

## Press Release

### TCBS'S FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2023

- Profit before tax (PBT) of Techcom Securities Joint Stock Company (TCBS) reached VND 1,148 billion up 108% compared to Q2 2023 and 57% over the same period last year. Accumulated PBT in the first 9 months of 2023 amounted to more than VND 2,148 billion, exceeding the whole year's plan by 7%.
- Total operating income (TOI) reached VND 1,268 billion, up 94% compared to Q2 2023 and up 50% compared to the same period last year.
- Cost to Income Ratio (CIR) stood at 9% – down 6% and 4% respectively compared to Q2 2023 and same period last year, thanks to outstanding revenue growth and cost optimization.
- Owners' equity at the end of September 2023 increased by 4% compared to Q2 2023, reaching VND 22,960 billion. Return on equity (ROE) and return on total assets (ROA) remained at 12% at 6% respectively compared to Q2 2023.
- TCBS is investing heavily in technology and focusing on developing the Wealth product business to be more diversified, safe and sustainable to complete the **Wealthtech** ecosystem (fintech) and ultimately to become **the Orchestrator of capital flows in Vietnam** with the target capitalization of **5 billion USD** for a 5-year vision from 2021-2025.

### ANALYSIS OF BUSINESS RESULTS

#### Brokerage

- In Q3 2023, revenue from brokerage and securities custodian services reached VND 160 billion, a substantial 30% increase compared to the previous. This surge can be attributed to an 88% rise in the value of stock transactions facilitated by the company during this period. Average liquidity in this period continued to show an upward trend, approximating about VND 24,500 billion/day, up more than 90% compared to Q2 2023.
- The Company's stock brokerage's market share retained its 4th position, at 6.8%, demonstrating a noteworthy increase of 1.29% compared to Q2 2023. This marks the third consecutive quarter in which TCBS has achieved a substantial boost in market share compared to the preceding quarter.
- The company is confident in delivering the integration of the system with KRX before the State Securities Commission regulatory deadline in December 2023. This achievement will

enable TCBS customers to access exceptional features, including the capability to engage in day trading.

### **Margin and advance lending**

- Interest income from margin and advance lending reached VND 424 billion, marking a 6% increase compared to Q2 2023 and 15% rise compared to same period last year. In Q3 2023, the Company has offered attractive lending interest rates, and consistently launched numerous promotions and flexible margin packages aiming at encouraging investors to participate in margin trading to increase investment returns with interest rates from only 9.9%/year.
- TCBS consistently adheres to regulations governing margin lending for stocks through a strict process of assessment, screening, and adjustment of risk management ratios and limits carried out on a daily basis or promptly in response to adverse market movements. With prudent risk management policy and automatic margin lending risk management system, TCBS is confident in growing loan balances to help customers maximize profit opportunities in the stock market.

### **Investment banking**

- The investment banking segment in Q3 2023 recorded revenue of VND 325 billion (Q/Q and Y/Y growth of 45% and 55% respectively).
- Following the government's initiatives aimed at removing bottlenecks within the capital market, particularly regarding bonds and bank loans, TCBS has quickly seized new opportunities and policies to continue to provide capital arrangement and financial advisory services to businesses, given the recovering capital market and the launch of HNX's individual corporate bond trading system, bringing transparency to the market. Over the first 9 months of 2023, TCBS has provided advisory services for the issuance of corporate bonds exceeding VND 58 trillion, thus maintaining its position as the market leader in corporate advisory with 61% market share (excluding banks bonds).

### **Investment and bond distribution**

- In the context that the savings interest rate in Q3 2023 remains low, customers need to find safe investment channels and have higher returns than term deposits. Understanding the needs of customers, TCBS places a strong emphasis on investment safety to safeguard the interests of our clients. Notably, all individual customers who have invested in bonds distributed by the Company have received their principal and interest payments in a timely

manner, thus reinforcing their trust in TCBS. In 2023, TCBS also introduced the iBond Protect with payment guaranteed by Techcombank and with a three-tiered security layers. Since the product's launch, up until the end of Q3 2023, there have been 7,344 billion of iBond Protect bonds successfully distributed to over 2,565 individual customers.

