

Vietnam Technological and Commercial Joint-Stock Bank (Techcombank, Ticker: TCB VN) reinforced the strength of its customer centric strategy in delivering strong 2020 financial results. TCB posted Profit Before Tax of VND 15.8 Tn (up 23.1% YoY) on VND 27.0 Tn Total Operating Income, up 28.4% YoY and achieved a sector-leading CASA ratio of 46.1% and ROA of 3.1%.

Hanoi, January 27, 2021, Vietnam Technological and Commercial Joint-Stock Bank (Techcombank) recorded Profit before tax (PBT) for 2020 of VND 15.8 trillion, up 23.1% versus 2019 and 21.5% higher than the full-year PBT target approved at the Annual General Meeting of Shareholders (AGM). The Bank continues to lead the market with a healthy 3.1% return on assets (ROA) for the last twelve months ended December 31, 2020. Capital position remains robust with Basel II CAR of 16.1% at year end. These financial results complete the successful execution of the 2016-2020 strategic plan and were achieved against the most challenging economic environment in Vietnam in over a decade due to the COVID-19 pandemic. Together with the Government and broader banking sector, Techcombank took measures during the year to support the economy and share hardships with individual and corporate customers including introducing a comprehensive support package worth VND 41.2 Tn for over 3,200 customers covering interest waiver, reduction and debt rescheduling.

“Against a challenging and uncertain operating environment in 2020, we took a number of measures throughout the year to support our customers and strengthen Techcombank’s balance sheet to weather the crisis. This included rescheduling loans for customers impacted by COVID-19, offering preferential interest rates, increasing liquidity to ensure we had ample credit for customers while accelerating write-offs to maintain healthy asset quality. Our 2020 financial results reinforce that the long-term growth drivers and business fundamentals for Vietnam and Techcombank are intact. Going forward, we will continue to focus on the consistent execution of our strategy and invest in digitalization to scale our business to meet the needs of our growing customer base. With our expanded leadership team and the capabilities and capital built over the last 5 years, coupled with the success of the Government in containing the impacts of COVID-19, we remain well positioned to deliver our 2021-2025 strategy and vision of becoming the leading bank in Vietnam,” said Techcombank CEO Jens Lottner.

INCOME STATEMENT

The Bank's Total Operating Income (TOI) grew 28.4% to VND 27.0 trillion in 2020, outpacing an 18.0% increase in operating expenses. Net Interest Income (NII) grew to VND 18.8 trillion, up 31.5% Year-over-Year (YoY). Net Fee and Commission Income (NFI) grew 28.8% YoY to VND 4.2 trillion, driven by increased lending volume and lower cost of funds. Bond underwriting fees continued to be the largest contributor to NFI, generating VND 1.0 trillion, up 7.0% YoY on the back of VND 66.8 trillion of bond issuance volume. Bancassurance fees were down 11.0% YoY but momentum picked up in the fourth quarter with strong month-over-month growth driven by increased productivity and new leadership.

Operating expenses were VND 8.6 trillion in 2020, up 18.0% YoY. Cost to income ratio (CIR) declined to 31.9% from 34.7% a year ago as the bank managed expenses more tightly given the uncertain outlook due to COVID-19.

In 2020, the Bank proactively wrote off selected non-performing loans which resulted in provision expenses increasing to VND 2.6 trillion from VND 917 billion in 2019, and, hence, higher credit costs of 1.1% compared to 0.5% in the prior year.

BALANCE SHEET

Total assets were VND 439.6 trillion at the end of 2020, an increase of 14.6% from 2019. Total credit provided to customers as of December 31, 2020 was VND 318.0 trillion, an increase of 23.3% over 2019 and in line with the expanded credit limit granted by the State Bank of Vietnam (SBV). Credit demand picked up strongly in 4Q20 as economic activity continued to recover from the pandemic and businesses accelerated investments in anticipation of a strong rebound in 2021. The broad resumption in economic activity was most clearly reflected in small to medium enterprises as SME credit balance grew 24.3% QoQ, higher than the 13.9% and 8.9% growth in wholesale and retail banking, respectively.

