

Press Release

FINANCIAL HIGHLIGHTS OF THE SECOND QUARTER OF 2023

- Profit before tax (PBT) reached VND 552 billion, marking a 23% increase compared to Q1 2023. Accumulated profit before tax for the first 6 months amounted to nearly VND 1,000 billion, achieving 50% of the whole year's plan.
- Total Operating Income (TOI) reached VND 653 billion, up 16% compared to Q1 2023.
- Cost to Income Ratio (CIR) stood at 16%, down nearly 5% compared to Q1 2023.
- Owners' equity at the end of June 2023 increased by 94% compared to Q1 2023, reaching VND 22,004 billion largely driven by the successful private placement of shares to TCBS worth more than VND 10,000 billion in Q2 2023.
- Return on equity (ROE) was recorded at 12% and return on assets (ROA) at 6%.

ANALYSIS OF BUSINESS RESULTS

Brokerage

- In Q2 2023, revenue from securities brokerage operations witnessed a remarkable increase of VND 122 billion, up 27% compared to Q1 2023. The stock brokerage market share of TCBS (HoSE) has risen sharply from the 8th place in Q1 2023 to the 4th place in Q2 2023, commanding a market share of 5.5%.
- As a pioneer in offering outstanding digital conveniences and experiences, TCBS has attracted a substantial number of new accounts during Q2 2023, accounting for 8% of the total number of new openings in the market, bringing the total number of individual customers of the Company to more than 900.000 customers.
- TCBS has continued to uphold its policy of Zero Fee - Free trading of Stocks, Derivatives, Warrants and listed Fund Certificates without any time limit. This customer-centric approach has proven highly beneficial, resulting in customers saving nearly 100 billion VND in transaction fees during the first half of 2023.

Margin lending

- Interest income from margin lending surged impressively, reaching VND 398 billion, up 45% compared to Q1 2023. This boost can be attributed to the State Bank's proactive measures to reduce operating interest rates, which in turn attracted more investments in the stock market. Average liquidity in Q2 2023 sharply increased by 40% compared to Q1

2023, reaching about VND 16,000 billion/day and the VN index increased by 5.2% to 1,120 points on June 30, 2023 the VN index.

- TCBS has demonstrated a prudent risk management policy and implemented an automatic margin lending risk management system. As a result, the company has confidently expanded its margin balances, allowing customers to capitalize on profit opportunities in the stock market. Doubling the owners' equity has further bolstered the margin lending capacity of TCBS, enabling the company to offer flexible loan packages such as Dynamic Margin and Margin T+ to cater to varying customer needs.

Investment banking

- The investment banking segment of TCBS has shown steady performance during Q2 2023, with revenue reaching VND 224 billion, maintaining an equivalent level compared to Q1 2023. TCBS continued to maintain the No. 1 market share in issuance consulting in the market with the volume of issuance consulting in the first half of 2023 exceeding VND 36,000 billion, accounting for 66% of the market share.
- The Government's recent regulatory amendments (e.g. Decree 08/2023/ND-CP) have partially removed bottlenecks in the corporate bond market, offering a positive outlook for the corporate bond market's resilience in the upcoming quarters.

Investment and bond distribution

The net profit derived from the sale of financial assets witnessed a slight but notable increase of 4% compared to Q1 2023, reaching VND 340 billion. Retail bond distribution volumes increased by 63% compared to Q1 2023, demonstrating growing confidence of investors in TCBS's expertise and the attractiveness of the bond offerings curated by the company.

ANALYSIS OF THE FINANCIAL SITUATION

- Total assets reached VND 34.8 trillion as of June 30, 2023, reflecting a notable increase of 38% compared to previous quarter and a substantial 24% increase year-on-year..
- Outstanding margin lending balance increased by 7% compared to the end of Q1 2023. This trend has reflected investors' renewed interest and confidence in the stock market's recovery, driving the need for margin loans to capitalize on market opportunities and economic growth.
- TCBS has always implemented a diverse range of capital mobilization strategies, with a total loan source exceeding VND 11 trillion. In April 2023, TCBS continued to

successfully sign unsecured loan contracts with four leading financial institutions in the region including Cathay United Bank, Taipei Fubon Commercial Bank, CTBC Bank and Taishin International Bank worth USD 118 million (about VND 2,800 billion), exemplifying international confidence in TCBS's financial health and future growth potential. This achievement has raised the Company's accumulated unsecured offshore loan limit to more than USD 600 million and established TCBS in the highest tier within the securities industry.

- In Q2 2023, TCBS has successfully issued more than VND 10,000 billion of individual shares to TCB, elevating TCBS's total equity to over VND 22,000 billion, nearly doubling its equity compared to the previous quarter. As a result, the Net Borrowings/Equity ratio decreased significantly from 96% in Q1 2023 to 29% in Q2 2022. This financial move positions TCBS as a prominent Wealthtech company in Vietnam, emphasizing its strong equity base, profitability, and operational efficiency in core business activities.

