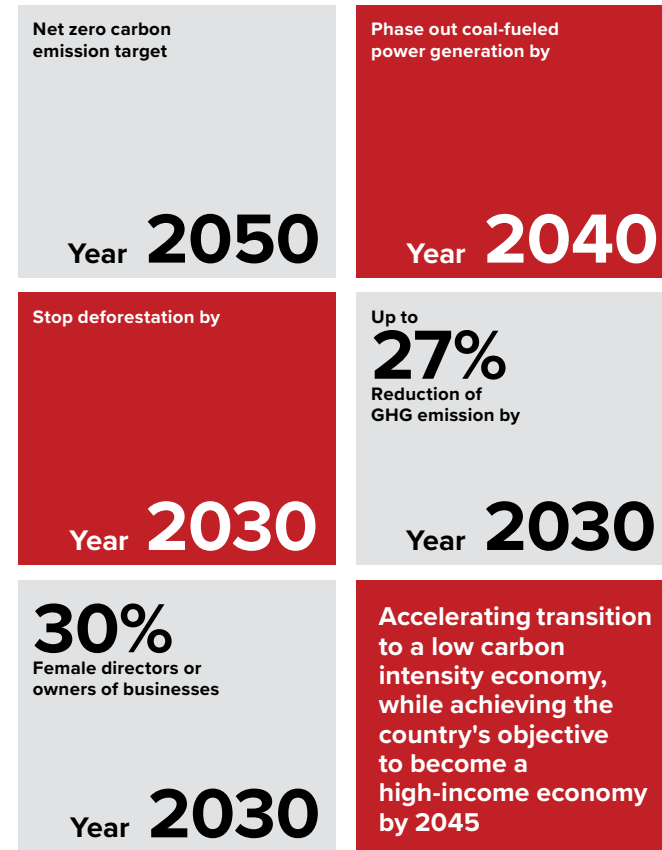
The 21st century heralds an era where sustainability is no longer a choice but a necessity. As the world grapples with the escalating impacts of climate change, resource depletion and social inequality, the call for action has become urgent and universal. The global sustainability landscape is marked by a collective realisation that the path to prosperity must be paved with the principles of environmental stewardship, social responsibility and ethical governance (ESG).

Over the last few years, ESG has gained prominence in Vietnam. Our people increasingly realise that development must occur in line with ESG goals, our government is making efforts to promote low carbon intensity development, and investors are increasingly demanding that their money be invested in sustainable ways. The Vietnamese Government has signed up to aspirational targets and increased regulatory requirements, particularly in climate related areas.

At the 2021 United Nations Climate Change Conference (COP26), Vietnam announced a series of climate action commitments. These will have a significant impact on the transition to carbon neutrality and require a rewiring of much of our economy. Recently, at COP28 held in Dubai, Vietnam reaffirmed its determination to honour the net zero commitments made at COP26 and provided a roadmap for a low-carbon development pathway. This focused on refining the legal framework around smart power transmission and a direct power purchase agreement for renewable energy. To meet these goals, Vietnam is acting on a range of new national strategies and policies designed to address climate change and promote sustainable development.

The Vietnamese government has signed up for aspirational targets and increasing regulatory requirements especially focused on climate related areas

Vietnam's commitment

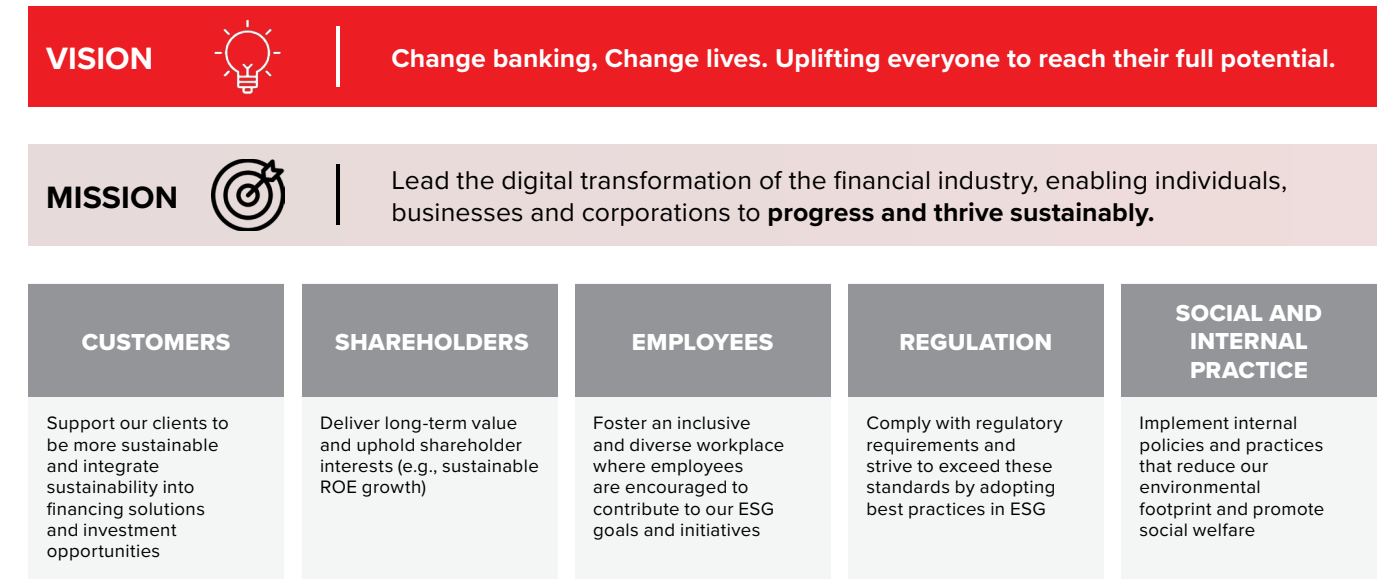


Key ESG legislation, policy developments and regulations

E Environment	<ul style="list-style-type: none"> ◆ Power Development Plan 8 (PDP84) – ongoing development including the phase-out coals ◆ National Strategy on Climate Change for 2050 ◆ National Environmental protection strategy until 2030 and vision 2025 ◆ National green growth strategy 3 for 2021 – 2030 period, with a vision by 2050 ◆ Environmental Protection Law and guideline ◆ SBV Directive No.03/CT-SBV on promoting green credit growth and environmental - social risks management in credit granting activities (2015) ◆ SBV decision approving the scheme for green banking growth in Vietnam (Decision No.1604/QĐ-NHNN) (2018) ◆ SBV Decision on Action Plan of banking industry to implement the National Strategy on Green Growth for the period 2021-2030 ◆ SBV issued circular 17 on environmental risk management in credit granting activities ◆ Decree on GHG emission and ozone layer protection, initial roadmap for domestic carbon market- coming in 2024
S Social	<ul style="list-style-type: none"> ◆ Labour Code (2019) ◆ Decree No. 13/2023/ND-CP on the Protection of Personal Data (2023) ◆ Draft revised Consumer Protection Law ◆ Law on Banking/ Financial Institutions ◆ National strategy for gender equality for the 2021-2030
G Governance	<ul style="list-style-type: none"> ◆ Law on Securities; (2020) Law on Enterprises (2019) ◆ HOSE launched Sustainable Development Index (VNSI) (2017) ◆ MoF sets out some guidelines on disclosure of information on securities market ◆ Established Steering Committee on carrying out COP26 commitment ◆ Corporate Governance Code of Best Practices (2019)

Techcombank's ESG framework

Led by our vision of *Change banking, Change lives. Uplifting everyone to reach their full potential* and our mission to *Lead the digital transformation of the financial industry, enabling individuals, businesses, and corporations to progress and thrive sustainably*, the Bank seeks to create value for all stakeholders in a sustainable way. ESG is integrated into our long-term business strategy via a comprehensive framework.



Governance



- In 2023 we strengthened our ESG governance framework by:
- ◆ Setting clear roles and responsibilities for the BOD and CEO in managing and monitoring overarching ESG risk
 - ◆ Creating a dedicated sub-committee/ dedicated BOD member for this area
 - ◆ Appointing an Executive Committee member, as Executive sponsor to lead the development and deployment of ESG agenda across all areas of the bank and its customer base

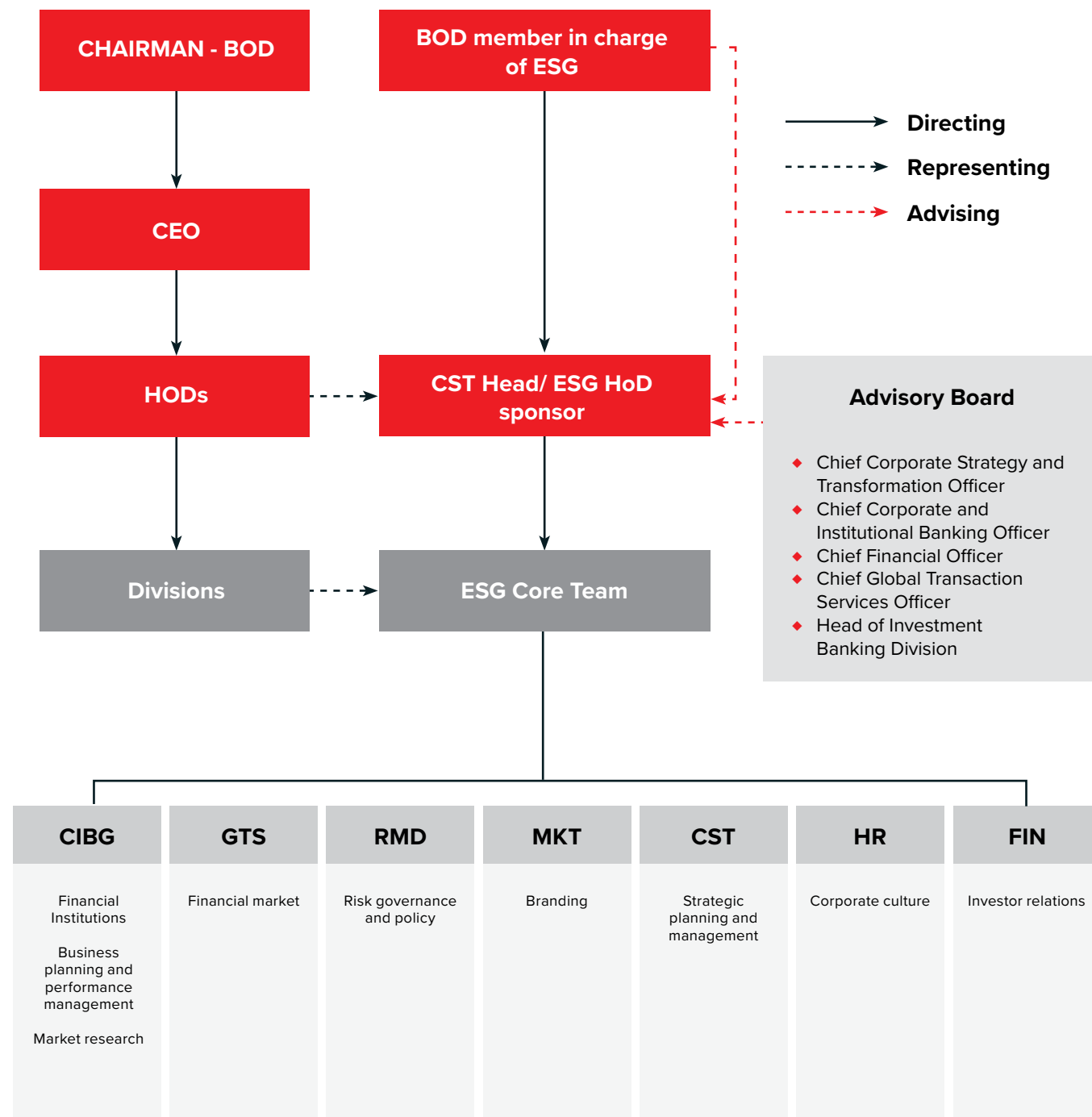
We nominated Mr Lee Boon Huat – non-Executive Director to oversee our ESG initiatives. He is charged with ensuring that ESG considerations are at the forefront of Board discussions and decisions, reflecting our commitment to responsible banking practices.

Mr. Prasenjit Chakravarti – Our Chief Corporate Strategy and Transformation Officer – acts as ESG Executive Sponsor, driving the integration of sustainability into our strategic planning, transformation initiatives and day to day business operations. This demonstrates our dedication to aligning our business transformation with ESG principles, ensuring that our growth is both sustainable and responsible.

Mr. Chakravarti leads our ESG Advisory Board which also includes our CFO and the heads of Corporate and Institutional Banking, Global Transaction Services and Investment Banking. They work together to develop and execute our ESG initiatives, monitor progress, report on our performance and oversee the core ESG team (see diagram below).

Techcombank aims to maintain market leading capital, liquidity and prudent leverage ratios via sustainable and socially responsible business growth. ESG is incorporated into various workstreams across the bank. Tools such as committee charters, guidelines and internal processes and procedures, appropriate for the Bank's long-term business strategy, are in alignment with international standards. Our enterprise-wide risk management framework also provides built-in safeguards to keep us on track.

ESG updated team structure



In 2023, strictly following the orientation and direction of Board of Directors, Techcombank always ensure compliance with corporate governance regulations according to Vietnamese law, as well as proactively applies best practices of global and regional to enhance governance efficiency for the whole bank and raise awareness of managers and employees about best corporate governance practices. Techcombank's Corporate Governance and Structure always aims at transparency and efficiency, ensuring the benefit of customers, employees, shareholders and investors, thereby ensuring development and sustainable value.

Stakeholder engagement

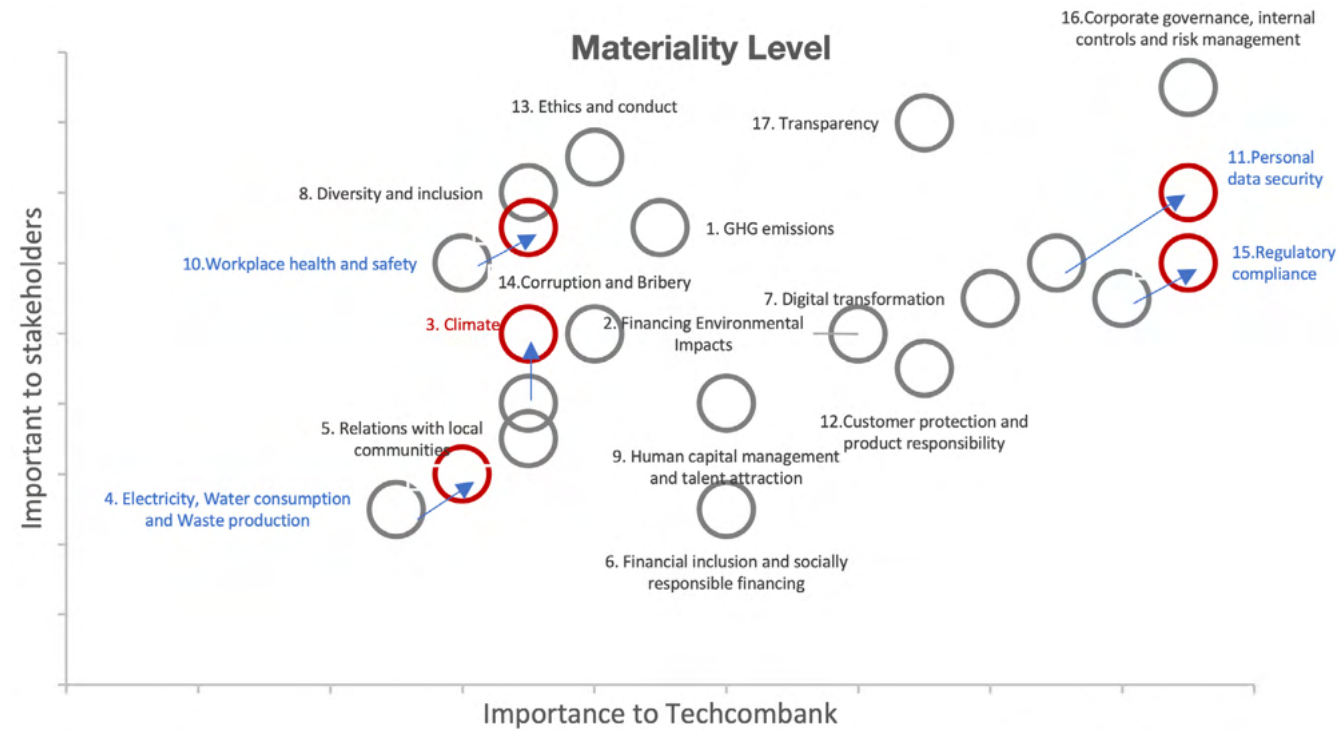
Stakeholder engagement is fundamental to improving accountability both within Techcombank and in the wider market where we operate. It helps empower our employees, create sustainable change, build mutually beneficial relationships and encourage our corporate social responsibility. We have ongoing dialogue and closely collaborate with our key stakeholders. This helps us continuously refine our business strategy and strengthens our ability to create long-term value.

	Investors	Customers	Employees
How do we engage	<p>We do our best to ensure that investors and shareholders receive the information they require. We communicate information about the Bank's activities in an open and timely fashion, in multiple formats to suit different needs. We:</p> <ul style="list-style-type: none"> Run quarterly analyst presentations Attend investor conferences arranged by leading domestic and international securities companies/ investment bankers Attend group discussions on topics such as banking and finance and digital banking transformation Publish details about our financial performance, business activities, social contribution, corporate governance, etc. on the TCB website and social media platforms like forum, YouTube and the TCB fan page Receive and respond to investors' enquiries and feedback via email: IR@Techcombank.com.vn Continuously enhance our corporate governance policies and protocols to protect investor/ shareholder interests. 	<p>We communicate with our customers via:</p> <ul style="list-style-type: none"> Our website and newsletters Direct interaction with highly skilled Relationship Managers who work in our nation-wide network of branches/ transaction offices Social media platforms (YouTube, TCB fan page, forum) Our 24/7 hotline for individual and business customers (both local and foreign) Loyalty and promotion programs Mass media. 	<p>Our employees are the engine that drives the Bank's success. We make sure they are empowered and rewarded in a friendly, safe and flexible team environment</p> <p>We invest significantly in the training and development of our staff to continue to enhance their skills and adapt to changing needs. (See HR – Talent section). As part of giving our employees <i>Opportunity to learn and room to grow</i>, we listen to their expectations via multiple channels:</p> <ul style="list-style-type: none"> Our internal HR interaction platform, HRConnect HR support, email: HR_Support@Techcombank.com.vn Direct conversation with human resource business partner staff Corporate events.
	Regulators	Local community	Press and media agencies
	<ul style="list-style-type: none"> We work hard to ensure the Bank complies with all government policies, directives, laws and regulations. We report to state agencies on our performance, development strategy and compliance, and are a member of various reputable associations, such as Vietnam's banking association and the bond market association, helping contribute to healthy development of the financial market and public policy. We work with local authorities to create solutions and provide feedback on various matters upon request. We have anti-corruption measures in place and meet our financial and tax obligations. We support development of policies and regulations to enhance Green Growth for Vietnam. 	<p>Throughout the year, we run activities and invest in programs that deliver positive impacts for citizens of Vietnam. These include:</p> <ul style="list-style-type: none"> Offering outstanding financial services to the community Donating to charities for people who face economic disadvantage Sponsoring tuition fees for high performing students Contributions to the social economy and cultural development. 	<p>We proactively and openly communicate with the media about:</p> <ul style="list-style-type: none"> Our business activities and results Our events, products, services and promotion programs, including sustainable financial programs/solutions Our awards and certificates from reputable organisations. <p>We do so via press releases, press interviews with senior managers, our website, meetings and workshops, email and phone.</p>

We are responsive to shareholder feedback and strive to meet the needs of all parties as we achieve sustainable growth.