Total deposits as at December 31, 2020 were VND 277.5 trillion, an increase of 20.0% YoY. CASA deposits grew 60.6% YoY to VND 128.0 trillion, while term deposits declined 1.4% to VND 149.4 trillion, as the Bank further optimized its cost of funding. CASA ratio achieved a

record high 46.1% as at December 31, 2020, significantly up from 34.5% at the end of 2019, driven by a 65% increase in retail CASA and 54% rise in corporate CASA.

LIQUIDITY AND CAPITAL

Techcombank maintained ample liquidity, exceeding regulatory requirements with a loan-to-deposit ratio (LDR) of 78.1% and short-term funding to medium-to-long-term loans ratio of 33.9%, improving from the 38.4% at the end of 2019. During the year the bank completed a USD 500 million syndicated loan to diversify its funding base and ensure the bank has ample liquidity to support customers through the COVID-19 crisis.

The Bank also maintained its position as the best capitalized bank in Vietnam¹ with a Basel II Capital Adequacy Ratio (CAR) of 16.1%, more than double the Basel II Pillar I minimum requirement of 8.0% and up from 15.5% at the end of 2019.

ASSET QUALITY

NPL ratio was 0.5% as at December 31, 2020, against 0.6% as at September 30, 2020 and 1.3% at the end of 2019 as the Bank took proactive measures to write-off non-performing loans to strengthen its balance sheet against the potential economic impacts of COVID-19. NPL coverage ratio at the end of 2020 improved to 171.0% compared to 148.0% as at September 30, 2020 and 94.8% at December 31, 2019.

SUBSIDIARIES

Consolidated results also benefited from the robust performance of Techcom Securities (TCBS) which recorded revenues of VND 3.3 trillion up 50% YoY and PBT of VND 2.7 trillion up 48% YoY and achieving 68% corporate bond brokerage market share and 27% market share of new securities account openings.

TCBF, an open-ended bond fund managed by TCBS, continued to be the largest bond fund in the market with total VND 24.1 trillion AUM at 31 December 2020, up 31.7% QoQ and 56.9% YoY.

CUSTOMER AND OTHER HIGHLIGHTS

During 2020, Techcombank added 1.1 million net new customers to bring total customers served to 8.4 million. The Bank has continued to maintain high safety standards to protect our customers and employees while keeping all branches and ATMs operating normally during 2020. These actions combined with our leadership position in digital banking ensured that customers continued to be well-served during periods of lock-down, social-distancing restrictions, and subsequent relaxation and resumption of normal activities. Retail customer transaction volume and value during 2020 through Techcombank's e-banking channels increased to 383 million and VND 5.0 quadrillion, up 108.8% and up 84.2% YoY, respectively.

In October 2020, Techcombank received the Best Payments Bank in Vietnam award by The Asian Banker for its large intra-day processing payment capabilities and competitive brand franchise in 2020. Despite continuous challenges in 2020 due to COVID-19, the bank increased throughput capacity to 13 million transactions per day while successfully expanding our host-to-host payment solution used by some large customers to fully migrate all payment transactions (cross-border, domestic, customs) to our e-channel, reducing their lead time for payments and operational costs significantly. The bank was also named "Best Bank in Vietnam 2020" by FinanceAsia and its USD 500 million inaugural syndicated loan was named "Best Syndicated Loan" in Vietnam in 2020 by The Asset.

In December 2020, Moody's Investor Service reaffirmed Techcombank's rating at Ba3², reflecting the bank's stable asset quality, solid profitability and strong capitalization. Among the 19 banks rated by Moody's in Vietnam, Techcombank is the only one with a BCA constrained by the sovereign rating.

ABOUT TECHCOMBANK

Established in 1993, Techcombank is one of the largest joint stock banks in Vietnam, and a leading bank in Asia. Techcombank pursues a proven customer-centric strategy in providing a broad range of banking solutions and services to more than 8.4 million retail and corporate customers in

Vietnam through an extensive network of over 300 transaction offices across the country and market-leading digital banking services. The bank’s ecosystem approach, which is implemented across multiple key economic sectors, further differentiates Techcombank in one of the fastest growing economies in the world.