- TCBS is one of the pioneering firms to successfully register bonds on HNX's centralized exchange, which officially operates from July 19, 2023. This achievement significantly contributes to enhancing transparency and liquidity to the private bond investments.
- Thanks to the trust and confidence of our customers, primary retail bond distribution sales in Q3 2023 exhibited robust growth in Q3 2023, surpassing VND 12 trillion, up 71% from Q2 2023. Furthermore, TCBS actively optimizes its balance sheet, capitalizing on market investment opportunities. As a result, the company's investment and bond distribution segment in Q3 2023 recorded an impressive growth of 134% Q/Q and 118% Y/Y.

#### **ANALYSIS OF THE FINANCIAL POSITION**

- Total assets reached VND 38.4 trillion as of September 30, 2023, up 10% Q/Q and up 33% Y/Y.
- Outstanding margin loans surged to VND 12,827 billion, reflecting a 26% increase compared to the end of Q2/2023. TCBS consistently monitors market fluctuations and remains prepared to supply fundings to meet the borrowing needs of our customers within the Company's acceptable risk tolerance. This strategy ensures ample room for the expansion of margin lending.
- Financial assets balance recorded at VND 16,612 billion, up 12% compared to the end of the previous quarter. The portfolio of financial assets encompasses a range of investments, such as stocks, bonds, certificates of deposit, and fund certificates, which are instrumental in supporting the Company's capital and retail distribution.
- In Q3 2023, TCBS continued to enhance its capacity for capital acquisition by successfully issuing VND 700 billion in private bonds, bringing the total issued bond balance as of September 30, 2023 to VND 1,289 billion, up 118% compared to the previous quarter. Outstanding loans reached VND 13,142 billion, up 14% compared to the end of Q2 2023. The Company's strategic focus remains on diversifying capital sources for key business areas, all while ensuring stable and sustainable liquidity and financial health by maintaining a capital adequacy ratio (CAR) at September 30, 2023 of approximately 314% (1.74 times higher than the statutory requirement of 180%).

#### **CUSTOMERS AND OTHER BUSINESS FOOTPRINTS IN Q3 2023**

- Launched Basic Mode – A personalized basic stock trading mode on TCInvest to enhance investors' experience.
- Continued to maintain Zero Fee policy - Free trading of stocks, derivatives, warrants and listed fund certificates for customers.
- TCBS offers privileges to customers when transferring shares to TCBS: Cashback up to VND 300,000/transfer/ticker combined with 1.5%/year discount on margin loan interest rate for one month.
- Launching the online business account opening feature on TCInvest - TCBS is the first securities company in Vietnam to have this feature in the market.

## AWARDS AND OTHER RECOGNITION

- In Q3 2023, TCBS's **Microsoft Secure Score (MSS)** continued to remain high, reaching ~85/100, double the average score of similar organizations assessed by MSS (~42 points).
- In 2023, TCBS is honored to receive international awards within the technology category: **"Asian Technology Excellence"** at the Asian Technology Excellence Awards, **"Most Advanced Technology Application"** at the **FinanceAsia Country Awards**, **"Wealth Management Organization of the Year"** and **"Best Data Analytics Project"** at **The Asset Triple A Digital Awards**.

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## About Techcom Securities

Techcom Securities (TCBS) is a subsidiary of Techcombank – the largest and most prestigious private joint stock commercial bank in Vietnam. Not only strong in diversified Wealth financial products, TCBS is also a typical Wealthtech company, gathering a large information technology workforce focused on developing [TCInvest](#) – an advanced Wealthtech platform and free online transactions.

TCBS ranks as the market leader in the field of corporate bonds, is the leading corporate bond issuance consultancy in Vietnam. TCBS pioneers in pursuing the strategy of developing technology systems as a business foundation towards the vision of 2025 to become a leading financial technology company leading the investment banking and wealth management market in the region.

Find more information about TCBS at: [www.tcbs.com.vn](https://www.tcbs.com.vn)