CUSTOMERS AND OTHER BUSINESS FOOTPRINTS IN Q2 2023

Enhancing the digital experience for wealth management investment customers

Total retail customer trading volume of all products via TCInvest in Q2 2023 reached 8.4 million, up 39% from the previous quarter with transaction value surpassing VND 394,500 billion. Currently, TCBS's TCInvest system garnered approximately 1 million customer visits per day,

Several of the new launches and fee incentives for individual customers include:

- The new **iON feature** optimizes overnight money on TCBS securities accounts, offering an attractive overnight interest rate of 3% per year, higher than the non-term interest rate.
- TCBS reserves exclusive privileges for its clients by providing free access to the advanced version of **TradingView's Charting & Trading Platform** on TCInvest. TCBS became the first securities company in Vietnam to offer this premium version, enabling individual investors to access professional trading tools at no cost.
- The introduction of a **new online version of iBond trading** facilitates more convenient and rapid bond investment transactions for customers.

TCBS cooperates with Vietnam Airlines (VNA) – marking the first partnership in Vietnam between the Securities and Aviation industries

Customers can effortlessly open TCBS and VNA accounts through both TCSBS's TCInvest and VNA's website, enabling seamless connection between the two accounts to redeem reward points and access exclusive privileges offered by VNA.

AWARDS AND OTHER RECOGNITION

- TCBS was honored: "Most Innovative Use of Technology" at FinanceAsia Country Awards; "Digital Wealth Manager of the Year" and "Best Data Analytics Project – TCAalysis" at The Asset Triple A Digital Awards 2023.
- In Q2 2023, TCBS achieved an impressive Microsoft Secure Score (MSS) rating of near perfect 90.31/100, more than double the average score attained by organizations assessed by MSS (~42 points).
- TCBS was recognized as a "Pioneer in applying Blockchain technology in the digital transformation of finance and banking" at the 1st-anniversary ceremony of the Vietnam Blockchain Association.

About Techcom Securities

Techcom Securities (TCBS) is a subsidiary of Techcombank – a large and reputable commercial joint stock bank in Vietnam. Specializing in offering a diverse range of wealth financial products and stands out as a prominent Wealthtech company, TCBS boasts a substantial information technology workforce dedicated to the development of TCInvest, an advanced Wealthtech platform that facilitates free online transactions.

TCBS maintains its leading position in the field of corporate bonds, and excels as the top corporate bond issuance advisor in Vietnam. TCBS pioneers in adopting a technology-driven approach, making technology systems the foundation of its business. The company is steadfastly pursuing its vision for 2025 to become a leading wealthtech company in the investment banking and wealth management market within the region.

Find more information about TCBS at: www.tcbs.com.vn

For more information, please contact: Nguyen An Tra My |Email: mynat@techcombank.com.vn



APPENDIX: SELECTED KEY ITEMS IN FINANCIAL STATEMENTS

Profitability (Billion dong)	2Q22	3Q22	4Q22	1Q23	2Q23	Q/Q	Y/Y
Operating income	1,350	1,184	992	931	1,084	16%	-20%
Brokerage	232	239	161	96	122	27%	-47%
Margin lending	403	370	333	274	398	45%	-1%
Investment banking	354	210	171	233	224	-4%	-37%
Investment & Bond distribution	361	365	326	328	340	4%	-6%
Operating expenses	221	172	352	190	177	-7%	-20%
Brokerage	119	62	79	51	66	29%	-45%
Margin lending	16	17	12	11	7	-41%	-57%
Investment banking	-	-	0	(0)	(0)	-97%	-
Investment & Bond distribution	85	93	261	127	104	-18%	22%
Financial income	4	2	2	4	1	-64%	-69%
Financial expenses	199	168	192	184	255	39%	28%
Other income	25	(0)	(0)	(0)	(0)	-99%	-100%
Total operating income	958	845	449	561	653	16%	-32%
General and administrative expenses	127	115	129	112	101	-10%	-20%
Profit before tax	831	731	319	448	552	23%	-34%
CIR	13%	14%	29%	20%	16%	-5%	2%
ROA (last 12 months)	13%	12%	9%	7%	6%	-1%	-8%
ROE (last 12 months)	34%	32%	24%	17%	12%	-5%	-22%
Selected key balance sheet items (Billion dong)	2Q22*	3Q22	4Q22*	1Q23	2Q23	Q/Q	Y/Y
Total assets	28,021	28,975	26,092	25,115	34,775	38%	24%
Cash & cash equivalents	5,456	2,226	2,405	2,039	5,761	183%	6%
Margin lending	14,234	15,216	9,355	9,503	10,182	7%	-28%
Available-for-sale financial assets	6,364	8,419	10,511	8,683	14,773	70%	132%
Total liabilities	17,831	18,209	15,102	13,787	12,771	-7%	-28%



Short-term borrowings & Interest-bearing liabilities	12,878	14,267	12,156	12,278	11,491	-6%	-11%
Long-term borrowings	3,604	3,043	1,709	673	592	-12%	-84%
Owners' equity	10,190	10,766	10,989	11,329	22,004	94%	116%
Total borrowings/Owners' equity	162%	161%	126%	114%	55%	-52%	-66%
Net borrowings/Owners' equity	108%	140%	104%	96%	29%	-70%	-73%
Total liabilities /Total assets	64%	63%	58%	55%	37%	-33%	-42%

(*) Audited figures

<u>Note:</u>	
Q1, Q2, Q3, Q4 – Quarter 1,2,3,4	ROA – Return on assets
Y/Y – Year over year	ROE – Return on equity
Q/Q – Quarter over quarter	TOI – Total operating income (Operating income – Operating expenses + Financial income – Financial expenses + Other income)
CIR – Cost to income ratio	HOSE - Ho Chi Minh City Stock Exchange
PBT – Profit before tax	Net borrowings – Total borrowings minus Cash & cash equivalents