Materiality assessment

Techcombank periodically updates the materiality assessment to ensure relevance. In 2023, we identified **44 ESG issues** that are of most importance to the Bank and our stakeholders. This was streamlined to a shortlist of 17 material topics and reviewed their materiality level with some key areas of changes as highlighted below. This assessment was approved by the Board Risk Committee.



Our ESG priorities are consistent with those identified in 2022, but some have become more pressing, so the way we rank them has changed. This is reflected in our strategy to drive efficient and effective sustainability operations across the Bank. Key changes we made in 2023 to our materiality assessment are:

Topic #3 – Climate Change

As we deepen our understanding of impacted sectors, we understand the increasing importance of this environmental impact on customers and become better able to support our clients to be more sustainable – considering ESG in their financial solutions and investment opportunities.

Topic #4 – Electricity, water consumption and waste production

We track our power consumption and explore measures to optimise energy usage. The LEED GOLD certification we received for our two head offices (see below) can help create new standards for working environments in Vietnam. We have waste minimisation policies in place.

Topic #10 – Workplace health and safety

Our talented team are the Bank’s biggest asset and the foundation for our continued success. They deserve a healthy and safe workplace. The green, friendly working environments of our new head offices, with their Agile design, help optimise space and create open connections between employees so each person feels motivated toward self-development.

Topic #11– Personal data security and privacy

We continue to strengthen our technological capabilities, governance, internal processes and policies to protect our precious data from unauthorised access, use, disruption, modification, or destruction. We do all we can to safeguard who sees our customers’ personal information, such as their card numbers or account balances. Strict data security and privacy standards are crucial to protect the Bank’s reputation and ensure we remain deserving of our customers’ trust.

Topic #15 – Regulatory compliance

Our ability to comply with local regulatory and risk management frameworks. Our drive to meet international benchmarks, sets new industry standards for Vietnam.

Techcombank is working toward compliance with the Global Reporting Initiative (GRI). The GRI offers a global common language so we can understand and report on the Bank’s impacts on the economy, environment and people in a comparable and credible way, increasing transparency about our contribution to sustainable development.

In 2023, guided by our ESG priorities, Techcombank:

- ◆ Contributed VND 5,048 billion in corporate tax to the national budget, helping progress Vietnam’s socio-economic development
- ◆ Increased our green credit exposure to reach VND 13,9 trillion – 5.2% of our total book value on average – distributed across sustainable transportation, renewable and clean energy, and other environmentally friendly sectors
- ◆ Supported Vietnamese people and communities through our marathons and other social activities, to spread the message of physical fitness, self-development and human potential.
- ◆ Improved our environmental and social risk (E&S) governance framework – including our policy, guidelines and tools to enhance E&S risk assessment – fully adopting the SBV’s requirements and collaborating with consulting partners to address challenges and changes in international standards
- ◆ Added new resources to investor relations – enhancing these online and offline, and including retail investors.

Environment



Techcombank has policies in place to guide the way we manage the environment in our overall operations. We regularly review and update legal requirements to ensure we are compliant. A member of our Board of Directors is responsible for organising, spreading and implementing environmental policies/issues across the Bank.

The Bank’s digital transformation has improved productivity and contributed to minimising environmental impacts. Our impact on the natural world is largely limited to the buildings and power we use and the way our employees go about their work. However, as a lender and funder of other businesses, our choices about which projects and initiatives we resource, can have significant effects on environmental outcomes.

Our buildings

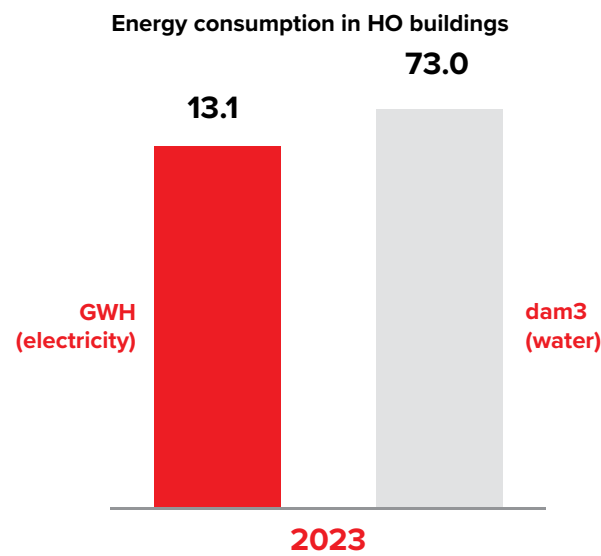
In 2023, Techcombank started operating two new world-class energy efficient office buildings (6 Quang Trung, Hanoi and 23 Le Duan, HCMC). Techcombank Tower in HCMC received the 'Energy Efficiency in Construction Projects 2023' Award from the Ministry of Industry and Trade and the Vietnam Energy Conservation and Energy Efficiency Association.

Recently, our two Techcombank Towers became the first Vietnamese banking headquarters to be awarded Leadership in Energy and Environmental Design (LEED) Gold by the U.S. Green Building Council (USGBC). LEED certification provides a framework for assessing healthy, highly efficient and cost-saving green buildings, which offer environmental, social and governance benefits. Developed by the USGBC in 1995, it is the world's most widely used green building rating system. To achieve the highest level – Gold (60-79 points) – projects must meet the nine most rigorous USGBC criteria from building design and construction, to interior design and operations.



Electricity and water consumption

The below graph shows Techcombank's electricity and water consumption for 2023. Now that we are established in our new offices, we will monitor our electricity and water use over time, using 2023 as a baseline.



Waste production

As we streamline operations to make them leaner and more efficient, our reliance on consumables like office stationery and printer ink reduces. At the same time, we are eliminating passbooks, account statements and customer road trips to the Bank.

Our efforts to achieve a greener and more sustainable working environment, with various waste sorting initiatives, also continues. Techcombank staff are expected to minimise the waste they produce by 'saying no' to plastic, especially disposables. We encourage:

- ◆ Replacing plastic water bottles with glass jars or cups at meetings, including executive meetings
- ◆ Replacing plastic utensils (chopsticks, spoons, straws, etc.) with those made from wood, stainless steel or environmentally friendly materials
- ◆ Bringing a personal water bottle or glass for work office use and carrying cloth or paper bags when shopping
- ◆ When buying takeaway, favouring eco-friendly or recyclable food containers
- ◆ Reusing plastic bottles and food containers
- ◆ Saving water
- ◆ Recycling batteries
- ◆ Other.

Business trips

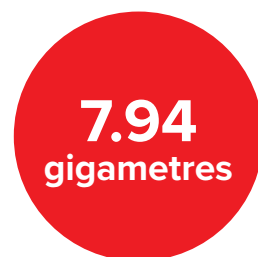
We pay close attention to the carbon admissions of business travel.

TCB pays close attention to the carbon emissions associated with business travel, through tracking and making travel program enhancements over the short and long term. We encourage eco-friendly transportation to reduce our carbon footprint and environmental impact. Wherever possible, we encourage our employees to consider online meetings through tools like Microsoft teams.

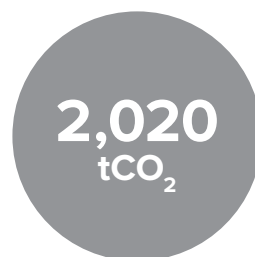
Number of business trips in 2023



Total distance travelled



Total estimated CO₂ emission



Making sustainable investment decisions

Sector and project classification for assessment and appraisal

The environmental and social management system (ESMS) framework at Techcombank – based on requirements of the Environmental Protection Law, SBV Circular & international principles and standards:

Strategic direction on environmental and social policies at Techcombank:

- ◆ The environmental and social management system (ESMS) at Techcombank, including environmental and social risk assessments (E&S), are integrated into business decisions and risk management processes in credit granting activities.
- ◆ Techcombank has clear statements as a direction for the entire system on climate policy, gender equality and land use.
- ◆ Techcombank's ESMS includes policies & processes, instructions; organizational structure, roles and responsibilities of departments; tools for reviewing, classifying and assessing E&S risks; information technology infrastructure.



Techcombank's social and environmental risk management requirements integrated in credit granting activities

- ◆ Techcombank's structural system for social and environmental risk management: Roles and responsibilities of each individual in Techcombank's system: Board of Directors, CEO, Risk Council in charge of E&S Risks, and related Divisions / units such as Risk Management Division, Business Divisions, Finance and Planning Division, Corporate Affair Division, Marketing Division, approval experts and E&S risk officers.
- ◆ Requirements for E&S risk identification/classification: Applications for credit and loans will be classified into four (4) categories according to the 2020 Law on Environmental Protection, 2019 Law on Public Investment, Decree No. 08/2022 / ND-CP (Groups I, II, III, IV). In addition, credit applications are also guided to expanding assessment according to international standards (High risk - Group A, medium risk - Group B, low risk - Group C).

- ◆ Requirements for appraisal and approval of E&S risk are actually integrated with the credit granting process.
- ◆ Requirements for control and supervision post disbursement and E&S risk reporting.

Techcombank has updated the current Regulations and issued "**Regulations on environmental and social risk management policies at Techcombank**" effective from 1 June 2023. Accordingly, the Social Environmental Management System (ESMS) was also updated and completed, contributing to helping Techcombank continue to affirm its pioneering position in complying with legal regulations, while meeting business development goals and protecting the sustainable social environment, keeping ahead banking and financial market trends.

The updated content includes:

- ◆ Update the requirements of Circular 17/2022/TT-NHNN on guiding the implementation of environmental and social risk management in credit granting activities of credit institutions and foreign bank branches issued by Governor of the State Bank of Vietnam
- ◆ Update some contents of the Law on Environmental Protection related to green credit
- ◆ In addition, put on advice and suggestions from international partners/consulting experts (such as IFC and Asian Development Bank ADB) to apply at Techcombank to bring Techcombank ESMS system towards the international standard.

The Bank will not grant credit to projects on the IFC's exclusion list, or activities that have negative impacts on environmental, social and business activities prohibited under Vietnamese law. Our exclusion list includes:

1. Production or trade in illegal products or activities under State law or provisions of international agreements or in internationally prohibited fields
2. Production or trade in weapons and ammunition
3. Production or trade in alcoholic beverages (excluding beer and wine)
4. Production or trade in tobacco
5. Gambling, casinos and equivalent enterprises
6. Production or trade in radioactive materials
7. Drift net fishing in the marine environment using nets longer than 2.5 km
8. Production or activities involving harmful or exploitative forms of forced labour/harmful child labour 9.
9. Deforestation, logging for commercial purposes
10. Production or trade in timber and forest products which does not comply with regulations
11. Producing, trading, storing, transporting or using dangerous chemicals
12. Production or activities that impinge on lands owned by Indigenous peoples (or disputed lands) without their consent.

Projects detrimental to national defence, security and public interest

13. Production and possession of narcotic substances
14. Investing in the business of secret investigation services that infringe upon the interests of the State or the lawful rights and interests of organisations and individuals
15. Investment in the field of private detectives, investigation.

Projects that damage the history, culture, morals, fine customs or traditions of Vietnam

16. Construction projects within the premises of national historical and cultural relics or projects that adversely affect the architecture and landscape of these national historical and cultural relics
17. Producing depraved and superstitious cultural products
18. Producing dangerous toys, harmful to a child's personality, health or education; or to social security, order and safety
19. Prostitution business; trafficking in women and children
20. Human cloning testing.

Projects that harm people's health, destroy resources or destroy the environment

21. Production of Schedule 1 chemicals (as defined by international conventions)
22. Producing veterinary drugs or pesticides banned, or not yet allowed, in Vietnam
23. Producing medicines for human treatment, vaccines, medical biological products, cosmetics or insecticidal and germicidal chemicals and preparations not yet allowed in Vietnam.

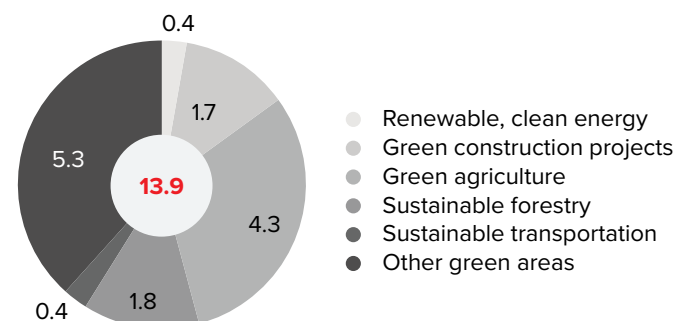
Hazardous waste treatment projects brought from outside into Vietnam; production of harmful chemicals or use of toxic agents prohibited by international treaties

24. Projects to treat hazardous waste brought from outside into Vietnam; producing toxic chemicals or using toxic agents prohibited by international treaties to which Vietnam is a party
25. Other investment projects banned from investment, as prescribed by Vietnamese law.

Green credits

Over the past few years, there has been substantial growth in our commitment to green credit. In 2023, our maximum exposure had reached VND 13.9 trillion – 5.2% of our total corporate credit book on average. It is distributed across sustainable transportation, green agriculture, renewable and clean energy, and other environmentally friendly sectors. This has significantly improved from our exposure level of VND 1.1 trillion in 2022.

2023 green credit exposure (VND Tn, %)



Social responsibility

Techcombank has a strategy, an established governance process and implementation plans and programs to manage our social impact. We clearly identify key stakeholders, the frequency and method of our consultations, and our receipt of feedback and plans (see Stakeholder engagement table above). Our commitment to social responsibility starts within our organisation, then extends into the community.

A member of our Board of Directors is responsible for organising, spreading and implementing social responsibility policies/issues across the Bank.

Treating our employees well

Talent is one of the three key pillars in Techcombank's five-year strategy. We understand that human resources are a precious asset and pride ourselves on operating a workplace that:

- ◆ Is healthy and safe
- ◆ Is diverse and inclusive
 - 68% Women employees, 61% female managers
 - 16 Nationalities
 - 37% Of employees under 30
- ◆ Prioritises good communication
- ◆ Empowers and rewards people
- ◆ Provides opportunities for staff development
- ◆ Offers competitive remuneration
- ◆ Offers unique benefits, such as–
 - Family health-care packages
 - 'Ho tro An cu' program – enabling employees to have a smart, flexible financial plan associated with their career development path
 - An Cu 1, 2, 3 our 'settled accommodation' program to assist employees in buying a home
 - Awards for outstanding children of Techcomers
 - Transport for Techcomers to their hometown for family Lunar New Year celebrations
 - Union program
- ◆ A complaint mechanism for employees who may have grievances.

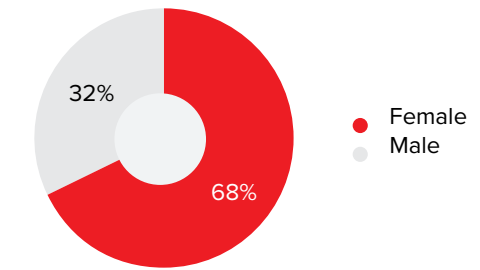
Diversity and inclusion

Diversity and inclusion can bring many benefits to an organisation. These include faster problem solving, better decision making, increased innovation, greater employee engagement and better financial performance. Techcombank welcomes, and is expanding, opportunities for our multi-generational, multinational workforce; as well as encouraging and promoting gender equality standards. A culture of inclusivity helps us attract and retain talented people from all parts of the community.



Diversity and inclusion

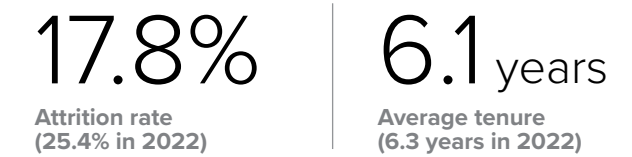
Gender structure (11.6K employees)



Gender diversity at the top



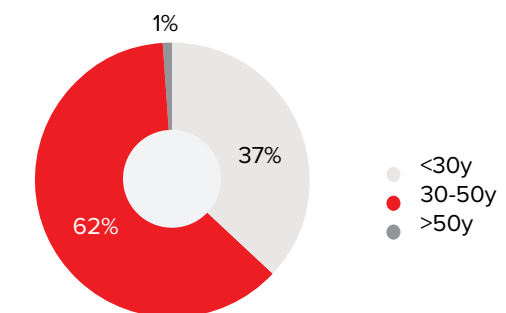
Attrition rate and tenure



Nationalities



Age structure (11.6K employees)



Gender/Age	<30y	30-50y	>50y
Female	37.8%	61.3%	0.9%
Male	34.6%	63.3%	2.1%

EES results



Top 9% of highest scoring companies in Asia Pacific region for Employee Effectiveness and the top 14% for Engagement and Enablement.

For more information, see Talent (HR) and Corporate culture sections.

Respecting our customers

This year we added 2.6 million customers while maintaining a consistent cost-income ratio. Our market-leading digital banking platforms, mobile apps and extensive network of 300 branches and transaction offices across 46 of 63 cities and provinces in Vietnam, mean our bank is accessible to a large proportion of the population. We enhance this reach, through our strategic partnerships, we are making banking services available in 1000+ stores to acquire and provide superior banking services.

Our policies and procedures contain standards to ensure we consider and meet customers' needs. We are committed to

protecting the data we hold and process, in accordance with the laws and regulations. We have invested significantly to improve our e-KYC, anti-money laundering and transaction monitoring capability. We also maintain a key focus on minimising risk by ensuring our platforms and anti-money laundering system offer both the highest levels of protection for the Bank's important data, and the best safety and security possible for customers as they transact with us. Our 24-7 service centres mean we can take feedback and offer support at any time.

In the business sector, we work at building relationships and developing a complex and nuanced understanding of our customers so we can be their trusted adviser, working together to help them build their wealth. Our decision to merge the Wholesale Banking and Business Banking divisions into a new entity called Corporate and Institutional Banking Group (CIBG) from 1 January 2024 will enhance our capacity to develop sector-based strategies and bring more ESG focused solutions to our customers.

We've strategically repositioned our micro and emerging small and medium-sized enterprises (SME) segment into Retail Banking Group (RBG). This move was based on our recognition that these customers often manage their business finances alongside personal banking requirements. Our extensive network of over 300 retail branches will scale our services to better meet their business needs, while continuing to serve households. During 2023, the number of micro SME and SME segments we serve increased by 17% – from 51,307 in 2022 to 60,209 customers in 2023 – with loan balances for these customer groups also maintained stable at 17.8 trillion VND.

Our customer-centric strategy has allowed us to deepen our understanding of customers and offer simple, easy and convenient solutions to meet their needs at all stages of their financial lives (e.g., spending, saving, borrowing, protecting and investing).

Our impressive list of awards demonstrates our wide appeal.

Giving back to the community

"Change Banking, Change Lives" is part of our vision to promote a sustainable society and community. Throughout the year, we ran activities and invested in programs that delivered positive impacts to citizens of Vietnam and helped develop our nation.

Our annual Hanoi Marathon Techcombank, 2nd edition (September) and Ho Chi Minh Marathon Techcombank, 6th edition (December) are a platform to spread the message of building a stronger, healthier population and bring the whole community together. The two events, in 2023, again celebrated the "Be Greater" spirit and showcased the power of sport to bring people together to conquer new challenges. We are proud to actively promote physical fitness and healthy living for all.

- ◆ 23,500 participants across two marathons (8,500 Hanoi and 15,000 HCMC).
- ◆ Runners came from more than 90 countries.
- ◆ Runners shared our meaningful purpose *Run for a Greater Vietnam*.