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**APPENDIX: SELECTED KEY ITEMS ON THE FINANCIAL STATEMENTS**

<b>Profitability (Billion dong)</b>	<b>3Q22</b>	<b>4Q22*</b>	<b>1Q23</b>	<b>2Q23*</b>	<b>3Q23</b>	<b>Q/Q</b>	<b>Y/Y</b>
<b>Operating revenue</b>	<b>1,184</b>	<b>992</b>	<b>931</b>	<b>1,084</b>	<b>1,702</b>	<b>57%</b>	<b>44%</b>
Brokerage	239	161	96	122	160	30%	-33%
Margin and Advance lending	370	333	274	398	424	6%	15%
Investment Banking	210	171	233	224	325	45%	55%
Investment & Bond Distribution	365	326	328	340	793	134%	118%
<b>Operating expenses</b>	<b>172</b>	<b>352</b>	<b>190</b>	<b>177</b>	<b>146</b>	<b>-17%</b>	<b>-15%</b>
Brokerage	62	79	51	66	109	65%	74%
Margin and Advance lending	17	12	11	7	7	-2%	-60%
Investment Banking	-	0	(0)	(0)	(0)	481%	-
Investment & Bond Distribution	93	261	127	104	31	-71%	-67%
<b>Financial income</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>485%</b>	<b>239%</b>
<b>Financial expenses</b>	<b>168</b>	<b>192</b>	<b>184</b>	<b>255</b>	<b>295</b>	<b>16%</b>	<b>76%</b>
<b>Total operating income</b>	<b>845</b>	<b>449</b>	<b>561</b>	<b>653</b>	<b>1,268</b>	<b>94%</b>	<b>50%</b>
<b>General and administrative expenses</b>	<b>115</b>	<b>129</b>	<b>112</b>	<b>101</b>	<b>119</b>	<b>18%</b>	<b>4%</b>
<b>Profit before tax</b>	<b>731</b>	<b>319</b>	<b>448</b>	<b>552</b>	<b>1,148</b>	<b>108%</b>	<b>57%</b>
<b>CIR rate</b>	<b>14%</b>	<b>29%</b>	<b>20%</b>	<b>16%</b>	<b>9%</b>	<b>-6%</b>	<b>-4%</b>
<b>ROA ( last 12 months)</b>	<b>12%</b>	<b>9%</b>	<b>7%</b>	<b>6%</b>	<b>6%</b>	<b>1%</b>	<b>-5%</b>
<b>ROE (last 12 months)</b>	<b>32%</b>	<b>24%</b>	<b>17%</b>	<b>12%</b>	<b>12%</b>	<b>0%</b>	<b>-19%</b>



Selected key balance sheet items (Billion dong)	3Q22	4Q22*	1Q23	2Q23*	3Q23	Q/Q	Y/Y
<b>Total assets</b>	<b>28.975</b>	<b>26.092</b>	<b>25.115</b>	<b>34.773</b>	<b>38.392</b>	<b>10%</b>	<b>33%</b>
Cash and cash equivalents	2.226	2.405	2.039	5.761	4.172	-28%	87%
Margin and advance lending	15.216	9.355	9.503	10.182	12.827	26%	-16%
Available-for-sale financial assets	8.419	10.511	8.683	14.773	16.612	12%	97%
<b>Total liabilities</b>	<b>18.209</b>	<b>15.102</b>	<b>13.787</b>	<b>12.771</b>	<b>15.432</b>	<b>21%</b>	<b>-15%</b>
Short-term borrowings & Interest-bearing liabilities	14.267	12.156	12.278	11.491	13.142	14%	-8%
Long-term borrowings	3.043	1.709	673	592	1.289	118%	-58%
<b>Owners' equity</b>	<b>10.766</b>	<b>10.989</b>	<b>11.329</b>	<b>22.002</b>	<b>22.960</b>	<b>4%</b>	<b>113%</b>
<b>Total borrowings/Owners' equity</b>	<b>161%</b>	<b>126%</b>	<b>114%</b>	<b>55%</b>	<b>63%</b>	<b>8%</b>	<b>-98%</b>
<b>Net borrowings/Owners' equity</b>	<b>140%</b>	<b>104%</b>	<b>96%</b>	<b>29%</b>	<b>45%</b>	<b>16%</b>	<b>-95%</b>
<b>Total liabilities /Total assets</b>	<b>63%</b>	<b>58%</b>	<b>55%</b>	<b>37%</b>	<b>40%</b>	<b>3%</b>	<b>-23%</b>

(\*) Audit/reviewed figures

<u>Notes:</u> <i>Q1, Q2, Q3, Q4</i> – Q1,2,3,4 <i>Y/Y</i> – Year over year <i>Q/Q</i> – Quarter on quarter <i>CIR</i> – Cost-to-income ratio <i>PBT</i> – Profit before tax	<i>ROA</i> – Return on assets <i>ROE</i> – Return on equity <i>TOI</i> – Total Operating Income (Operating Revenue – Operating Expenses + Financial Revenue – Financial Expenses + Other Income) <i>Net borrowings</i> – Total borrowings minus Cash & cash equivalents
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