Techcombank is rated highest among banks in Vietnam with a Ba3 ² from Moody’s and BB-³ from S&P and was named “Best Bank in Vietnam 2020” by FinanceAsia, “Best SME bank 2020”, “Best Home Loan Product 2020” and “Best Payments Bank 2020” by The Asian Banker. Techcombank is listed on the Ho Chi Minh Stock Exchange (HOSE) under the ticker TCB.

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Financial Highlights

| Balance sheet (VND Bn) | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | QoQ | YoY |
|---|---------|---------|---------------|---------|---------|---------------|----------|
| Total Assets | 383,699 | 391,808 | 395,861 | 401,462 | 439,603 | +9.5% | +14.6% |
| Deposits from customers | 231,297 | 235,099 | 249,857 | 252,572 | 277,459 | +9.9% | +20.0% |
| Credit growth⁴ (YTD) | 18.8% | 2.9% | 2.7% | 8.3% | 23.3% | +15.0 pct | +441 bps |
| CASA | 34.5% | 32.2% | 34.4% | 38.6% | 46.1% | +757 bps | +12 pct |
| NPL | 1.3% | 1.1% | 0.9% | 0.6% | 0.5% | -13 bps | -87 bps |
| Credit cost (LTM) | 0.5% | 0.7% | 0.8% | 1.1% | 1.1% | -3 bps | +58 bps |
| Coverage ratio | 94.8% | 117.9% | 108.6% | 148.0% | 171.0% | +23 pct | +76 pct |
| Capital and Liquidity | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | QoQ | YoY |
| Basel II CAR | 15.5% | 16.6% | 16.9% | 16.7% | 16.1% | -61 bps | 61 bps |
| Basel II Tier 1 ratio | 15.2% | 16.3% | 16.4% | 16.3% | 15.7% | -60 bps | 54 bps |
| ST funding to MLT loan⁵ | 38.4% | 30.7% | 25.5% | 31.1% | 33.9% | 291 bps | -441 bps |
| SBV LDR⁶ | 76.3% | 76.8% | 72.5% | 71.9% | 78.1% | 619 bps | 184 bps |
| Profitability (VND Bn) | 4Q19 | 4Q20 | 4Q20 vs. 4Q19 | FY19 | FY20 | FY20 vs. FY19 | |
| Net interest income | 3,904 | 5,494 | +40.7% | 14,258 | 18,751 | +31.5% | |
| Non-interest income | 2,723 | 2,268 | -16.7% | 6,810 | 8,291 | +21.7% | |
| Total operating income | 6,627 | 7,762 | 17.1% | 21,068 | 27,042 | +28.4% | |
| Operating expenses | (2,337) | (2,307) | -1.3% | (7,313) | (8,631) | +18.0% | |
| Profit before tax | 3,978 | 5,089 | 27.9% | 12,838 | 15,800 | +23.1% | |
| NFI/TOI | 20.6% | 13.8% | -680 bps | 15.4% | 15.5% | +5 bps | |
| CIR | 35.3% | 29.7% | -554 bps | 34.7% | 31.9% | -279 bps | |
| ROA (LTM) | 2.9% | 3.1% | +22 bps | 2.9% | 3.1% | +22 bps | |
| ROE (LTM) | 17.8% | 18.3% | +51 bps | 17.8% | 18.3% | +51 bps | |
| NIM (LTM) | 4.2% | 4.9% | +73 bps | 4.2% | 4.9% | +73 bps | |
| Cost of funds | 3.8% | 2.8% | -100 bps | 4.0% | 3.4% | -60 bps | |

Notes:

1. As of 30 September 2020
2. Baseline credit assessment (BCA)
3. Long-term credit rating
4. Credit growth under SBV regulations
5. Bank-only number; SBV limit: 40%
6. Bank-only number; SBV limit: 85%