In 2023, Techcombank committed a total of VND 148 billion to activities that will help deliver long-lasting benefits across Vietnam. They included:

- ◆ Sponsorship for education (including: building schools, sponsoring scholarships for students, etc.)
- ◆ Sponsorship for beneficiary of social welfare (including: supporting the poor, building charity houses, donating to handle the consequences of natural disasters, etc.)
- ◆ Sponsorship for national defence and security, including: donate to crime prevention fund
- ◆ Sponsorship for other purposes such as to promoting local economic and cultural development.



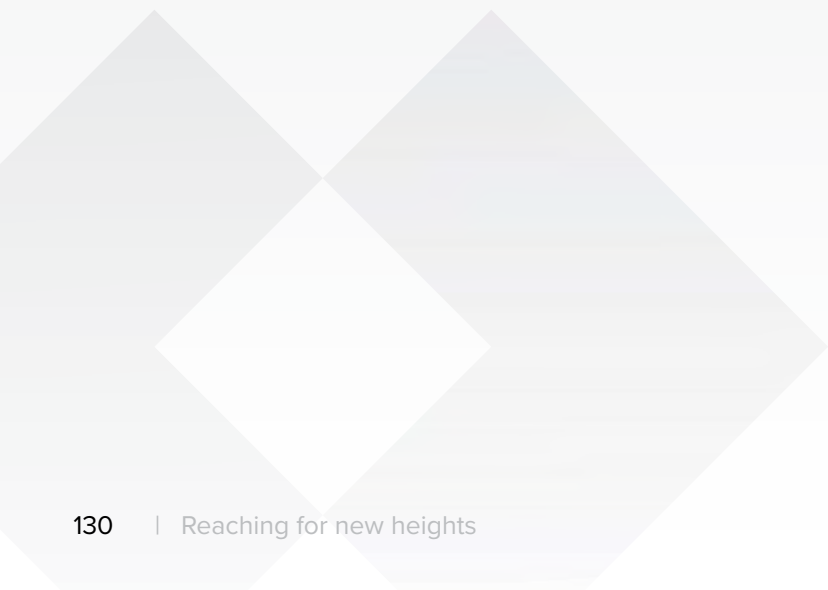
Our Focus on ESG for 2024

In 2024 we will further refine our approach to ESG. We will:

- ◆ Develop a deeper understanding of sectors impacted by regulations
- ◆ Provide new product design/solutions for growing the green sector
- ◆ Explore opportunity to become part of the relevant Sustainability Index in Vietnam and region to indicate our growing aspirations in this space
- ◆ Offer diversified training programs on ESG, covering both leadership and functions
- ◆ Enhance relevant Bank processes (e.g. credit underwriting) and platforms (e.g. Data) to support new SBV regulations
- ◆ Review TCB's footprint for real estate power consumption and related metrics to create a baseline for future comparison
- ◆ Embed ESG as a key pillar into our messaging framework, dialling up ESG messages and sponsoring community events which support sustainability.

06.

THE SUCCESS OF TECH



GENERAL INFORMATION

THE BANK

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

The Bank was incorporated pursuant to Business License No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam (“the SBV”) on 6 March 2018 to replace Business License No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 3 January 2024. The operating duration is 99 years since 6 August 1993.

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

BOARD OF DIRECTORS

Members of the Board of Directors of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements are as follows:

Name	Position
Mr. Ho Hung Anh	Chairman
Mr. Nguyen Dang Quang	The first Vice Chairman
Mr. Nguyen Thieu Quang	Vice Chairman
Mr. Nguyen Canh Son	Vice Chairman
Mr. Ho Anh Ngoc	Vice Chairman
Mr. Lee Boon Huat	Member
Mr. Saurabh Narayan Agarwal	Member
Mr. Nguyen Nhan Nghia	Independent Member

BOARD OF SUPERVISION

Members of the Board of Supervision of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements are as follows:

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

THE EXECUTIVE TEAM

Members of the Executive Team of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements are as follows:

Name	Position
Mr. Jens Lottner	Chief Executive Officer
Mr. Phung Quang Hung	Standing Deputy Chief Executive Officer cum Chief Business Banking Officer
Mr. Pham Quang Thang	Deputy Chief Executive Officer cum Chief Corporate Affairs Officer
Mr. Phan Thanh Son	Deputy Chief Executive Officer cum Chief Global Transaction Service Officer
Mr. Kalyanaraman Sivaramakrishnan	Deputy Chief Executive Officer cum Chief Risk Officer (until 30 November 2023)
Ms. Nguyen Thu Lan	Acting Chief Risk Officer (from 1 December 2023)
Mr. Alexandre Charles Emmanuel Macaire	Chief Finance Officer
Ms. Phan Thi Thanh Binh	Chief Wholesale Banking Officer (until 31 December 2023)
Mr. Darren Neale Buckley	Chief Retail Banking Group Officer (until 31 December 2023)
Mr. Nguyen Anh Tuan	Acting Chief Retail Banking Group Officer (from 1 November 2023)
Ms. Dang Nikki My Quyen	Chief Human Resources Officer
Mr. Nguyen Anh Tuan	Chief Information Officer
Mr. Chu Hong Ngoc	Chief Operations Officer
Ms. Thai Minh Diem Tu	Chief Marketing Officer
Mr. Santhosh Mahendiran	Chief Data and Analytics Officer
Mr. Pranav Seth	Chief Digital Officer
Mr. Prasenjit Chakravarti	Chief of Strategy and Transformation Officer

LEGAL REPRESENTATIVE

The legal representative of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements is Mr. Ho Hung Anh, the Chairman.

Mr. Jens Lottner is authorized to sign off reports and documents relating to operations management which comprise the accompanying consolidated financial statements for the year ended 31 December 2023 in accordance with Decision No. 0058/2020/UQ-CT-HDQT dated 6 February 2020.

AUDITORS

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

The Executive Team of Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is pleased to present its report and the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2023.



REPORT OF THE EXECUTIVE TEAM

The Executive Team of Vietnam Technological and Commercial Joint Stock Bank ("the Bank") is pleased to present its report and the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2023.

The Executive Team's Responsibility for the Consolidated Financial Statements

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

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

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

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

Statement by the Executive Team

The Executive Team does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2023, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the Executive Team:

Mr. Jens Lottner
Chief Executive Officer

Hanoi, Vietnam
22 March 2024



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Vietnam Technological and Commercial Joint Stock Bank ("the Bank") and its subsidiaries, as prepared on 22 March 2024 and set out on pages 136 to 197 which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and the consolidated cash flow statement for the year then ended and the notes thereto.

The Executive Team's responsibility

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2023, and of the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited – Hanoi Branch

Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2023-004-1

Tran Thi Thu Hien
Auditor
Audit Practising Registration
Certificate No. 2487-2023-004-1

Hanoi, Vietnam
22 March 2024



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Notes	31 December 2023 VND million	31 December 2022 VND million
ASSETS			
Cash and gold	5	3,620,695	4,215,721
Balances with the State Bank of Vietnam ("the SBV")	6	27,140,592	11,475,590
Balances with and credit granting to other credit institutions	7	104,072,320	82,873,754
Balances with other credit institutions	7.1	80,126,897	69,925,143
Credit granting to other credit institutions	7.2	24,046,523	13,049,711
Provision for credit granting to other credit institutions	7.4	(101,100)	(101,100)
Held-for-trading securities	8	4,432,778	961,034
Held-for-trading securities		4,432,778	961,034
Derivatives and other financial assets	20	143,611	-
Loans to customers		512,513,672	415,752,256
Loans to customers	9	518,641,568	420,523,705
Provision for loans to customers	10	(6,127,896)	(4,771,449)
Debts purchased	11	82,033	107,725
Debts purchased		84,335	110,221
Provision for debts purchased		(2,302)	(2,496)
Investment securities	12	104,993,945	103,651,920
Available-for-sale securities	12.1	105,356,248	104,031,921
Provision for investment securities	12.3	(362,303)	(380,001)
Long-term investments	13	3,046,245	12,813
Other long-term investments	13.1	3,047,394	13,962
Provision for long-term investments	13.2	(1,149)	(1,149)
Fixed assets	14	8,892,697	8,411,382
Tangible fixed assets	14.1	3,527,586	3,696,812
Cost		5,492,566	5,156,346
Accumulated depreciation		(1,964,980)	(1,459,534)
Intangible fixed assets	14.2	5,365,111	4,714,570
Cost		7,198,784	5,913,538
Accumulated amortization		(1,833,673)	(1,198,968)
Investment property	15	-	1,053,124
Cost		-	1,435,699
Accumulated depreciation		-	(382,575)
Other assets	16	80,543,424	70,517,225
Receivables		69,834,157	61,609,133
Accrued interest and fee receivables		9,681,140	8,028,730
Deferred income tax assets		70,409	61,050
Other assets		1,650,584	1,616,735
Provision for other on-balance sheet assets		(692,866)	(798,423)
TOTAL ASSETS		849,482,012	699,032,544

	Notes	31 December 2023 VND million	31 December 2022 VND million
LIABILITIES			
Due to the Government and the SBV	17	131	7,826
Deposits and borrowings from the Government and the SBV		131	7,826
Deposits and borrowings from other financial institutions and credit institutions	18	153,173,002	167,562,969
Deposits from other financial institutions and credit institutions	18.1	50,619,678	61,293,738
Borrowings from other financial institutions and credit institutions	18.2	102,553,324	106,269,231
Deposits from customers	19	454,660,779	358,403,785
Derivatives and other financial liabilities	20	-	1,851,213
Valuable papers issued	21	84,703,300	34,006,619
Other liabilities	22	25,328,735	23,775,166
Accrued interest and fee payables		9,418,750	6,144,022
Other liabilities		15,909,985	17,631,144
TOTAL LIABILITIES		717,865,947	585,607,578
SHAREHOLDERS' EQUITY			
Share capital		36,257,461	36,204,797
Charter capital		35,225,108	35,172,385
Share premium		476,356	476,415
Other capital		555,997	555,997
Reserves		45,028,627	11,608,569
Retained earnings		49,013,144	64,482,685
Non-controlling interests		1,316,833	1,128,915
TOTAL SHAREHOLDERS' EQUITY	24	131,616,065	113,424,966
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		849,482,012	699,032,544





CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2023

Notes	31 December 2023 VND million	31 December 2022 VND million
CONSOLIDATED OFF-BALANCE SHEET ITEMS		
Guarantees for borrowings	14,935,065	13,253,457
Commitments for currency contracts	350,601,542	360,120,743
♦ Commitments to buy spot foreign currencies	4,593,012	2,450,745
♦ Commitments to sell spot foreign currencies	4,415,918	1,361,969
♦ Commitments to buy - foreign exchange swap contracts	171,163,643	178,699,591
♦ Commitments to sell - foreign exchange swap contracts	170,428,969	177,608,438
Letters of credit (L/C)	67,845,653	64,666,942
Other guarantees	57,648,065	44,870,251
Other commitments	478,047,860	449,697,675
♦ Commitments for cross-currency swap in foreign currencies	68,061,694	42,535,867
♦ Commitments for cross-currency swap in VND	67,392,288	42,343,196
♦ Commitments for interest rate swap in foreign currencies	10,734,257	25,100,370
♦ Commitments for interest rate swap in VND	13,541,644	15,173
♦ Valuable paper forward commitments	12,985,841	13,357,717
♦ Unused credit limit	305,332,136	326,345,352
Interest and receivable fees not collected yet	39 2,287,980	1,858,878
Written-off debts	40 52,224,706	46,946,553
Assets and other documents	41 198,926,346	172,003,576
	1,222,517,217	1,153,418,075

Prepared by:

Approved by:

Approved by:

Ms. Hoang Thi Thu Hang
Accountant

Ms. Nguyen Thi Tra My
Chief Accountant

Mr. Jens Lottner
Chief Executive Officer

Hanoi, Vietnam
22 March 2024

Notes	2023 VND million	2022 VND million (Reclassified)
Interest and similar income	25 56,707,759	44,752,636
Interest and similar expenses	26 (29,016,639)	(14,462,861)
Net interest and similar income	27,691,120	30,289,775
Fees and commission income	11,378,085	10,840,337
Fees and commission expenses	(2,663,188)	(2,687,732)
Net fees and commission income	27 8,714,897	8,152,605
Net gain/(loss) from trading foreign currencies	28 195,750	(275,063)
Net gain/(loss) from held-for-trading securities	29 64,620	(241,845)
Net gain from investment securities	30 925,833	425,553
Other operating income	6,459,694	4,499,949
Other operating expenses	(4,025,578)	(2,332,574)
Net gain from other operating activities	31 2,434,116	2,167,375
Income from investments in other entities	32 34,756	8,791
Total operating income	40,061,092	40,527,191
Operating expenses	33 (13,251,796)	(13,023,129)
Profit before provision for credit losses	26,809,296	27,504,062
Provision expenses for credit losses	34 (3,921,068)	(1,936,294)
Profit before tax	22,888,228	25,567,768
Current corporate income tax expense	23.1 (4,706,721)	(5,174,932)
Deferred income tax income	23.3 9,359	43,590
Corporate income tax expense	(4,697,362)	(5,131,342)
Profit after tax	18,190,866	20,436,426
Non-controlling interests	(187,064)	(286,049)
Net profit contributed to the Bank's shareholders	18,003,802	20,150,377
Basic earnings per share (VND/share)	35 5,104	5,725
Diluted earnings per share (VND/share)	35 (*)	(*)

(*) As at 31 December 2023 and 31 December 2022, earnings per share of the Bank are not affected by dilutive factors.

Prepared by:

Approved by:

Approved by:

Ms. Hoang Thi Thu Hang
Accountant

Ms. Nguyen Thi Tra My
Chief Accountant

Mr. Jens Lottner
Chief Executive Officer

Hanoi, Vietnam
22 March 2024



CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2023

	Notes	2023 VND million	2022 VND million (Reclassified)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income receipts		53,749,365	43,558,389
Interest and similar expenses payments		(25,941,911)	(12,185,090)
Net fees and commission receipts		9,134,752	8,076,844
Net receipts/(payments) from trading activities (foreign currencies and securities)		1,168,505	(420,995)
Other income receipts		1,384,616	605,946
Recovery of loans previously written-off	31	831,790	1,311,053
Payments for employees and other operating expenses		(10,339,365)	(9,631,184)
Current income taxation paid for the year	23.1	(5,048,936)	(2,301,394)
Net cash flows from operating activities before changes in operating assets and liabilities		24,938,816	29,013,569
Changes in operating assets			
(Increase)/decrease in balances with and credit granting to other credit institutions		(12,287,858)	18,490,986
(Increase)/decrease in trading securities		(19,582,416)	13,920,515
(Increase)/decrease in derivatives and other financial assets		(143,611)	293,768
Increase in loans to customers		(98,117,863)	(73,182,461)
Utilization of provision	10	(2,667,877)	(683,006)
Increase in other operating assets		(9,317,279)	(36,029,613)
Changes in operating liabilities			
(Decrease)/increase in deposits and borrowings from other financial institutions and credit institutions		(14,389,967)	55,104,278
Increase in deposits from customers		96,249,299	43,658,244
Increase in valuable papers issued (excluding valuable papers issued classified into financing activities)		50,696,681	1,026,795
(Decrease)/increase in derivatives and other financial liabilities		(1,851,213)	1,851,213
(Decrease)/increase in other liabilities		(1,468,412)	2,009,069
Use of reserves	24.1	(5,013)	(4,856)
Net cash flows from operating activities		12,053,287	55,468,501

	Notes	2023 VND million	2022 VND million (Reclassified)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets		(1,232,358)	(1,110,111)
Proceeds from disposals of fixed assets		22,156	44,111
Payments for disposals of fixed assets		(35)	(51)
Payments for sale of investment property		1,296,447	-
Payments for investments in other entities		(3,033,432)	-
Dividends received and profit shared from long-term investments		34,756	8,776
Net cash flows used in investing activities		(2,912,466)	(1,057,275)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		52,664	63,178
Payments for settlement of long-term valuable papers eligible for recognition as owners' equity and other long-term loans		-	(700,000)
Proceeds from capital contribution of non-controlling shareholders		854	1,894
Dividends payment for Non-controlling interests		-	(74,648)
Net cash flows from/(used in) financing activities		53,518	(709,576)
Net cash flows for the year		9,194,339	53,701,650
Cash and cash equivalents at the beginning of the year	36	101,305,880	47,604,230
Cash and cash equivalents at the end of the year	36	110,500,219	101,305,880

Prepared by:

Approved by:

Approved by:

Ms. Hoang Thi Thu Hang
Accountant

Ms. Nguyen Thi Tra My
Chief Accountant

Mr. Jens Lottner
Chief Executive Officer

Hanoi, Vietnam
22 March 2024



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2023 and for the year then ended

1. GENERAL INFORMATION

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

Establishment and operations

The Bank was incorporated pursuant to Business License No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam (“the SBV”) on 6 March 2018 to replace Business License No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 3 January 2024. The operating duration is 99 years since 6 August 1993.

The principal activities of the Bank are mobilizing and receiving short, medium and long-term deposit funds from organizations and individuals; lending on short, medium and long-term basis up to the nature and ability of the Bank’s capital resources; conducting settlement and cash services and other banking services as approved by the SBV;

Subsidiaries

As at 31 December 2023, the Bank has three (3) subsidiaries as follows:

No.	Name	Business License No.	Industry	% Owned by the Bank
1	Techcom Securities Joint Stock Company	125/GP-UBCK dated 30 May 2018 and amended by License No. 54/GPDC-UBCK dated 30 June 2023 granted by the State Securities Commission	Securities activities	94.16653%
2	Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited	0104003519 dated 18 June 2008 granted by Hanoi Department of Planning and Investment which was amended for the 27th time by 0102786255 on 30 October 2023	Debt and asset management	100%
3	Techcom Capital Management Joint Stock Company	57/GP-UBCK dated 30 January 2019 and amended by License No. 114/GPDC-UBCK dated 18 November 2022 granted by the State Securities Commission	Fund management; Investment portfolio management; Securities investment consulting	88.99956%

Employees

As at 31 December 2023, the Bank and its subsidiaries have 11,614 employees (31 December 2022: 12,339 employees).

conducting investments in subsidiaries, associates, joint-ventures and other companies; conducting investments in bonds and dealing in foreign exchange in accordance with applicable regulations.

Charter capital

As at 31 December 2023, the charter capital of the Bank is VND 35,225,108,110,000 (31 December 2022: VND 35,172,385,140,000).

Network

As at 31 December 2023, the Bank has one (1) Head Office, two (2) representative offices, three hundred and one (301) branches and transaction offices nationwide and three (3) subsidiaries.

As at 31 December 2023, the Bank’s Head Office is located at 6 Quang Trung, Hoan Kiem District, Hanoi.

2. ACCOUNTING PERIOD AND CURRENCY

2.1. Accounting period

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

2.2. Accounting currency

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

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

3.1. Statement of compliance

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

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

3.2. Basis of preparation

The consolidated financial statements of the Bank are prepared in accordance with Financial Reporting Regime applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004, Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of accounts for credit institutions issued in connection with Decision No. 479/2004/QD-NHNN by the State Bank of Vietnam, Vietnamese Accounting Standards issued by the Ministry of Finance and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing a number of articles of Accounting System for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN dated 29 April 2004 and Financial Reporting Regime applicable to Credit Institution issued in connection with Decision No. 16/2007/QD-NHNN dated 18 April 2007 by Governor of the State Bank of Vietnam as per:

- ◆ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Standards on Accounting (series 1);
- ◆ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Standards on Accounting (series 2);

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

3.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2023. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date that such control ceases. In case the Bank divests its equity interest in a subsidiary resulting in loss of control over the subsidiary, the Bank only consolidates the financial result of the subsidiary from the beginning of the year up to the date of the divestment without consolidating the net assets of the subsidiary. Furthermore, the Bank makes adjustments of indirect impact of the divestment transactions on the consolidated cash flow statement.

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

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

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

3.4. Basis of assumptions and uses of estimates

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Changes in accounting policies and disclosures

The accounting policies adopted by the Bank in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2022, excepted for:

Circular No. 18/2022/TT-NHNN prescribing debts trading of credit institutions, foreign bank branches.

On 26 December 2022, the State Bank of Vietnam promulgated Circular No. 18/2022/TT-NHNN ("Circular 18") amending and supplementing a number of articles to Circular No. 09/2015/TT-NHNN ("Circular 09") prescribing debts trading of credit institutions and foreign bank branches. Changes in Circular 18 related to the accounting policies are as followings:

- ◆ Supplementing definition of "Book value of a traded debt on statement of financial position";
- ◆ Supplementing regulations on settlement terms of debts purchased balance to the supplier;
- ◆ Supplementing regulations on collaterals against the unsettled balance to the supplier according to the debt trading contract;
- ◆ Amending regulations relating to debt monitoring, debt classification, provisioning and provision utilization to write off the unsold part of a debt in case of selling part of a debt to a counterparty or selling a debt to multiple parties;
- ◆ Supplementing detailed regulations for settlement of financial issues, accounting treatments against debts traded.

Circular 18 takes effect from 9 February 2023 with transition conditions: Debt trading contracts which have been concluded before the effective date of Circular 18, debt purchasers, debt sellers and all related parties are allowed to continue the concluded contracts under the prevailing regulations of Circular 09. In case counterparties have negotiation to amendments terms of the debts trading contract, these amendments must be in compliance with the provisions of Circular 18.

Circular No. 02/2023/TT-NHNN was issued by the SBV on 23 April 2023 to provide instructions for credit institutions and foreign branch banks on loan restructuring and retention of loan classification to support borrowers facing financial difficulties in business activities and consumption needs ("Circular 02").

The main changes of Circular 02 are as below:

- ◆ Scope and conditions of loans eligible for term restructuring;
- ◆ Principles of classification retention and loan classification, guidelines on accounting for accrued interest and provisioning for loans whose principal and/or interest balances are rescheduled.

The Circular 02 takes effect from 24 April 2023.

4.2. Cash and cash equivalents

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

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

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

The credit risk classification of balances with and credit granting to other financial institutions and credit institutions and provision for credit risks thereof are provided in accordance with Circular No. 11/2021/TT-NHNN dated 30 July 2021 issued by the SBV ("Circular 11"). Accordingly, the Bank makes a provision for credit losses on balances (except for current accounts) with credit institutions, foreign bank branches and credit granting to other financial institutions and credit institutions according to the method as described in Note 4.6.

4.4. Held-for-trading securities

4.4.1. Classification and recognition

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

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

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

4.4.2. Measurement

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

Provision for diminution in value of securities is made in accordance with Circular 48/2019/TT-NHNN dated 8 August 2019 ("Circular 48") and Circular 24/2022/TT-BTC dated 7 April 2022 ("Circular 24") as described in Note 4.7.3.

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

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

Gains or losses from the sales of held-for-trading securities are recognized in the consolidated statement of profit or loss.

4.4.3. De-recognition

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

4.5. Loans to customers

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

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

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

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

The Bank applied quantitative method as regulated under Article 10 of Circular 11 on classification the following assets: balances with and credit granting to other credit institutions, other foreign bank branches; purchase and trusted purchase of corporate bonds (including bonds issued by other

credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading system; loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (here refer as "debts").

In accordance with Circular 11, general provision as at 31 December is made at 0.75% of total outstanding debt balances as at 31 December excluding loans classified into loss group debts, balances with credit institutions, foreign bank branches and balances with overseas credit institutions; loans; buying forwards valuable papers among other credit institutions, foreign bank branches in Vietnam; balances of buying promissory notes, bills, certificates of deposit, bonds issued by other credit institutions and foreign bank branches; balances of buying, selling Government bonds.

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

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

No.	Group	Description	Provision rate
1	Current	a) Current debts that are assessed as fully and timely recoverable for both principals and interests; or b) Debts which are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special mention	a) Debts which are overdue for a period of between 10 days and 90 days; or b) Debts which the repayment terms are restructured for the first time.	5%
3	Sub-standard	a) Debts which are overdue for a period of between 91 days and 180 days; or b) Debts which the repayment terms are extended for the first time; or c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under agreements; or d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: ◆ Debts violating Clauses 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or ◆ Debts violating Clauses 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or ◆ Debts violating Clauses 1, 2, 5 under Article 128 of Law on Credit Institutions. e) Debts required to be recovered under inspection conclusions; or f) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank but are not yet recovered in less than 30 days since the effective dates of recovery decisions; or g) When the SBV requires under regulatory inspection conclusions and related credit information.	20%

No.	Group	Description	Provision rate
4	Doubtful	a) Debts which are overdue for a period of between 181 days and 360 days; or b) Debts which the repayment terms are restructured for the first time but still overdue for a period of up to 90 days under that restructured repayment term; or c) Debts which the repayment terms are restructured for the second time; or d) Debts which are specified in point (d) of Group 3 overdue for a period of from 30 days to 60 days since the effective dates of recovery decisions; or e) Debts required to be recovered under inspection conclusions but still outstanding with an overdue period up to 60 days from the recovery date as required by regulatory inspection conclusions; or f) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank, but are not yet recovered from 30 days to 60 days since the effective dates of recovery decisions; or g) When the SBV requires under regulatory inspection conclusions and related credit information.	50%
5	Loss	a) Debts which are overdue for a period of more than 360 days; or b) Debts which the repayment terms are restructured for the first time but still overdue from 91 days or more under that first restructured repayment term; or c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or d) Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or e) Debts which are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days since the effective dates of recovery decisions; or f) Debts required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or g) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank, but are not yet recovered in more than 60 days since the effective dates of recovery decisions; or h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches of which capital and assets are blocked; or i) When the SBV requires under regulatory inspection conclusions and related credit information.	100%

Debts/loans may be classified into groups with lower level of risk in the following cases:

- ◆ For overdue debts, the Bank shall reclassify them into groups with lower level of risk (including group 1) when they fully meet the following conditions:
 - Borrowers have fully paid the overdue principal and interest (including interest on overdue principal), and those in the next repayment terms within at least three (3) months with respect to medium-term and long-term debts; one (1) month with respect to short-term debts, from the date of full payment of overdue principal and interest;
 - Proof of the borrower's debt repayment is available;
 - The Bank possess sufficient information and documents to evaluate borrowers' ability to fully pay the remaining principal and interest by the predetermined due dates.

- ◆ For debts with rescheduled repayment terms, the Bank shall reclassify them into groups with lower level of risk (including group 1) when they fully meet the following conditions:
 - Borrowers have fully paid the principal and interest varying according to the rescheduled repayment term in at least three (3) months with respect to medium-term and long-term debts; one (1) month with respect to short-term debts, from the start date of full repayment of such principal and interest;
 - Proof of the borrower's debt repayment is available;
 - The Bank possess sufficient information and documents to evaluate borrowers' ability to fully pay the remaining principal and interest by the rescheduled due dates.

Debts/loans may be classified into groups with higher level of risk in the following cases:

- ◆ The indicators such as profitability, solvency, debt-to-capital ratio, cash flow, debt repayment ability of borrowers decrease progressively after three (3) continual debt assessment and classification sessions;
 - Borrowers fail to provide sufficient, timely and truthful information at the request of the Bank to assess borrowers' debt repayment ability;
 - Debts/loans are classified into group 2, group 3, group 4 for one (1) year or more, but are not eligible for being reclassified into groups with lower level of risk;
 - Loans are granted by the act of credit extension subject to administrative penalties prescribed by law.

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

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

If a customer is classified by the Bank into the risk group which is lower than the risk group provided by the National

Credit Information Center of Vietnam ("CIC"), the Bank is required to adjust the risk group of such customer following the risk group provided by CIC.

From 13 March 2020 to 30 June 2022, the Bank applied the policy of loan restructuring, interest and/or fees exemption or reduction and loan classification retention for loans that meet conditions according to Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01"), Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") and Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the State Bank of Vietnam providing regulations on loan restructuring, interest and/or fees exemption or reduction and loan classification retention to assist customers affected by the COVID-19 pandemic.

From 24 April 2023, the Bank applied the policy of loan restructuring and loan classification retention to support customers who face difficulties in production and business activities, as well as facing difficulties in repaying loans to meet their daily life and consumption needs. This policy aligns with the conditions set forth in Circular 02 issued by the State Bank of Vietnam, which provides instructions to credit institutions and foreign branch banks on loan restructuring and the retention of loan classification to assist borrowers facing financial difficulties.

Accordingly, the Bank applies loan classification for loans that fall under the policy of loan restructuring and loan classification retention as follows:

Disbursement date	Repayment schedule	Overdue status	Overdue during	Principle of loan classification retention
Before 23 January 2020	From 23 January 2020 to 30 June 2022	Current or overdue for a period of 10 days	From 30 March 2020 to 30 June 2022	Retain the debt groups that have been classified according to the Bank's policy at the most recent date before 23 January 2020.
From 23 January 2020 to before 1 August 2021			From 17 May 2021 to before 17 July 2021 or 7 September 2021 to 30 June 2022	Retain the debt groups that have been classified according to the Bank's policy at the most recent date before the date of first rescheduling.
Before 23 January 2020		Overdue	From 23 January 2020 to 29 March 2020	Retain the debt groups that have been classified according to the Bank's policy at the most recent date before 23 January 2020.
From 23 January 2020 to before 10 June 2020			From 23 January 2020 to before 17 May 2021	Retain the latest loan classification as before the date the outstanding debts are categorized as overdue debts.
From 10 June 2020 to before 1 August 2021			From 17 July 2021 to before 7 September 2021	
Before 24 April 2023	From 24 April 2023 to 30 June 2024	Current or overdue for a period of 10 days	From 24 April 2023 to 30 June 2024	Retain the latest loan classification as before the restructuring date.

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

Specific provision for customers that have been restructured on term basis and are subject to loan classification retention

The Bank makes specific provision for customers with debts that have been restructured on term basis and are subject to loan classification retention according to the following formula: $C = A - B$, in which:

- C: Additional specific provision;
 A: Specific provision to be made for all outstanding loan balance of customers according to the results of loan classification under Circular 11;
 B: Total specific provision to be made for the outstanding balance of loans applying loan classification under the policy of loan classification retention and specific provision to be made for remaining loan balances of the customers according to the results of loan classification under Circular 11.

Additional specific provision (called as C) is made by the Bank when preparing financial statements, ensuring the provisioning as follows:

- ◆ For loans that fall under the policy of loan restructuring and loan classification retention as prescribed in Circular 01, Circular 03, and Circular 14:
 - By 31 December 2022: At least 60% of the additional specific provision must be made;
 - By 31 December 2023: 100% of the additional specific provision must be made.
- ◆ For loans that fall under the policy of loan restructuring and loan classification retention as prescribed in Circular 02:
 - By 31 December 2023: At least 50% of the additional specific provision must be made;
 - By 31 December 2024: 100% of the additional specific provision must be made.

The Bank makes general provision for customers with debts that have been restructured on term basis and subject to loan classification retention according to Circular 02 by loan classification results that not applied loan classification retention.

Debt classification and provisioning policies for receivables from margin activities and advances to investors of Techcom Securities Joint Stock Company ("TCBS") – a subsidiary of the Bank

Provisions for receivables from margin activities and advances to investors of Techcom Securities Joint Stock Company are presented in Note 4.14 in accordance with Circular 48, in order to take into account the specific nature of these receivables and to ensure alignment with reports of TCBS. Increase or decrease in balances of provision is recognized in the "Provision expenses for credit losses" item in the consolidated statement of profit or loss.

4.7. Investment securities

4.7.1. Classification

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

Held-to-maturity investment securities

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

Available-for-sale investment securities

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

4.7.2. Recognition

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

4.7.3. Measurement

Equity securities

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

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

As for listed securities of unregistered public companies and state-owned enterprises equitized through public offering (Upcom), the actual market price is the average price within the last 30 transaction days before the end of the financial year announced by the Stock exchange. If the listed securities of a joint-stock company in Upcom are not traded in 30 days before the end of the financial year, provisions are made for each securities investment in accordance with regulations prescribed in Note 4.9.

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

Debt securities

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

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

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular 48 and Circular 24. Provision for diminution is recognized in the "Net gain/(loss) from investment securities" item of the consolidated statement of profit or loss.

For Government bonds, Government-guaranteed bonds and municipal bonds, the Bank does not make provisions for these investments.

For 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 financial year. If there is no transaction within 10 days to the end of the financial year, no provision is calculated for these investments.

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

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

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

4.7.4. De-recognition

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

4.8. Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specific date in the future are not derecognized from the consolidated financial statements. The corresponding cash received is recognized as a borrowing in the consolidated statement of financial position. The difference between the sale price and repurchase price is recognized in the consolidated statement of profit or loss based on the interest rate stipulated in the contract.

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

4.9. Long-term investments

4.9.1. Other long-term investments

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

4.9.2. Provision for impairment of other long-term investments

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

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

4.10. Tangible fixed assets

4.10.1. Cost

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

4.10.2. Depreciation

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

◆ Buildings and structures	8–50 years
◆ Machines and equipment	3–10 years
◆ Vehicles	6–10 years
◆ Other fixed assets	3–10 years

4.11. Intangible fixed assets

4.11.1. Computer software

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

4.11.2. Land use rights

Definite land use rights

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

Indefinite land use rights

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

4.11.3. Other intangible fixed assets

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

4.12. Investment property

4.12.1. Cost

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

4.12.2. Depreciation

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

- ◆ Building 40 years

4.13. Operating lease payments

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

4.14. Other receivables

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

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

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

<u>Overdue status</u>	<u>Provision rate</u>
From six (6) months up to under one (1) year	30%
From one (1) year up to under two (2) years	50%
From two (2) years up to under three (3) years	70%
From three (3) years and above	100%

4.15. Business combination and goodwill

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the net fair value of the assets and liabilities of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized on a straight-line basis over five (5) years.

4.16. Other provisions

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

4.17. Other payables

Other payables are stated at cost.

4.18. Share capital

4.18.1. Charter capital

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

4.18.2. Share premium

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

4.18.3. Treasury shares

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

Reserves and funds of the Bank

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

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

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

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

Reserves and funds of subsidiaries

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

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

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

Other funds are made according to the Resolution of the General Meeting of Shareholders at the annual meeting of the General Meeting of Shareholders.

4.19. Revenue and expenses recognition

4.19.1. Interest income

Interest income is recognized in the consolidated statement of profit or loss on the accrual basis with the debts classified in current loan group which is not required to make specific provision. Interest income of remaining debts (including restructured debts retained in current group under Circular 01, Circular 03, Circular 14 and Circular 02) is recognized in the consolidated statement of profit or loss upon receipt.

4.19.2. Fees and commission income

Fees and commission income are recognized in the consolidated statement of profit or loss on the accrual basis.

4.19.3. Dividend income

Dividend receivables in cash are recognized in the consolidated statement of profit or loss when the Bank's right to receive dividends is established.

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

4.19.4. Income and expenses from the sale and purchase of debts

Income and expenses from the sale and purchase of debts are recognized in accordance with Circular 18 providing guidance on the sale and purchase of debts of credit institutions and foreign bank branches.

According to Circular 18, the difference between the prices of debts purchased or sold and their book value is recorded as follows:

- ◆ For debts recorded in the consolidated statement of financial position:
 - If the sale price is higher than the book value of the debt, the difference shall be recorded as income of the Bank in the year.

- If the sale price is lower than the book value of the debt, the difference shall be used to offset against the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the compensation paid by the insurer, or use of outstanding provision recognized as expense previously. The remaining balance (if any) shall be recognized as other expense of the Bank in the year.

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

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

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

Debts purchased are initially classified in the risk group which is not lower than the risk group of the debts before the purchase. Subsequently, debts purchased are monitored, classified and provided for credit losses similar to loans to customers in accordance with Circular 11.

If the proceeds from selling a loan (except for written off debts) have not yet been fully collected, the Bank classifies that amount as an unsold loan in accordance with Circular 11.

4.19.5. Interest expenses

Interest expenses are recognized in the consolidated statement of profit or loss on the accrual basis.

4.20. Foreign currency transactions

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

4.21. Taxation

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

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

Deferred income tax is provided using the statement of financial position 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 income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the financial year.

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

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

4.22. Fiduciary assets

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

4.23. Commitments and contingent liabilities

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

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

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

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

4.24. Derivative financial instruments

4.24.1. Foreign exchange contracts

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

The currency forward contracts are commitments to buy, sell an amount of a currency for another currency at the exchange rate at the transaction time where the payment is made within three (3) working days after the transaction date. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the end of the financial year. Gains or losses realized or unrealized are amortized on a straight-line basis to the consolidated statement of profit or loss over the term of the contract.

The currency swap contracts are commitments, which include one commitment to buy and one commitment to sell an amount of a currency for another currency at the exchange rate at the transaction time and the payments of two commitments on different days. The discount or premium arising from difference between spot exchange rate at the effective date of the contract and the forward rate is recognized at the effective date of the contract as an asset if positive or a liability if negative in the consolidated statement of financial position. This difference will be amortized on a straight-line basis to the consolidated statement of profit or loss over the term of the contract.

4.24.2. Interest rate swap contracts

Commitment value in interest rate swap contracts is not recognized in the consolidated statement of financial position. Differences in interest rate swaps are recognized in the consolidated statement of profit or loss on the accrual basis.

4.24.3. Commodity futures contracts

The Bank provides brokerage services for clients enter into the commodity future contracts, and accordingly the value of those contracts is not recognized in the consolidated statement of financial position. Income arising from the brokerage transactions is recognized in the consolidated statement of profit or loss.

4.25. Valuable papers issued

Valuable papers issued are stated at cost and accumulated amortized premiums or discounts. Cost of valuable papers issued includes the proceeds from the issuance less directly attributable costs.

4.26. Offsetting

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

4.27. Employee benefits

4.27.1. Post-employment benefits

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

4.27.2. Severance allowance

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

4.27.3. Unemployment allowance

According to Article 57 of Law of Employment No. 38/2013/QH13 effective from 1 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

4.28. Financial instruments

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

4.28.1. Financial assets

Financial assets recognized at fair value through statement of profit or loss

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

- ◆ It is considered by management as held-for-trading. A financial asset is considered as held-for-trading if:
 - It is acquired principally for the purpose of selling it in the near term; or
 - There is evidence of a recent pattern of short-term profit-taking; or
 - A derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- ◆ Upon initial recognition, it is designated by the Bank as at fair value through statement of profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than:

- ◆ Financial assets that, upon initial recognition, were categorized as such recognized at fair value through statement of profit or loss; or
- ◆ Financial assets already categorized as available-for-sale; or
- ◆ Financial assets that meet the definitions of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- ◆ That the Bank intends to sell immediately or in the near term, which are classified as held-for-trading, and those that the entity on initial recognition designates as at fair value through profit or loss; or
- ◆ That the Bank, upon initial recognition, designates as available-for-sale; or
- ◆ For which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale investments

Available-for-sale assets are non-derivative financial assets that are designated as available-for-sale or are not classified as:

- ◆ Financial assets at fair value through statement of profit or loss; or
- ◆ Held-to-maturity investments; or
- ◆ Loans and receivables.

4.28.2. Financial liabilities

Financial liabilities at fair value through statement of profit or loss

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

- ◆ It is considered by management as held-for-trading. A financial liability is considered as held-for-trading if:
 - It is incurred principally for the purpose of repurchasing it in the near term; or
 - There is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
 - Upon initial recognition, it is designated by the Bank as at fair value through statement of profit or loss.

Financial liabilities carried at amortized cost

Financial liabilities which are not classified as financial liabilities at fair value through statement of profit or loss are classified as financial liabilities carried at amortized cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

4.29. Items which have no balance

Items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV stipulating the financial reporting regime for credit institutions, and documents amending, supplementing, are not shown in these consolidated financial statements indicate nil balance.

4.30. Segment reports

A segment is a component determined separately by the Bank which is engaged in providing related products or services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

According to Circular No. 49/2014/TT-NHNN, any credit institutions having public securities and currently outstanding securities in the securities market are required to prepare and present segment reports in the consolidated financial statements. The primary segment reports of the Bank are prepared based on the business segments.

5. CASH AND GOLD

	31 December 2023 VND million	31 December 2022 VND million
Cash on hand in VND	3,259,270	3,705,655
Cash on hand in foreign currencies	361,425	510,066
	3,620,695	4,215,721

6. BALANCES WITH THE STATE BANK OF VIETNAM

	31 December 2023 VND million	31 December 2022 VND million
In VND	26,945,990	11,349,296
In foreign currencies	194,602	126,294
	27,140,592	11,475,590

Balances with the SBV include current accounts and compulsory deposits.

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

	CRR rates	
	31 December 2023	31 December 2022
Deposits in foreign currencies with term of less than 12 months	8.00%	8.00%
Deposits in foreign currencies with term of 12 months and above	6.00%	6.00%
Deposits in VND with term of less than 12 months	3.00%	3.00%
Deposits in VND with term of 12 months and above	1.00%	1.00%

	31 December 2023	31 December 2022
Deposits in VND		
Compulsory deposits	0.50%	0.50%
Amount over compulsory deposits	0.00%	0.00%
Deposits in foreign currencies		
Compulsory deposits	0.00%	0.00%
Amount over compulsory deposits	0.00%	0.00%

7. BALANCES WITH AND CREDIT GRANTING TO OTHER CREDIT INSTITUTIONS

7.1. Balances with other credit institutions

	31 December 2023 VND million	31 December 2022 VND million
Current accounts	13,948,561	11,770,473
In VND	6,235,820	486,136
In foreign currencies	7,712,741	11,284,337
Term deposits	66,178,336	58,154,670
In VND	41,253,046	42,981,000
In foreign currencies	24,925,290	15,173,670
	80,126,897	69,925,143

Interest rates per annum of balances with other credit institutions at the end of the financial year are as follows:

	31 December 2023	31 December 2022
Current accounts		
In VND	0.00%	0.00%
In foreign currencies	0.00%	0.00%
Term deposits		
In VND	1.20%–4.50%	3.50%–9.50%
In foreign currencies	5.00%–5.55%	4.20%–4.30%

7.2. Credit granting to other credit institutions

	31 December 2023 VND million	31 December 2022 VND million
In VND	24,046,523	13,036,790
In foreign currencies	-	12,921
	24,046,523	13,049,711

Interest rates per annum of credit granting to other credit institutions at the end of the financial year are as follows:

	31 December 2023	31 December 2022
In VND	0.30%–9.03%	0.00%–12.00%
In foreign currencies	-	4.64%

7.3. Credit quality for balances with and credit granting to other credit institutions

Analysis of credit quality for balances (excluding current accounts) with and credit granting to other credit institutions at the end of the financial year is as follows:

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Current	90,123,759	99.89	71,103,281	99.86
Loss	101,100	0.11	101,100	0.14
	90,224,859	100.00	71,204,381	100.00

7.4. Provision for credit granting to other credit institutions

	31 December 2023 VND million	31 December 2022 VND million
Specific provision	101,100	101,100
	101,100	101,100

Movements in provision for credit granting to other credit institutions are as follows:

	2023 VND million	2022 VND million
Opening balance	101,100	-
Provision made for the year (Note 34)	-	101,100
Closing balance	101,100	101,100

8. HELD-FOR-TRADING SECURITIES

	31 December 2023 VND million	31 December 2022 VND million
Debt securities		
Government bonds	301,416	961,034
Bonds issued by other local credit institutions	4,131,362	-
	4,432,778	961,034

Analysis of credit quality for held-for-trading securities classified as credit risk bearing assets at the end of the financial year is as follows:

	31 December 2023 VND million	31 December 2022 VND million
Current	4,131,362	-

Movements in provision for held-for-trading securities are as follows:

	2023 VND million	2022 VND million
Opening balance	-	3,667
Provision reversed for the year (Note 29)	-	(3,667)
Closing balance	-	-

The listing status of held-for-trading securities is as follows:

	31 December 2023 VND million	31 December 2022 VND million
Debt securities		
Listed	301,416	961,034
Unlisted	4,131,362	-
	4,432,778	961,034

9. LOANS TO CUSTOMERS

	31 December 2023 VND million	31 December 2022 VND million
Loans to local economic entities and individuals	492,615,545	403,202,460
Discounted bills and valuable papers	9,302,275	7,930,134
Loans financed by entrusted funds	364	8,042
Payments on behalf of customers	98,422	19,625
Loans to foreign economic entities and individuals	5,795	8,840
Receivables from margin activities and advances to investors	16,619,167	9,354,604
	518,641,568	420,523,705

Interest rates per annum of loans to customers at the end of the financial year are as follows:

	31 December 2023	31 December 2022
In VND	0.00% - 14.40%	0.00% - 15.70%
In foreign currencies	4.00% - 8.50%	1.50% - 8.61%

9.1 Loan portfolio by quality

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Current	491,584,304	97.93	399,403,381	97.14
Special mention	4,438,954	0.88	8,733,115	2.12
Substandard	1,856,801	0.37	901,592	0.22
Doubtful	2,762,221	0.55	1,131,087	0.28
Loss	1,380,121	0.27	999,926	0.24
	502,022,401	100.00	411,169,101	100.00
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	518,641,568		420,523,705	

9.2. Loan portfolio by term

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Short term	170,483,782	33.96	132,857,217	32.31
Medium term	118,208,799	23.55	79,300,508	19.29
Long term	213,329,820	42.49	199,011,376	48.40
	502,022,401	100.00	411,169,101	100.00
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	518,641,568		420,523,705	

9.3 Loan portfolio by industrial sectors

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Loans to economic entities	297,161,062	59.19	193,716,757	47.11
Agriculture, forestry and aquaculture	2,908,684	0.58	2,095,342	0.51
Mining	1,751,323	0.35	1,451,843	0.35
Manufacturing and processing	42,054,340	8.38	28,006,736	6.81
Production and distribution of electricity, gas, hot water, steam and air-conditioning	3,794,489	0.75	3,951,228	0.96
Water supply; waste and wastewater management and processing	31,580	0.01	28,872	0.01
Construction	11,876,937	2.37	12,093,130	2.94
Wholesale and retail trade; repair of motor vehicles, motorcycles	44,842,420	8.93	34,129,848	8.30
Transportation and warehousing	7,867,107	1.57	1,516,639	0.37
Hospitality services	1,293,097	0.26	245,674	0.06
Information and communications	784,185	0.16	362,959	0.09
Banking, finance and insurance	966,379	0.19	45,852	0.01
Real estates	176,803,981	35.21	108,805,146	26.46
Science and technology	507,564	0.10	259,405	0.06
Administrative activities and supporting services	538,943	0.11	448,661	0.11
Education and training	129,156	0.03	104,111	0.03
Health care and social work	9,012	0.00	48,332	0.01
Art and entertainment	834,835	0.16	8,984	0.00
Other services	167,030	0.03	113,995	0.03
Loans to individuals	204,861,339	40.81	217,452,344	52.89
	502,022,401	100.00	411,169,101	100.00
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	518,641,568		420,523,705	

9.4. Loan portfolio by ownership

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Loans to economic entities	297,161,062	59.19	193,716,757	47.11
State-owned limited liability companies	2,036,992	0.41	4,522,732	1.10
Other limited liability companies	117,437,112	23.39	102,451,642	24.92
Joint-stock state-owned companies	17,689	0.00	44,232	0.01
Other joint-stock companies	173,102,665	34.48	85,272,750	20.74
Private companies and partnership companies	163,094	0.03	158,070	0.04
Foreign-invested companies	4,387,486	0.88	1,208,940	0.29
Cooperatives and cooperative unions	15,602	0.00	13,423	0.00
Administration units, Party, unions, associations and others	422	0.00	44,968	0.01
Loans to individuals	204,861,339	40.81	217,452,344	52.89
	502,022,401	100.00	411,169,101	100.00
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	518,641,568		420,523,705	

10. PROVISION FOR LOANS TO CUSTOMERS

Provision for loans to customers is as follows:

	31 December 2023 VND million	31 December 2022 VND million
General provision	3,755,848	3,076,269
Specific provision	2,367,273	1,509,049
Provision for receivables from margin activities and advances to investors	4,775	186,131
	6,127,896	4,771,449

Movements in provision for loans to customers for the year ended 31 December 2023 are as follows:

	General provision	Specific provision	Provision for receivables from margin activities and advances to investors	Total
	VND million	VND million	VND million	VND million
Opening balance	3,076,269	1,509,049	186,131	4,771,449
Provision made/(reversed) for the year (*) (Note 34)	679,579	3,529,151	(181,356)	4,027,374
Use of provision in the year	-	(2,667,877)	-	(2,667,877)
Offset the difference between debt selling price and book value	-	(3,050)	-	(3,050)
Closing balance	3,755,848	2,367,273	4,775	6,127,896

(*) For the year ended 31 December 2023, the Bank made 100% additional required specific provision for customers whose debts are rescheduled or granted interest exemption or reduction in accordance with Circular 03, Circular 02 as described in Note 4.6.

Movements in provision for loans to customers for the year ended 31 December 2022 are as follows:

	General provision	Specific provision	Provision for receivables from margin activities and advances to investors	Total
	VND million	VND million	VND million	VND million
Opening balance	2,480,511	1,136,266	118,886	3,735,663
Provision made for the year (Note 34)	595,758	1,055,789	67,245	1,718,792
Use of provision in the year	-	(683,006)	-	(683,006)
Closing balance	3,076,269	1,509,049	186,131	4,771,449

11. DEBTS PURCHASED

	31 December 2023	31 December 2022
	VND million	VND million
Debts purchased in VND	84,335	110,221
Provision for debts purchased	(2,302)	(2,496)
	82,033	107,725

Breakdown of debts purchased is as follows:

	31 December 2023	31 December 2022
	VND million	VND million
Principals of debts purchased	82,653	108,539
Interest of debts purchased	1,682	1,682
	84,335	110,221

Analysis of credit quality for debts purchased as at the end of the financial year is as follows:

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Current	82,653	98.01	108,539	98.47
Loss	1,682	1.99	1,682	1.53
	84,335	100.00	110,221	100.00

Movements in provision for debts purchased during the year are as follows:

	2023	2022
	VND million	VND million
Opening balance	2,496	2,690
Provision reversed for the year (Note 34)	(194)	(194)
Closing balance	2,302	2,496

12. INVESTMENT SECURITIES

Investment securities as at the end of the financial year included:

	31 December 2023	31 December 2022
	VND million	VND million
Available-for-sale securities	105,356,248	104,031,921
Debt securities	104,222,477	102,946,394
Equity securities	1,133,771	1,085,527
Provision for investment securities	(362,303)	(380,001)
Provision for available-for-sale securities	(362,303)	(380,001)
	104,993,945	103,651,920

12.1. Available-for-sale securities

	31 December 2023	31 December 2022
	VND million	VND million
Debt securities	104,222,477	102,946,394
Government bonds, municipal bonds	24,410,608	37,868,964
Bonds issued by other local credit institutions	37,303,015	24,062,608
<i>In which:</i>		
<i>Bonds guaranteed by the Government for settlement</i>	4,414,025	3,881,081
Bonds issued by local economic entities	42,508,854	41,014,822
Equity securities	1,133,771	1,085,527
Equity securities issued by local credit institutions	498,245	-
Equity securities issued by local economic entities	630,015	1,080,016
Fund certificates	5,511	5,511
Total available-for-sale securities	105,356,248	104,031,921
Provision for available-for-sale securities	(362,303)	(380,001)
General provision for unlisted corporate bonds	(301,059)	(291,944)
Specific provision for unlisted corporate bonds	(16,040)	(44,344)
Provision for diminution in value of available-for-sale securities	(45,204)	(43,713)
	104,993,945	103,651,920

12.2. Analysis of quality of investment securities which are classified as credit risk bearing assets

Analysis of credit quality of investment securities which were classified as credit risk bearing assets as at the end of the financial year is as follows:

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Current	72,949,922	99.89	56,772,648	97.18
Special mention	-	-	1,650,000	2.82
Substandard	80,199	0.11	-	-
	73,030,121	100.00	58,422,648	100.00

12.3. Provision for investment securities

	31 December 2023 VND million	31 December 2022 VND million
Provision for credit risk of unlisted corporate bonds	317,099	336,288
Provision for diminution in value of investment securities	45,204	43,713
	362,303	380,001

Movements in provision for investment securities for the year ended 31 December 2023 are as follows:

	General provision VND million	Specific provision VND million	Provision for receivables from margin activities and advances to investors VND million	Total VND million
Opening balance	291,944	44,344	43,713	380,001
Provision made/(reversed) for the year (Note 30)	9,115	(28,304)	1,491	(17,698)
Closing balance	301,059	16,040	45,204	362,303

Movements in provision for investment securities for the year ended 31 December 2022 are as follows:

	General provision VND million	Specific provision VND million	Provision for receivables from margin activities and advances to investors VND million	Total VND million
Opening balance	456,507	227,892	21,575	705,974
Provision (reversed)/made for the year (Note 30)	(164,563)	(183,548)	22,138	(325,973)
Closing balance	291,944	44,344	43,713	380,001

13. LONG-TERM INVESTMENTS

	31 December 2023 VND million	31 December 2022 VND million
Other long-term investments – cost	3,047,394	13,962
Provision for long-term investments	(1,149)	(1,149)
	3,046,245	12,813

13.1. Other long-term investments

	31 December 2023		31 December 2022	
	Ownership %	At cost VND million	Ownership %	At cost VND million
Banking Skills Training and Consultancy JSC	10.93	1,040	10.93	1,040
National Payment Corporation of Vietnam	0.42	1,000	0.42	1,000
Vietnam Credit Information JSC	6.64	7,962	6.64	7,962
Society for Worldwide Interbank Financial Telecommunication	0.00	3,300	0.00	3,300
Vietnam Real Estate Exchange JSC	11.00	660	11.00	660
Dream City Villas Hung Yen Limited Company	9.32	2,026,827	-	-
Newco Development and Investment Joint Stock Company	9.32	1,006,605	-	-
		3,047,394		13,962

13.2. Provision for long-term investments

	2023 VND million	2022 VND million
Opening balance	1,149	1,149
Closing balance	1,149	1,149

14. FIXED ASSETS**14.1. Tangible fixed assets**

Movements in tangible fixed assets for the year ended 31 December 2023 are as follows:

	Buildings and structures	Machines and equipment	Vehicles	Others	Total
<i>VND million</i>					
Cost					
As at 1 January 2023	1,948,327	2,916,009	278,131	13,879	5,156,346
Additions	15,573	190,509	24,496	-	230,578
Transfers from advances for fixed assets purchases and construction in progress	-	132,249	43,791	-	176,040
Disposals	-	(52,429)	(14,826)	-	(67,255)
Other movements	(1,012)	(2,131)	-	-	(3,143)
As at 31 December 2023	1,962,888	3,184,207	331,592	13,879	5,492,566
Accumulated depreciation					
As at 1 January 2023	155,152	1,202,076	100,561	1,745	1,459,534
Charges for the year	41,224	495,117	33,008	1,369	570,718
Disposals	-	(51,215)	(13,394)	-	(64,609)
Other movements	(569)	(94)	-	-	(663)
As at 31 December 2023	195,807	1,645,884	120,175	3,114	1,964,980
Net book value					
As at 1 January 2023	1,793,175	1,713,933	177,570	12,134	3,696,812
As at 31 December 2023	1,767,081	1,538,323	211,417	10,765	3,527,586

Movements in intangible fixed assets for the year ended 31 December 2022 are as follows:

	VND million				
	Buildings and structures	Machines and equipment	Vehicles	Others	Total
Cost					
As at 1 January 2022	1,915,434	2,597,138	310,089	1,431	4,824,092
Additions	13	475,992	18,198	4,118	498,321
Transfers from advances for fixed assets purchases and construction in progress	32,880	86,776	-	9,058	128,714
Disposals	-	(240,818)	(50,156)	(728)	(291,702)
Other movements	-	(3,079)	-	-	(3,079)
As at 31 December 2022	1,948,327	2,916,009	278,131	13,879	5,156,346
Accumulated depreciation					
As at 1 January 2022	113,148	958,560	122,657	995	1,195,360
Charges for the year	42,004	383,721	27,932	1,478	455,135
Disposals	-	(140,205)	(50,028)	(728)	(190,961)
As at 31 December 2022	155,152	1,202,076	100,561	1,745	1,459,534
Net book value					
As at 1 January 2022	1,802,286	1,638,578	187,432	436	3,628,732
As at 31 December 2022	1,793,175	1,713,933	177,570	12,134	3,696,812

Additional information on tangible fixed assets:

	31 December 2023 VND million	31 December 2022 VND million
Cost of tangible fixed assets which have been fully depreciated but still in active use	371,525	306,246

14.2. Intangible fixed assets

Movements in intangible fixed assets for the year ended 31 December 2023 are as follows:

	VND million			
	Land use rights	Computer software	Others	Total
Cost				
As at 1 January 2023	2,635,698	3,265,918	11,922	5,913,538
Additions	608	1,001,172	-	1,001,780
Transfers from advances for fixed assets purchases and construction in progress	1,692	279,105	-	280,797
Disposals	-	(80)	-	(80)
Other movements	1,012	1,737	-	2,749
As at 31 December 2023	2,639,010	4,547,852	11,922	7,198,784
Accumulated amortization				
As at 1 January 2023	240	1,195,369	3,359	1,198,968
Charges for the year	57,614	577,773	982	636,369
Disposals	-	(80)	-	(80)
Other movements	-	(1,584)	-	(1,584)
As at 31 December 2023	57,854	1,771,478	4,341	1,833,673
Net book value				
As at 1 January 2023	2,635,458	2,070,549	8,563	4,714,570
As at 31 December 2023	2,581,156	2,776,374	7,581	5,365,111

Movements in intangible fixed assets for the year ended 31 December 2022 are as follows:

	VND million			
	Land use rights	Computer software	Others	Total
Cost				
As at 1 January 2022	2,622,527	1,906,692	11,922	4,541,141
Additions	1,626	610,164	-	611,790
Transfers from advances for fixed assets purchases and construction in progress	11,545	764,278	-	775,823
Disposals	-	(12,529)	-	(12,529)
Other movements	-	(2,687)	-	(2,687)
As at 31 December 2022	2,635,698	3,265,918	11,922	5,913,538
Accumulated amortization				
As at 1 January 2022	232	942,856	2,304	945,392
Charges for the year	8	265,169	1,055	266,232
Disposals	-	(12,245)	-	(12,245)
Other movements	-	(411)	-	(411)
As at 31 December 2022	240	1,195,369	3,359	1,198,968
Net book value				
As at 1 January 2022	2,622,295	963,836	9,618	3,595,749
As at 31 December 2022	2,635,458	2,070,549	8,563	4,714,570

Additional information on intangible fixed assets:

	31 December 2023 VND million	31 December 2022 VND million
Cost of intangible fixed assets which have been fully amortized but still in active use	466,994	346,759

15. INVESTMENT PROPERTY

Movements in investment properties for the year ended 31 December 2023 are as follows:

	VND million
	Building
Cost	
As at 1 January 2023	1,435,699
Disposals	(1,435,699)
As at 31 December 2023	-
Accumulated depreciation	
As at 1 January 2023	382,575
Charges for the year	8,853
Disposals	(391,428)
As at 31 December 2023	-
Net book value	
As at 1 January 2023	1,053,124
As at 31 December 2023	-

Movements in investment properties for the year ended 31 December 2022 are as follows:

	VND million
	Building
Cost	
As at 1 January 2022	1,435,699
As at 31 December 2022	1,435,699
Accumulated depreciation	
As at 1 January 2022	346,775
Charges for the year	35,800
As at 31 December 2022	382,575
Net book value	
As at 1 January 2022	1,088,924
As at 31 December 2022	1,053,124

16. OTHER ASSETS

	31 December 2023 VND million	31 December 2022 VND million
Receivables	69,834,157	61,609,133
Internal receivables	37,939	115,626
External receivables	69,796,218	61,493,507
♦ Deposits for office rental	1,567,818	1,396,662
♦ Deposits for purchase of office	9,760,567	9,703,207
♦ Receivables related to Interest Subsidy Program	74,832	29,366
♦ Advances for contracts	453,733	921,272
♦ Deposits for gold, commodity and foreign currencies trading in future markets	265,098	52,251
♦ Advances for State Agency	244,928	-
♦ Advances for fixed assets purchase	1,576,912	520,020
♦ Construction in progress	3,970,310	2,449,111
♦ Receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	47,930,453	42,342,081
♦ Receivables from loans sold contract (i)	280,311	330,311
♦ Receivables from securities activities	2,313,348	3,449,677
♦ Receivables from sale of investment property	735,668	-
♦ Tax receivable (Note 23)	-	3,612
♦ Other external receivables	622,240	295,937
Accrued interest and fee receivables	9,681,140	8,028,730
Deferred income tax assets (Note 23.3)	70,409	61,050
Other assets	1,650,584	1,616,735
Materials	15,826	17,489
Prepaid expenses	1,634,683	1,598,624
Other assets	75	622
Provision for other on-balance sheet assets (ii)	(692,866)	(798,423)
	80,543,424	70,517,225

(i) Analysis of credit quality for balance of receivable from loans sold contract as at the end of the financial year is as follows:

	31 December 2023 VND million	31 December 2022 VND million
Loss	280,311	330,311

(ii) Provision for other on-balance sheet assets, comprising of provision for overdue receivables, receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) and receivable from loans sold contract, is as follows:

	31 December 2023 VND million	31 December 2022 VND million
Provision for receivable from loans sold contract	280,311	330,311
Specific provision	280,311	330,311
Provision for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	359,479	415,591
General provision	359,479	316,231
Specific provision	-	99,360
Provision for other assets	53,076	52,521
	692,866	798,423

Movements in provision for other on-balance sheet assets during the year are as follows:

	2023 VND million	2022 VND million
Opening balance	798,423	680,423
Provision reversed for receivable from loans sold contract for the year (Note 34)	(50,000)	(119,628)
Specific provision	(50,000)	(119,628)
Provision (reversed)/made for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) for the year (Note 34)	(56,112)	236,224
General provision	43,248	136,864
Specific provision	(99,360)	99,360
Provision made for other on-balance sheet assets for the year (Note 33)	555	1,404
Closing balance	692,866	798,423

17. DUE TO THE GOVERNMENT AND THE SBV

	31 December 2023 VND million	31 December 2022 VND million
Deposits from the Vietnam State Treasury		
In VND	131	7,826
	131	7,826

18. DEPOSITS AND BORROWINGS FROM OTHER FINANCIAL INSTITUTIONS AND CREDIT INSTITUTIONS

18.1. Deposits from other financial institutions and credit institutions

	31 December 2023 VND million	31 December 2022 VND million
Demand deposits	686,258	776,778
In VND	682,273	771,246
In foreign currencies	3,985	5,532
Term deposits	49,933,420	60,516,960
In VND	41,536,000	39,340,000
In foreign currencies	8,397,420	21,176,960
	50,619,678	61,293,738

Interest rates per annum of deposits from other financial institutions and credit institutions at the end of the financial year are as follows:

	31 December 2023	31 December 2022
Term deposits		
In VND	0.70% - 3.60%	3.50% - 10.50%
In foreign currencies	5.00% - 5.50%	4.15% - 4.50%

18.2. Borrowings from other financial institutions and credit institutions

	31 December 2023 VND million	31 December 2022 VND million
In VND	40,924,274	21,603,024
In foreign currencies	61,629,050	84,666,207
	102,553,324	106,269,231

Interest rates per annum of borrowings from other financial institutions and credit institutions at the end of the financial year are as follows:

	31 December 2023	31 December 2022
In VND	3.29% - 10.40%	3.57% - 12.90%
In foreign currencies	4.68% - 8.20%	0.75% - 12.25%

19. DEPOSITS FROM CUSTOMERS

19.1. Analysis by category of deposits

	31 December 2023 VND million	31 December 2022 VND million
Current accounts	172,755,713	123,079,324
In VND	162,749,028	113,445,822
In foreign currencies	10,006,685	9,633,502
Term deposits	273,186,988	225,941,947
In VND	269,337,400	222,345,948
In foreign currencies	3,849,588	3,595,999
Margin deposits	8,718,078	9,382,514
In VND	8,626,078	9,308,312
In foreign currencies	92,000	74,202
	454,660,779	358,403,785

Interest rates per annum of deposits from customers at the end of the financial year are as follows:

	31 December 2023	31 December 2022
Demand deposits		
In VND	0.00% - 0.50%	0.00% - 1.20%
In foreign currencies	0.00% - 0.01%	0.00% - 0.10%
Term deposits		
In VND	3.10% - 9.50%	1.00% - 9.60%
In foreign currencies	0.00% - 0.10%	0.00% - 0.60%

19.2. Analysis of deposits portfolio by ownership

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Deposits from organizations	149,975,445	32.99	114,409,809	31.92
State-owned limited liability companies	9,583,900	2.11	15,402,482	4.30
Other limited liability companies	53,663,203	11.80	44,480,777	12.42
Joint-stock state-owned companies	2,060,256	0.45	84,681	0.02
Other joint-stock companies	72,961,181	16.05	47,740,094	13.32
Private enterprises and partnership companies	56,459	0.01	144,372	0.04
Foreign-invested enterprises	9,277,941	2.04	4,414,566	1.23
Cooperatives and cooperative unions	25,563	0.01	14,906	0.00
Administration units, Party, unions and associations	2,140,205	0.47	1,984,725	0.55
Others	206,737	0.05	143,206	0.04
Deposits from individuals	304,685,334	67.01	243,993,976	68.08
	454,660,779	100.00	358,403,785	100.00

20. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

VND million

	31 December 2023		31 December 2022	
	Total contract nominal value	Total net carrying value of assets/(liabilities)	Total contract nominal value	Total net carrying value of assets/(liabilities)
Foreign exchange forward contracts	134,803,391	532,503	104,596,820	(485,237)
Foreign exchange swap contracts	170,410,899	209,344	179,859,303	(1,169,554)
Cross-currency swap contracts	66,784,788	(598,236)	41,164,196	(196,422)
	371,999,078	143,611	325,620,319	(1,851,213)

Total contract nominal value is translated at the contractual exchange rates.

Total net carrying value is translated at the foreign exchange rates as at the end of financial year.

21. VALUABLE PAPERS ISSUED

Valuable papers issued categorized by terms are as follows:

	31 December 2023 VND million	31 December 2022 VND million
Up to 12 months	10,900,007	-
Certificates of deposit	10,900,007	-
From 12 months to 5 years	73,803,293	34,006,619
Certificates of deposit	41,595,841	19,249,806
Bonds	32,207,452	14,756,813
	84,703,300	34,006,619

Interest rates per annum of these bonds and certificates of deposits at the end of the financial year are as follows:

	31 December 2023	31 December 2022
Up to 12 months	6.50% - 8.64%	-
From 12 months to 5 years	2.00% - 14.60%	3.50% - 14.51%

22. OTHER LIABILITIES

	31 December 2023 VND million	31 December 2022 VND million
Accrued interest and fee payables	9,418,750	6,144,022
Other liabilities	15,909,985	17,631,144
Internal payables	6,259	8,335
External payables	15,903,726	17,622,809
Remittance payables	1,755,383	1,370,174
Payables to employees	2,573,368	2,366,253
Taxes payable (Note 23)	4,278,169	4,255,802
Deferred income	473,843	544,330
Bonus and welfare funds	24,394	24,529
Deferred proceeds from sale of collaterals	43,845	11,380
Accrued operating expenses	1,324,334	1,352,075
Settlement on behalf of other credit institutions	386,570	1,703,887
Other borrowings	4,414,622	5,272,870
Other payables	629,198	721,509
	25,328,735	23,775,166

23. OBLIGATIONS TO THE STATE BUDGET

VND million

	Opening balance		Incurred during the year		Closing balance	
	Receivables	Payables	Payables	Paid	Receivables	Payables
Value added tax	-	36,440	1,075,359	(713,201)	-	398,598
Corporate income tax	(3,612)	4,067,184	4,707,025	(5,048,936)	-	3,721,661
Other taxes	-	152,178	2,170,541	(2,164,809)	-	157,910
Taxes payable	(3,612)	4,255,802	7,952,925	(7,926,946)	-	4,278,169

23.1. Current corporate income tax

Current corporate income tax payables are determined based on taxable income of the current year. Taxable income may be different from the amount reported in the consolidated statement of profit or loss since taxable income excludes income which is eligible for tax or expenses which are subtracted in prior years due to the differences between the Bank's accounting policies and the current tax policies, and also excludes tax-exempted income and non-deductible expenses. The current corporate income tax payable of the Bank is calculated based on the statutory tax rates applicable at the end of the financial year.

The tax returns filed by the Bank are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change upon final determination by the tax authorities.

Current corporate income tax for the year ended 31 December 2023 and 31 December 2022 is computed as follows:

	2023 VND million	2022 VND million
Profit before tax	22,888,228	25,567,768
<i>Adjustments:</i>		
Non-taxable dividend income	(34,756)	(8,776)
Adjustment to decrease taxable income	(1,509,272)	(1,379,228)
Adjustment to profit for consolidation purpose	(83,674)	69,810
Non-deductible expenses	2,050,338	1,684,498
Taxable corporate income	23,310,864	25,934,072
Corporate income tax expense calculated on taxable income of current year	4,662,173	5,186,814
Adjustment for under/(over) provision of corporate income tax expense in prior year	44,548	(11,882)
Current corporate income tax expense for the year	4,706,721	5,174,932
Opening corporate income tax payable	4,063,572	1,190,015
Corporate income tax paid for the year	(5,048,936)	(2,301,394)
Adjustment for corporate income tax payables in prior year	304	19
Closing corporate income tax payable	3,721,661	4,063,572

23.2. Applicable tax rate

The Bank's income tax rate for this year is 20% (2022: 20%).

23.3. Deferred income tax assets

Movements in deferred income tax assets for the end of the financial year are as follows:

	2023 VND million	2022 VND million
Deferred income tax assets		
Opening balance	61,050	17,460
Deferred income tax income arising from deductible temporary tax differences	9,359	43,590
Closing balance (Note 16)	70,409	61,050



24. CAPITAL AND RESERVES

24.1. Statement of changes in equity

For the year ended 31 December 2023:

VND million

	Charter capital	Share premium	Charter capital supplementary reserve	Financial reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interests	Other capital	Total
Opening balance	35,172,385	476,415	3,444,639	8,163,456	474	11,608,569	64,482,685	1,128,915	555,997	113,424,966
Capital increase for the year	52,723	(59)	-	-	-	-	-	854	-	53,518
Net profit for the year	-	-	-	-	-	-	18,003,802	187,064	-	18,190,866
Appropriation to reserves for the year	-	-	31,864,059	1,561,025	-	33,425,084	(33,425,084)	-	-	-
Appropriation to welfare fund for the year	-	-	-	-	-	-	(48,000)	-	-	(48,000)
Use of reserves for the year	-	-	-	(5,013)	-	(5,013)	-	-	-	(5,013)
Other movements	-	-	(16)	3	-	(13)	(259)	-	-	(272)
Closing balance	35,225,108	476,356	35,308,682	9,719,471	474	45,028,627	49,013,144	1,316,833	555,997	131,616,065

For the year ended 31 December 2022:

VND million

	Charter capital	Share premium	Charter capital supplementary reserve	Financial reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interests	Other capital	Total
As at 1 January 2022	35,109,148	476,474	2,664,436	6,490,986	474	9,155,896	47,453,056	846,898	-	93,041,472
Capital increase for the year	63,237	(59)	-	-	-	-	-	1,894	-	65,072
Net profit for the year	-	-	-	-	-	-	20,150,377	286,049	-	20,436,426
Appropriation to reserves for the year	-	-	897,122	1,794,245	-	2,691,367	(2,691,367)	-	-	-
Appropriation to welfare fund for the year	-	-	-	-	-	-	(38,500)	-	-	(38,500)
Use of reserves for the year	-	-	-	(4,856)	-	(4,856)	-	-	-	(4,856)
Dividends paid for the year	-	-	-	-	-	-	-	(74,648)	-	(74,648)
Subsidiaries transferred reserves and retained earnings	-	-	(116,919)	(116,919)	-	(233,838)	(390,881)	68,722	555,997	-
As at 31 December 2022	35,172,385	476,415	3,444,639	8,163,456	474	11,608,569	64,482,685	1,128,915	555,997	113,424,966

24.2. Share capital

Breakdown of share capital at the end of the financial year:

	31 December 2023 VND million	31 December 2022 VND million
Charter capital	35,225,108	35,172,385
Share premium	476,356	476,415
	35,701,464	35,648,800

Number of shares at the end of the financial year:

	31 December 2023	31 December 2022
Registered share capital	3,522,510,811	3,517,238,514
Issued share capital	3,522,510,811	3,517,238,514
Ordinary shares	3,522,510,811	3,517,238,514

Movement of number of shares in circulation in the year:

	2023	2022
Number of shares in circulation		
Ordinary shares at 1 January	3,517,238,514	3,510,914,798
Issued ordinary shares during the year	5,272,297	6,323,716
Ordinary shares at 31 December	3,522,510,811	3,517,238,514

Nominal value of the Bank's ordinary share is VND 10,000. Each share is entitled to one vote at General Shareholders Meetings of the Bank. All shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets.

24.3. Deferred income tax assets

Dividends payout shall be decided at Annual General Meeting of Shareholders.

25. INTEREST AND SIMILAR INCOME

	2023 VND million	2022 VND million
Interest income from deposits	1,873,427	1,409,942
Interest income from loans	45,857,719	34,247,955
Income from debt investment securities	7,241,734	7,885,156
Income from guaranteed services	970,603	577,420
Income from debt factoring services	8,998	10,176
Other income from credit activities	755,278	621,987
	56,707,759	44,752,636

26. INTEREST AND SIMILAR EXPENSES

	2023 VND million	2022 VND million
Interest expenses for deposits	18,324,288	9,212,164
Interest expenses for borrowings	7,303,748	3,156,518
Interest expenses for valuable papers issued	3,136,787	1,897,675
Other expenses for credit activities	251,816	196,504
	29,016,639	14,462,861

27. NET FEES AND COMMISSION INCOME

	2023 VND million	2022 VND million (Reclassified)
Fees and commission income from	11,378,085	10,840,337
Settlement and cash services	9,022,626	6,566,746
Cashier services	274	287
Trustee and agency services	583,047	710,835
Consulting services	87,121	141,699
Bancassurance services	667,334	1,750,638
Underwriting securities services	359,130	598,252
Brokerage services	423,435	753,760
Fund management services	97,283	307,706
Other services	137,835	10,414
Fees and commission expenses for	(2,663,188)	(2,687,732)
Settlement and cash services	(2,304,495)	(2,402,942)
Cashier services	(61,844)	(74,639)
Brokerage services	(183,783)	(154,916)
Consulting services	(140)	(274)
Other services	(112,926)	(54,961)
	8,714,897	8,152,605

28. NET GAIN/(LOSS) FROM TRADING FOREIGN CURRENCIES

	2023 VND million	2022 VND million
Gain from trading of foreign currencies	4,610,761	3,819,491
Gain from spot foreign exchange trading	1,133,306	1,329,040
Gain from currency derivatives	3,477,455	2,490,451
Loss for trading of foreign currencies	(4,415,011)	(4,094,554)
Loss for spot foreign exchange trading	(594,974)	(477,916)
Loss for currency derivatives	(3,820,037)	(3,616,638)
	195,750	(275,063)

29. NET GAIN/(LOSS) FROM HELD-FOR-TRADING SECURITIES

	2023 VND million	2022 VND million
Gain from trading of held-for-trading securities	131,783	108,741
Loss for trading of held-for-trading securities	(67,163)	(354,253)
Provision reversed for diminution in value of held-for-trading securities (Note 8)	-	3,667
	64,620	(241,845)

30. NET GAIN FROM INVESTMENT SECURITIES

	2023 VND million	2022 VND million
Gain from trading of investment securities	2,551,469	927,729
Loss for trading of investment securities	(1,643,334)	(828,149)
Provision (made)/reversed for general provision of unlisted corporate bonds (Note 12.3)	(9,115)	164,563
Provision reversed for specific provision of unlisted corporate bonds (Note 12.3)	28,304	183,548
Provision made for diminution in value of investment securities (Note 12.3)	(1,491)	(22,138)
	925,833	425,553

31. NET GAIN FROM OTHER OPERATING ACTIVITIES

	2023 VND million	2022 VND million
Other operating income	6,459,694	4,499,949
Income from other derivatives	2,562,614	2,550,299
Recovery of loans previously written-off	831,790	1,311,053
Income from sales of investment property	1,775,298	-
Other income (*)	1,289,992	638,597
Other operating expenses	(4,025,578)	(2,332,574)
Expenses for other derivatives	(2,335,914)	(2,087,707)
Cost of sales of investment property	(1,044,271)	-
Other expenses (*)	(645,393)	(244,867)
	2,434,116	2,167,375

(*) Includes income, compensation expenses due to premature settlement of cross-currency swap contracts

32. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2023 VND million	2022 VND million
Dividends from other long-term investments	34,756	8,791

33. OPERATING EXPENSES

	Note	2023 VND million	2022 VND million
Salaries and related expenses	37	6,573,569	6,515,485
Publication, marketing and promotion		1,164,898	1,638,423
Office and asset rental		442,277	554,689
Depreciation and amortization of fixed assets		1,215,940	757,167
Maintenance and repair of assets expenses		398,415	331,183
Information technology expenses (*)		972,487	635,927
Tax, duties and fees		243,014	187,371
Tools and equipment expenses		142,911	136,933
Telecommunication expenses		62,634	63,899
Utilities expenses		116,958	91,961
Customers' deposits insurance expenses		422,573	347,127
Per diem expenses		63,794	56,869
Provision made for other on-balance sheet assets	16	555	1,404
Consultancy expenses		164,034	407,121
Other operating expenses		1,267,737	1,297,570
		13,251,796	13,023,129

(*) Information technology expenses exclude IT maintenance expenses and IT depreciation and amortization expenses.

34. PROVISION EXPENSES FOR CREDIT LOSSES

	Note	2023 VND million	2022 VND million
Specific provision made for credit granting to other credit institutions	7.4	-	101,100
General provision made for loans to customers	10	679,579	595,758
Specific provision made for loans to customers	10	3,529,151	1,055,789
Provision (reversed)/made for receivables from margin activities and advances to investors	10	(181,356)	67,245
General provision reversed for debts purchased	11	(194)	(194)
Specific provision reversed for receivable from loans sold contract	16	(50,000)	(119,628)
Provision (reversed)/made for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	16	(56,112)	236,224
		3,921,068	1,936,294

35. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders holding ordinary shares of the Bank (after adjusting for appropriation to bonus and welfare fund) by the weighted average of the number of common shares outstanding for the year.

Diluted earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders holding ordinary shares of the Bank (after adjusting for the dividends of convertible preferred shares) by the total of weighted average number of ordinary shares outstanding for the year and the weighted average number of ordinary shares which are issued in case all potential ordinary shares which have a diluting impact are converted into ordinary shares.

The Bank uses the following information to calculate earnings per share:

	2023	2022
Profit after tax attributable to ordinary shareholders (VND million)	18,003,802	20,150,377
Adjust for appropriation to bonus and welfare funds (VND million)	(48,000)	(38,500)
Profit after tax attributable to ordinary shares shareholders for calculating basic earnings per share (VND million)	17,955,802	20,111,877
Adjusted profit after tax attributable to ordinary shareholders for calculation of diluted earnings per share (VND million)	17,955,802	20,111,877
Weighted average number of ordinary shares used for calculation of basic earnings per share	3,517,772,966	3,513,028,478
Effect of upcoming shares issuance (*)	-	-
Weighted average number of ordinary shares used for calculation of diluted earnings per share	3,517,772,966	3,513,028,478
Earnings per share (VND)		
Basic earnings per share	5,104	5,725
Diluted earnings per share	(*)	(*)

(*) As at 31 December 2023 and 31 December 2022, earnings per share of the Bank are not affected by dilutive factors.

36. CASH AND CASH EQUIVALENTS

	2023 VND million	2022 VND million
Cash and gold	3,620,695	4,215,721
Balances with the SBV	27,140,592	11,475,590
Securities with maturity period not exceeding 3 months from the acquisition date	904,081	15,690,426
Balances with other credit institutions with original terms of 3 months or less	78,834,851	69,924,143
	110,500,219	101,305,880

37. EMPLOYEE BENEFITS

	2023 VND million	2022 VND million
Total employees as at 31 December (person)	11,614	12,339
I. Average number of employees for the year (person)	11,977	12,423
II. Employees' remuneration		
1. Basic salaries	5,596,413	5,554,552
2. Allowances and other income	977,156	960,933
3. Total (1+2)	6,573,569	6,515,485
4. Average salary/month	39	37
5. Average remuneration/month	46	44

38. ASSETS, VALUABLE PAPERS MORTGAGED, PLEDGED, DISCOUNTED AND REDISCOUNTED

38.1. Assets, valuable papers mortgaged, pledged, discounted and rediscounted to the Bank

	31 December 2023 VND million	31 December 2022 VND million
From customers	1,056,032,505	901,336,716
Real estates	541,301,351	577,190,951
Movable assets	24,199,153	19,939,896
Valuable papers	112,291,637	80,226,207
Other collaterals	378,240,364	223,979,662
From other credit institutions	23,313,783	24,128,504
Valuable papers	17,864,000	24,119,900
Other collaterals	5,449,783	8,604
	1,079,346,288	925,465,220

38.2. Assets, valuable papers mortgaged, pledged, discounted and rediscounted by the Bank

	31 December 2023 VND million	31 December 2022 VND million
Deposits	1,698,900	2,000,000
Investment securities	-	1,593,200
	1,698,900	3,593,200

39. INTEREST AND RECEIVABLE FEES NOT COLLECTED YET

	31 December 2023 VND million	31 December 2022 VND million
Interest from loans to customers not collected yet	1,662,696	1,505,147
Interest from securities not collected yet	493,465	235,789
Receivable fees not collected yet	131,819	117,942
	2,287,980	1,858,878

40. WRITTEN-OFF DEBTS

	31 December 2023 VND million	31 December 2022 VND million
Principal of written-off debts under monitoring	14,660,063	12,528,024
Interest of written-off debts under monitoring	37,563,510	34,417,396
Other written-off debts	1,133	1,133
	52,224,706	46,946,553

41. ASSETS AND OTHER DOCUMENTS

	31 December 2023 VND million	31 December 2022 VND million
Precious metals, gemstones under custody services	36	33
Other assets kept under custody services	154,571,734	161,378,019
Operating lease assets (*)	-	-
Foreclosed assets pending settlement	-	623
Other valuable documents under safekeeping	44,354,576	10,624,901
	198,926,346	172,003,576

(*) The Bank has not determined the value of this item due to insufficient information and lack of detailed guidance on value under Vietnamese Accounting Standards and Financial Reporting Regime for Credit Institutions.

42. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Related party transactions are transactions undertaken with other entities to which the Bank is related. A party is considered to be related to the Bank if:

- Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank (including holding companies, subsidiaries and fellow subsidiaries);
- Associates (specified in Vietnamese Accounting Standards No. 07 "Accounting for Investments in Associates");
- Individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, and close members of the family of any such individual. Close members of the family of an

individual are those that may be expected to influence, or be influenced by, that person in their dealings with the Bank, for example: parent, spouse, progeny, siblings;

- Key management personnel having authority and responsibility for planning, directing and controlling the activities of the Bank, including directors and officers of the Bank and close members of the families of such individuals;
- Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Bank and enterprises that have a member of key management in common with the Bank.

Significant transactions and balances with related parties of the Bank for the year ended 31 December 2023 are as follows:

Bond transactions

VND million

Related party	Relationship	Opening balance	2023		Closing balance
			Increase	Decrease	
Masan Group Corporation Joint Stock Company	(i)				
Face value		521,880	3,679,431	(3,654,130)	547,181
Interest receivables		13,156	34,833	(40,034)	7,955
Nui Phao Mining Company Limited	(iii)				
Face value		15,350	2,840,712	(2,409,895)	446,167
Interest receivables		80	4,964	(3,707)	1,337
Masan High-Tech Materials Joint Stock Company	(iii)				
Face value		155,474	889,177	(1,044,357)	294
Interest receivables		1,571	10,855	(12,426)	-

Loans to customers

VND million

Related party	Relationship	Opening balance	2023		Closing balance
			Increase	Decrease	
European Plastic Window Joint Stock Company	(ii), (iii)				
Loans to customers		372,132	410,707	(494,288)	288,551
Interest receivables		990	39,950	(39,566)	1,374
Nui Phao Mining Company Limited	(iii)				
Loans to customers		894,500	1,850,777	(1,470,944)	1,274,333
Interest receivables		1,213	109,886	(109,113)	1,986
Masan Tungsten Limited Liability Company	(iii)				
Loans to customers		184,429	349,901	(386,703)	147,627
Interest receivables		275	16,946	(17,013)	208
WinEco Agricultural Investment Development and Production Limited Liability Company	(iii)				
Loans to customers		105,462	51,949	(121,360)	36,051
Interest receivables		-	4,220	(4,177)	43
One Mount Distribution Joint Stock Company	(ii)				
Loans to customers		662,475	1,835,746	(1,592,916)	905,305
Interest receivables		1,062	63,084	(63,198)	948
A group of companies related to Masan Group Corporation Joint Stock Company	(iv)				
Loans to customers		129,605	148,726	(212,856)	65,475
Interest receivables		223	17,847	(17,997)	73

Term deposits from customers

VND million

Related party	Relationship	Opening balance	2023		Closing balance
			Increase	Decrease	
One Mount Group Joint Stock Company	(ii)				
Term deposits from customers		-	2,000	(2,000)	-
Interest payables		-	-	-	-
One Mount Distribution Joint Stock Company	(ii)				
Term deposits from customers		-	81,500	(81,500)	-
Interest payables		-	357	(357)	-
Online Mobile Services Joint Stock Company	(ii)				
Term deposits from customers		50,000	50,000	(50,000)	50,000
Interest payables		2,142	3,943	(2,300)	3,785
TC Advisors Corporation	(ii)				
Term deposits from customers		21,264	4,054	(25,318)	-
Interest payables		589	471	(1,060)	-
One Mount Consumer Joint Stock Company	(ii)				
Term deposits from customers		-	253,000	(253,000)	-
Interest payables		-	934	(934)	-
ISADO Business Cooperation and Development Company Limited	(iii)				
Term deposits from customers		2,500	-	-	2,500
Interest payables		4	120	(123)	1
NET Detergent Joint Stock Company	(iii)				
Term deposits from customers		44,500	812,300	(628,000)	228,800
Interest payables		154	12,695	(10,887)	1,962
Masan Group Corporation Joint Stock Company	(i)				
Term deposits from customers		240,000	6,194,182	(6,244,182)	190,000
Interest payables		12	15,104	(15,069)	47
A group of companies related to Masan Group Corporation Joint Stock Company	(iv)				
Term deposits from customers		1,916,135	23,284,912	(21,998,574)	3,202,473
Interest payables		6,352	136,136	(130,635)	11,853
Members of the Board of Directors, Board of Supervision, the Executive Team and other related individuals					
Term deposits from customers		849,935	1,479,445	(1,153,932)	1,175,448
Interest payables		12,000	55,427	(53,126)	14,301

Guarantee, Letter of credit contracts

VND million

Related party	Relationship	31 December 2023	31 December 2022
European Plastic Window Joint Stock Company	(ii), (iii)	317,672	263,864
Mobicast Joint Stock Company	(ii)	207,375	230,175
Nui Phao Mining Company Limited	(iii)	125,090	221,844
Masan Tungsten Limited Liability Company	(iii)	-	23,168
One Mount Distribution Joint Stock Company	(ii)	49,258	228,390
Phuc Long Heritage Joint Stock Company	(ii)	10,493	-

Demand deposits from customers

VND million

Related party	Relationship	31 December 2023	31 December 2022
European Plastic Window Joint Stock Company	(ii), (iii)	1,848	3,815
One Mount Group Joint Stock Company	(ii)	74,543	546
One Mount Distribution Joint Stock Company	(ii)	23,518	104,341
One Mount Consumer Joint Stock Company	(ii)	161,464	41,353
One Mount Logistics Joint Stock Company	(ii)	7,739	-
Online Mobile Services Joint Stock Company	(ii)	50,690	42,477
Viet Thanh - Sai Dong Company Limited	(iii)	1,143	575
TC Advisors Corporation	(iii)	1,487	3,982
NET Detergent Joint Stock Company	(iii)	29	139
ISADO Business Cooperation and Development Company Limited	(iii)	1,348	995
Phong Phu – Lam Dong Joint Stock Company	(ii)	218	1,322
Mobicast Joint Stock Company	(ii)	8,176	3,783
Eurowindow Holding	(ii)	18,282	102
Masan Group Corporation Joint Stock Company	(i)	311,593	9,925
Masan Tungsten Limited Liability Company	(iii)	64,658	2,052
WinEco Agricultural Investment Development and Production Limited Liability Company	(iii)	8,359	553
A group of companies related to Masan Group Corporation Joint Stock Company	(iv)	436,223	330,535
Members of the Board of Directors, Supervision, the Executive Team and other related individuals		200,765	264,914

Fee and commission income

VND million

Related party	Relationship	2023	2022
Masan Group Corporation Joint Stock Company	(i)	24,789	47,477
Nui Phao Mining Company Limited	(iii)	32,543	30,815
Masan High-Tech Materials Joint Stock Company	(iii)	4,397	1,550

Remuneration of Board of Directors, Supervision and Executive Team

VND million

Related party	2023	2022
Remuneration of the Board of Directors, Supervision and the Executive Team	320,098	378,710
Remuneration of the Board of Directors and Supervision	36,732	36,903
Remuneration of the Executive Team	283,366	341,807

- (i) Shareholder has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (ii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (iii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision or significant shareholders being related to members of the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (iv) Group of related companies of Masan Group Corporation Joint Stock Company has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or Board of Members, or Management or Board of Supervision of the Bank; or members of the Board of Directors, or Management or Board of Supervision of these companies are related to members of the Board of Directors, or the Executive Team or Board of Supervision of the Bank.

43. GEOGRAPHICAL DISPERSION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

Concentration of assets, liabilities and off-balance sheet items by geographical region of the Bank's partners as at 31 December 2023 are as follows:

	Total loans VND million	Total deposits VND million	Other credit commitments VND million	Derivatives (*) VND million	Trading and investment securities VND million
Domestic	542,682,296	502,562,691	436,707,732	351,398,799	109,789,026
Overseas	5,795	2,717,897	9,053,187	20,600,279	-
	542,688,091	505,280,588	445,760,919	371,999,078	109,789,026

(*) Nominal contract value.

44. RISK MANAGEMENT DISCLOSURE

This section provides details of the Bank's exposure to risks and describes the policies, the methods used by management to control risks. The most important types of financial risks to which the Bank is exposed are credit risk, liquidity risk and market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibility, the Board of Directors appropriately promulgates risk management policies and strategies, establishes business limit, directly approves high-value business transactions in accordance with both legal and internal requirement, and determine organizational structure and key managing directors.

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

The Board Risk Committee ("BRC") is a committee established by the Board of Directors to perform a number of specialized functions and tasks assigned by the Board of Directors related to the supervision and risk management of banking activities.

BRC is responsible for proposing and advising the Board of Directors in preparing and organizing the implementation of risk management policies; supervising the risk management of the whole system; analyzing and giving warnings about the Bank's safety against potential risks that may affect and take preventive measures; advising the Board of Directors in approving decisions on investments, related transactions, governance policies and risk treatment plans within the scope of their functions.

45. CREDIT RISK

The Bank is subject to credit risk through its lending, investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. Credit risk is the risk that may arise due to a customer's or a business partner's failure or incapability to pay debt or make payment obligations in part or in full under a contract or arrangement with the Bank. To manage the level of credit risk, the Bank attempts to deal with counterparties with good credit standing, and, when appropriate, obtains collaterals. The Bank's primary exposure to credit risk arises through its loans. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the consolidated statement of financial position. In addition, the Bank is exposed to off-balance sheet credit risk through commitments to extend credit and guarantees issued.

The following table presents the maximum exposure to credit risk from on-balance sheet, before taking into account of any collaterals held or other credit risk enhancements:

	Neither past due nor impaired VND million	Not past due but impaired VND million	Past due but not impaired VND million	Past due and impaired VND million	Total VND million
Balances with and credit granting to other credit institutions – gross	104,072,320	93,367	-	7,733	104,173,420
Held-for-trading securities – gross	4,432,778	-	-	-	4,432,778
Loans to customers – gross	507,003,836	10,179,573	47,890	1,410,269	518,641,568
Debts purchased – gross	82,653	-	-	1,682	84,335
Investment securities – gross (*)	104,142,278	-	-	80,199	104,222,477
Other financial assets – gross	60,260,421	-	741,880	335,217	61,337,518
	779,994,286	10,272,940	789,770	1,835,100	792,892,096

(*) Excluding equity securities

The Bank classifies assets as not past due or past due based on the maturity date in the repayment period of the assets.

The assets that are not impaired of the Bank include debts secured adequately by collaterals of the borrowers in accordance with the debt classification policies and provisioning as prescribed in Note 4.6; other receivables and other

The Bank manages credit risk by using various tools: development and issuance of internal policies and regulations on credit risk management; development of credit procedures and manuals; regular review of credit risk; development of a credit rating system and loan classification; setting up authorization levels within the credit approval process.

The Bank has maintained a policy of credit risk management to ensure the following basic principles: set up an appropriate credit risk management environment; operate in a healthy process for granting credit facilities; maintain an appropriate management, measurement and credit monitoring process; and ensure adequate controls for credit risk.

financial assets whose provision does not have to be made in accordance with Circular 48 and Circular 24. The assets that are impaired include debts not secured adequately by collaterals of the borrowers in accordance with the debt classification policies and provisioning as prescribed in Note 4.6; other receivables and other financial assets whose provision has to be made in accordance with Circular 48 and Circular 24.

46. MARKET RISK**46.1. Interest rate risk**

Interest rate risk arises when there is a difference of term in repricing of interest rate between assets and liabilities. All credit activities, mobilization activities, investment activities of the Bank create interest rate risk.

On the basis of the state of "interest rate sensitivity" according to periodic changes in interest rates, the items which are assets, equity and off-balance sheet assets are classified by terms into the table "interest gap" of the Bank.

The followings assumptions and conditions are applied when constructing "interest gap" table:

- ◆ Cash and gold, capital contribution, long-term investments, fixed assets, other assets and other liabilities are classified as "Non-sensitive to interest rate" items;
- ◆ Balances with the SBV, demand balances with other financial institutions and credit institutions; due to the Government and the SBV are classified as "Non-sensitive to interest rate" items;
- ◆ Interest rate repricing terms of held-for-trading securities and investment securities are based on the remaining payment/maturity period under the contract at the end of the financial year if such securities have a fixed interest rate or based on the nearest repricing date if such securities have a floating interest rate;

- ♦ Interest rate repricing of balances with and credit granting to other financial institutions and credit institutions; derivatives and other financial assets/(liabilities); loans to customers; debts purchased; due to the Government and the SBV; deposits and borrowings from other financial institutions and credit institutions, deposits from customers are identified as follows:
 - Items with floating interest rates: interest rate repricing terms based on the nearest repricing date under the contract since the end of the financial year.
 - For demand deposits from customers: the interest rate re-pricing time will correspond to the stability of the demand deposit portfolio over time, based on the results of the analysis of the behavior model of the portfolio in the stressful scenario;
- ♦ Interest rate repricing terms of valuable papers issued based on the actual payment/maturity date under the contract of each type of valuable papers if there is a fixed interest rate or the nearest repricing date under the contract if there is a floating interest rate.
- Items with fixed interest rates for the duration of contract: interest rate repricing terms based on actual payment/maturity date under the contract since the end of the financial year;

Interest rate sensitivity

Assuming that all other variables remain constant, the effects of fluctuation in interest rates of the items with floating interest rates on profit before tax and shareholders' equity of the Bank and its subsidiaries is as follows:

	Increase in interest rate	Effects on	
		Profit before tax VND million	Equity VND million
As at 31 December 2023			
USD	1.50%	(183,287)	(146,630)
VND	3.00%	6,797,842	5,438,274

The following table presents assets and liabilities of the Bank based on "interest gap" as at the end of the financial year:

VND million

	Interest re-pricing during the year								Total
	Overdue	Non-sensitive to interest rate	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 to 5 years	Over 5 years	
Assets									
Cash and gold	-	3,620,695	-	-	-	-	-	-	3,620,695
Balances with the SBV	-	27,140,592	-	-	-	-	-	-	27,140,592
Balances with and credit granting to other credit institutions (*)	7,733	13,948,561	80,886,028	3,124,000	2,496,118	3,617,613	93,367	-	104,173,420
Held-for-trading securities (*)	-	-	473,497	262,976	601,505	2,897,954	-	196,846	4,432,778
<i>In which:</i>	-	-	-	-	104,570	-	-	196,846	301,416
<i>Government bonds</i>									
Derivatives and other financial assets	-	(16,150)	(20,039,540)	(11,863,054)	5,475,011	8,337,978	18,249,366	-	143,611
Loans to customers (*)	1,458,159	-	236,624,155	75,707,645	61,559,293	68,812,934	71,600,078	2,879,304	518,641,568
<i>In which:</i>	16,829	-	5,404,510	11,028,309	169,519	-	-	-	16,619,167
<i>Receivables from margin activities and advances to investors</i>									
Debts purchased (*)	1,682	-	19,968	62,685	-	-	-	-	84,335
Investment securities (*)	80,199	2,400,279	2,714,016	30,429,083	6,555,970	19,905,586	21,268,765	22,002,350	105,356,248
<i>In which:</i>	80,199	1,347,676	-	-	-	-	5,474,607	22,002,350	28,904,832
<i>Government bonds and bonds guaranteed by the Government for settlement</i>									
Long-term investments (*)	-	3,047,394	-	-	-	-	-	-	3,047,394
Fixed assets and investment property	-	8,892,697	-	-	-	-	-	-	8,892,697
Other assets (*)	1,077,097	80,159,193	-	-	-	-	-	-	81,236,290
Total assets	2,624,870	139,193,261	300,678,124	97,723,335	76,687,897	103,572,065	111,211,576	25,078,500	856,769,628
Liabilities									
Due to the Government and the SBV	-	131	-	-	-	-	-	-	131
Deposits and borrowings from other financial institutions and credit institutions	-	686,258	93,933,307	21,996,835	21,040,672	15,514,556	1,374	-	153,173,002
Deposits from customers	-	9,794,456	126,766,160	70,918,601	82,427,009	52,304,214	112,402,402	47,937	454,660,779
Valuable papers issued	-	2,831	2,150,058	47,829,490	16,466,300	15,395,904	2,858,717	-	84,703,300
Other liabilities	-	25,328,735	-	-	-	-	-	-	25,328,735
Total liabilities	-	35,812,411	222,849,525	140,744,926	119,933,981	83,214,674	115,262,493	47,937	717,865,947
Interest sensitivity gap	2,624,870	103,380,850	77,828,599	(43,021,591)	(43,246,084)	20,357,391	(4,050,917)	25,030,563	138,903,681

(*) These amounts exclude provision

46.2. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam with VND as its reporting currency. The major currency in which the Bank transacts is VND. The Bank's asset - liabilities structure included different types of currencies (such as USD, EUR,

AUD, etc.), which is the main cause of currency risk. The Bank has set limits on positions by currency based on internal risk assessment process and regulations of the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Exchange rate sensitivity

Assuming that all variables remain constant, the following table shows the effects on profit before tax and equity of the Bank due to possible changes in exchange rates. Risk due to changes of exchange rates to other currencies of the Bank is not significant.

	Increase in exchange rate	Effects on	
		Profit before tax VND million	Equity VND million
As at 31 December 2023			
USD	1.00%	(60,470)	(48,376)
EUR	1.00%	90	72

The following table presents assets and liabilities in foreign currencies translated into VND as at 31 December 2023:

	USD VND equivalent	EUR VND equivalent	Other currencies VND equivalent	Total
Assets				
Cash and gold	285,779	34,297	41,349	361,425
Balances with the SBV	194,602	-	-	194,602
Balances with and credit granting to other credit institutions (*)	29,315,040	643,618	2,679,373	32,638,031
Derivatives and other financial assets	16,142,737	(14,323)	(1,908,772)	14,219,642
Loans to customers (*)	19,215,105	5,916	-	19,221,021
Other assets (*)	16,441,482	896,141	9,911	17,347,534
Total assets	81,594,745	1,565,649	821,861	83,982,255
Liabilities				
Deposits and borrowings from other financial institutions and credit institutions	69,128,940	896,133	5,382	70,030,455
Deposits from customers	12,594,299	631,828	722,146	13,948,273
Other liabilities	1,371,532	27,676	74,539	1,473,747
Total liabilities	83,094,771	1,555,637	802,067	85,452,475
FX position on-balance sheet	(1,500,026)	10,012	19,794	(1,470,220)
FX position off-balance sheet	(4,547,011)	(1,061)	(44,940)	(4,593,012)
Total FX position on and off-balance sheet	(6,047,037)	8,951	(25,146)	(6,063,232)

(*) These amounts exclude provision

46.3. Liquidity risk

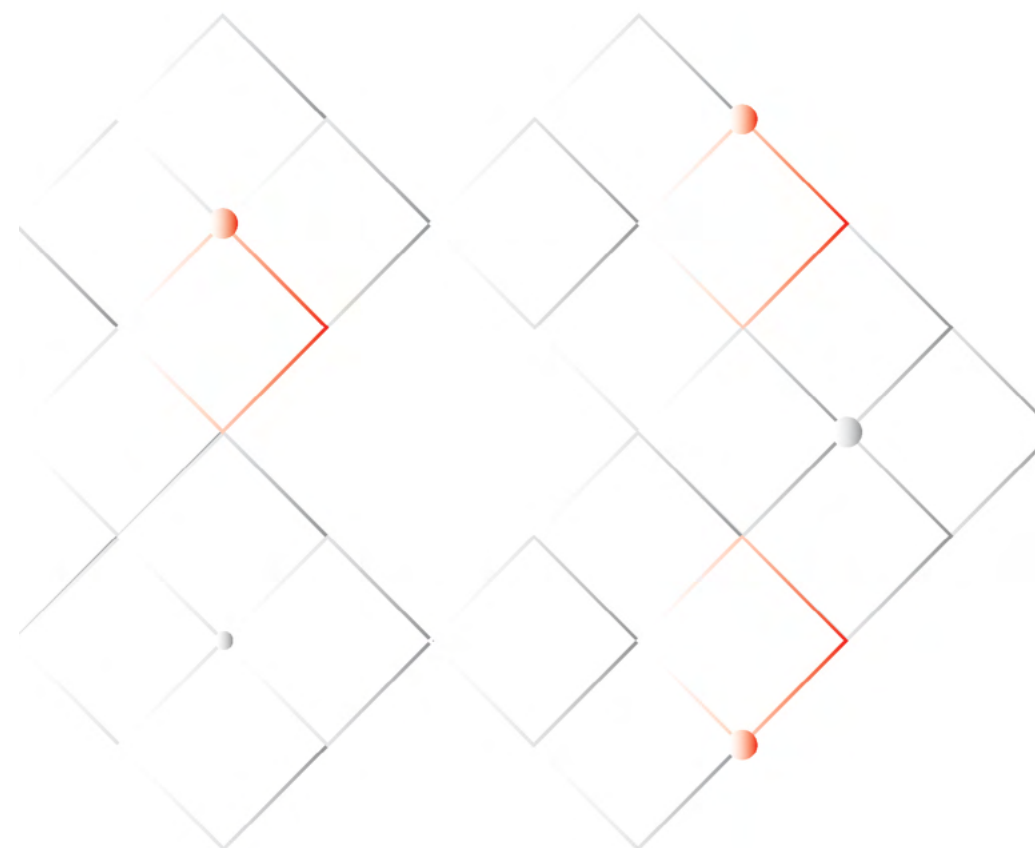
Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. Liquidity risk is caused by the Bank inability to fulfill debt obligations at maturity; or the Bank being able to fulfill debt obligations at maturity, but at higher costs than the average market costs, as specified in the Bank's internal regulations.

The maturity of assets and liabilities represents the remaining period since the end of financial year to the contractual maturity date of assets and liabilities.

The following assumptions and conditions are applied in the analysis of overdue status of the Bank's assets and liabilities:

- ◆ Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's deposits from customers;
- ◆ The maturity of held-for-trading securities and investment securities is calculated based on the maturity date of each category of securities. In which, securities issued/ guaranteed by the Government, regardless of the classification based on residual maturity, 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 of equity securities – investment securities of subsidiaries is determined based on the business plan;

- ◆ The maturity of balances with and credit granting to other financial institutions and credit institutions; and loans to customers is determined on the payment date in accordance with the repayment period as stipulated in contracts. The actual maturity may be altered because loan contracts may be extended/prepaid;
- ◆ The maturity of equity investments is considered as more than five (5) years because these investments do not have specific maturity date;
- ◆ The maturity of deposits and borrowings from financial institutions and credit institutions, deposits from customers, due to the Government and the SBV and other assets is determined based on features of these items or the maturity date as stipulated in contracts. The maturity of demand deposits is determined based on the result of the customer behavior analysis model. The maturity 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 of fixed assets is determined on the remaining useful life of assets;
- ◆ The maturity of valuable papers issued is calculated based on the maturity date of each category of valuable papers;
- ◆ The maturity of other liabilities is determined on the actual maturity date of each liability.



The following table presents assets and liabilities of the Bank according to their maturities as at 31 December 2023:

VND million

	Overdue			Current				Total
	Over 3 months	Up to 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	
Assets								
Cash and gold	-	-	3,620,695	-	-	-	-	3,620,695
Balances with the SBV	-	-	27,140,592	-	-	-	-	27,140,592
Balances with and credit granting to other credit institutions (*)	7,733	-	94,959,587	2,999,000	6,113,731	93,369	-	104,173,420
Held-for-trading securities (*)	-	-	473,497	262,976	3,499,459	-	196,846	4,432,778
<i>In which:</i>	-	-	-	-	104,570	-	196,846	301,416
<i>Government bonds</i>								
Derivatives and other financial assets	-	-	69,436	454,770	(5,156)	(359,492)	(15,947)	143,611
Loans to customers (*)	873,733	584,426	24,244,583	45,526,028	129,060,073	140,131,122	178,221,603	518,641,568
<i>In which:</i>	15,916	913	5,404,510	11,028,309	169,519	-	-	16,619,167
<i>Receivables from margin activities and advances to investors</i>								
Debts purchased (*)	1,682	-	-	-	15,439	67,214	-	84,335
Investment securities (*)	80,199	-	2,369,195	9,229,648	36,450,430	33,435,412	23,791,364	105,356,248
<i>In which:</i>	80,199	-	-	-	-	5,481,062	23,343,571	28,904,832
<i>Government bonds and bonds guaranteed by the Government for settlement</i>								
Long-term investments (*)	-	-	-	-	-	-	3,047,394	3,047,394
Fixed assets and investment property	-	-	157,049	8,222	55,930	3,467,829	5,203,667	8,892,697
Other assets (*)	335,529	741,568	12,418,105	15,160,202	32,133,321	20,403,626	43,939	81,236,290
Total assets	1,298,876	1,325,994	165,452,739	73,640,846	207,323,227	197,239,080	210,488,866	856,769,628
Liabilities								
Due to the Government and the SBV	-	-	131	-	-	-	-	131
Deposits and borrowings from other financial institutions and credit institutions	-	-	59,670,765	21,996,835	36,603,086	34,902,316	-	153,173,002
Deposits from customers	-	-	128,843,037	84,755,099	137,566,134	103,446,038	50,471	454,660,779
Valuable papers issued	-	-	6	8,408,300	2,890,533	73,404,461	-	84,703,300
Other liabilities	-	-	17,806,864	2,824,534	3,523,120	1,169,730	4,487	25,328,735
Total liabilities	-	-	206,320,803	117,984,768	180,582,873	212,922,545	54,958	717,865,947
Net liquidity gap	1,298,876	1,325,994	(40,868,064)	(44,343,922)	26,740,354	(15,683,465)	210,433,908	138,903,681

(*) These amounts exclude provision

46.4. Other market price risk

Securities held by the Bank are affected by market price risk arising from the uncertainty of future value of investment in securities.

Information about securities diminution in value at the end of the financial year as follows:

	31 December 2023 VND million	31 December 2022 VND million
Investment securities – gross	498,753	1,910,511
	498,753	1,910,511



47. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Book value and fair value of financial assets and financial liabilities of the Bank and its subsidiaries as at 31 December 2023 are as follows:

VND million						
	Fair value through Profit & Loss statement	Loans and receivables	Available-for-sale	Other financial assets/ (liabilities) at amortized cost	Total book value	Fair value
Financial assets						
Cash and gold	-	3,620,695	-	-	3,620,695	3,620,695
Balances with the SBV	-	27,140,592	-	-	27,140,592	(*)
Balances with and credit granting to other credit institutions	-	104,173,420	-	-	104,173,420	(*)
Held-for-trading securities	4,432,778	-	-	-	4,432,778	(*)
Derivatives and other financial assets	143,611	-	-	-	143,611	(*)
Loans to customers	-	518,641,568	-	-	518,641,568	(*)
Debts purchased	-	84,335	-	-	84,335	(*)
Available-for-sale securities	-	-	105,356,248	-	105,356,248	(*)
Other long-term investments	-	-	3,047,394	-	3,047,394	(*)
Other financial assets	-	61,337,518	-	-	61,337,518	(*)
	4,576,389	714,998,128	108,403,642	-	827,978,159	
Financial liabilities						
Due to the Government and the SBV	-	-	-	131	131	(*)
Deposits and borrowings from other financial institutions and credit institutions	-	-	-	153,173,002	153,173,002	(*)
Deposits from customers	-	-	-	454,660,779	454,660,779	(*)
Valuable paper issued	-	-	-	84,703,300	84,703,300	(*)
Other financial liabilities	-	-	-	16,604,523	16,604,523	(*)
	-	-	-	709,141,735	709,141,735	

(*) The Bank has not determined the fair value of these items due to insufficient information and lack of detailed guidance on fair value under Vietnamese Accounting Standards and Financial Reporting Regime for Credit Institutions.

48. SEGMENT REPORT

Segment report by operating activities for the year ended 31 December 2023:

VND million						
Criteria	Bank	Trading Securities	Assets Management	Fund Management	Elimination (*)	Total
I. Revenue	75,100,517	5,237,806	1,979,752	187,256	(631,024)	81,874,307
1. Interest revenue	54,038,244	2,591,381	14,790	89,969	(26,625)	56,707,759
2. Fee and commission income	9,829,224	1,507,462	-	97,283	(55,884)	11,378,085
3. Revenue from other business activities	11,233,049	1,138,963	1,964,962	4	(548,515)	13,788,463
II. Expense	(52,120,385)	(2,198,902)	(1,210,783)	(66,444)	531,503	(55,065,011)
1. Interest expense	(28,136,542)	(767,458)	(14,748)	-	(97,891)	(29,016,639)
2. Depreciation and amortization expenses	(1,183,447)	(22,797)	(9,696)	-	-	(1,215,940)
3. Expenses directly related to business activities	(22,800,396)	(1,408,647)	(1,186,339)	(66,444)	629,394	(24,832,432)
Profit before provision expenses for credit losses	22,980,132	3,038,904	768,969	120,812	(99,521)	26,809,296
Provision expenses for credit losses	(4,099,498)	(4,771)	4	-	183,197	(3,921,068)
Profit before tax	18,880,634	3,034,133	768,973	120,812	83,676	22,888,228
III. Assets	818,106,825	43,789,728	1,506,393	926,392	(14,847,326)	849,482,012
1. Cash and gold	3,620,695	-	-	-	-	3,620,695
2. Fixed assets and investment property	8,827,171	64,590	2,797	-	(1,861)	8,892,697
3. Other assets	805,658,959	43,725,138	1,503,596	926,392	(14,845,465)	836,968,620
IV. Liabilities	700,651,077	20,167,995	51,916	17,989	(3,023,030)	717,865,947
1. External liabilities	700,644,818	20,167,995	51,916	17,989	(3,023,030)	717,859,688

(*) Elimination of internal transactions.

49. PROFIT MOVEMENTS

The consolidated profit after tax for the year ended 31 December 2023 of the Bank decreased by VND 2,456,560 million, equivalent to a decrease of 10.99% compared to the year ended 31 December 2022 due to the following reasons:

	Profit after tax VND million
Decrease of profit after tax as a result of:	
(Decrease) in net interest and similar income	(2,598,655)
Increase in net fee and commission income	562,292
Increase in net gain from trading foreign currencies	470,813
Increase in net gain from held-for-trading securities	306,465
Increase in net gain from investment securities	500,280
Increase in net gain from other operating activities	266,741
Increase in income from investments in other entities	25,965
(Increase) in operating expenses	(228,667)
(Increase) in provision expenses for credit losses	(1,984,774)
Decrease in current corporate income tax expense	468,211
(Decrease) in deferred income tax income	(34,231)
Decrease in profit after tax	(2,245,560)

50. CORRESPONDING FIGURES

Certain corresponding figures stated in the prior year were reclassified to conform to the current year's presentation of the consolidated financial statements:

	<i>VND million</i>		
	2022 <i>(As previously reported)</i>	Reclassification	2022 <i>(Reclassified)</i>
Consolidated statement of profit or loss			
Fees and commission expenses	(2,312,843)	(374,889)	(2,687,732)
Operating expenses	(13,398,018)	374,889	(13,023,129)
Consolidated cash flow statement			
Net fees and commission income receipts	8,451,733	(374,889)	8,076,844
Payments for employees and other operating expenses	(10,006,073)	374,889	(9,631,184)

51. EVENTS AFTER THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance that has arisen since the end of the financial year that has affected or may significantly affect the operations of the Bank, the results of these operations or the state of affairs of the Bank that requires adjustment of or disclosure in the consolidated financial statements of the Bank.

52. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AS AT THE END OF THE FINANCIAL YEAR

	31 December 2023 VND	31 December 2022 VND		31 December 2023 VND	31 December 2022 VND
AUD	16,335	16,352	JPY	172	180
CAD	18,320	17,442	NOK	2,389	2,412
CHF	28,835	25,922	SEK	2,410	2,267
CNY	3,418	3,426	SGD	18,393	17,637
DKK	3,593	3,402	THB	706	683
EUR	26,971	25,299	USD	24,270	23,635
GBP	30,899	28,593	XAU	7,250,000	6,630,000
HKD	3,108	3,027			

Prepared by:

Approved by:

Approved by:

Ms. Hoang Thi Thu Hang
Accountant

Ms. Nguyen Thi Tra My
Chief Accountant

Mr. Jens Lottner
Chief Executive Officer

Hanoi, Vietnam
22 March 2024

SEGMENT REPORTING

	<i>VND billion</i>		
	2022	2023	YoY change
Total Operating Income	40,527	40,061	-1.2%
Retail	18,788	18,986	1.1%
SME	5,001	5,004	0.0%
WB	11,514	7,952	-30.9%
Markets	3,639	6,466	77.7%
Others	273	822	200.6%
Recoveries	1,311	832	-36.6%
Net Interest Income	30,290	27,691	-8.6%
Retail	14,549	15,710	8.0%
SME	3,054	2,846	-6.8%
WB	7,683	2,938	-61.8%
Markets	4,477	5,971	33.4%
Others	526	225	-57.2%
Net Fee Income	9,299	10,184	9.5%
Retail	4,110	2,909	-29.2%
SME	1,896	1,977	4.3%
WB	3,313	5,329	60.9%
Markets	(3)	(0)	N/A
Others	(17)	(32)	N/A

Term	Definition
Affluent customer	Customers with annual income of over VND 1.3 billion (per household)
ALM	Asset-liability management
APE	Annual premium equivalent
API	Application Programming Interface
ATM/CDM	Automated Teller Machine/ Card Deposit Machine
Banca	Bancassurance
BCDE	Business Credit Decision Engine
CAR	Capital adequacy ratio
CASA	Current Account Savings Account
CDE	Critical data elements
CIR	Cost-to-income ratio
CMS	Card Management System
CoF	Cost of Funds
CRM	Customer relationship management
DDoS	Distributed Denial of Service
DevSecOps	Development - Security - Operations
EBS	Enterprise Service Bus
EVE	Economic value of equity
FEB	F@st EBank Electronic Bank, e-banking service for Techcombank's corporate customers
FMCG	Fast moving consumer goods
FX	Foreign exchange
HNX	Hanoi Stock Exchange
HOSE	Ho Chi Minh Stock Exchange
IB	Investment banking
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal Liquidity Adequacy Assessment Process
IPS	Intrusion prevention system
IRRBB	Interest rate risk in the banking book
LC	Letter of Credit
LCR	Liquidity coverage ratio

Term	Definition
LDR	Loan-to-deposit ratio
Mass Affluent customer	Customers with annual income from VND 0.3 billion - VND 1.3 billion (per household)
Mass customer	Customers with annual income below VND 0.3 billion (per household)
Micro SME (MSME)	Customers with total revenue of the most recent financial year under VND 20 billion
NII	Net interest income
NPS	Net Promoter Score
NSFR	Net stable funding ratio
PAM	Privileged Access Management
PFE	Potential Future Exposure
PII	Personally identifiable information
ReCoM	Real estate, construction and construction materials
RM	Relationship manager
SDWAN	Software-defined Wide Area Network
SIEM	Security Information and Event Management
SME	Customers with total revenue of the most recent financial year from VND 20 billion - VND 200 billion
TD	Term deposit
UPAS LC	Usance Payable At Sight Letter of Credit
VaR	Value at Risk
WAF	Web application firewall