# VIETNAM DAILY NEWS

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# Market Analysis

## 1. Shares plunge, VN-Index loses over 32 points

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) dropped 32.76 points, or 2.62 per cent, to 1,215.77 points, pulling back from last session's gains. The index rose 0.79 per cent last week.

While the market breadth stayed negative as 340 stocks fell and 91 stocks increased, its liquidity remained high with over 744.9 million shares being traded on the southern bourse, worth nearly VND12.3 trillion.

The index is expected to receive support from the level of 1,217 - 1,225 points, Bao Viet Securities Company said in a daily report to customers.

"If it drops below this support level, the index might enter a bearish market to fall deeper in the short-term," said the securities firm.

Strong selling force weighed market sentiment yesterday, leading to big losses in many large-cap stocks. The VN30-Index posted a drop of 2.02 per cent to 1,275.04 points with twenty-six stocks declining while only four stocks rose.

Real estate, construction and banking stocks were among the top five influencing the market's trend. Of which, Vingroup JSC (VIC) posted the biggest loss, down 4.92 per cent, followed by Vietcombank (VCB) and Vinhomes JSC (VHM), down 5.19 per cent and 5.14 per cent, respectively.

Other stocks witnessing big losses ranging from 2-5 per cent included PetroVietnam Gas JSC (GAS) with a fall of 5.23 per cent, Vietnam Dairy Products JSC (Vinamilk, VNM), down 3.52 per cent, JSC Bank For Investment and Development of Vietnam (BID), down 3.57 per cent, Vietinbank (CTG), down 3.87 per cent, Masan Group (MSN), down 5 per cent, and Hoa Phat Group (HPG), down 2.3 per cent.

Despite selling pressure around the market, some stocks still found their own momentum like No Va Land Investment Group Corporation (NVL) and VPBank (VPB) with NVL hitting the maximum daily gain of 7 per cent.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also finished lower on large-cap stocks. The northern market benchmark slid by 1.04 per cent to 280.68 points, while the HNX30-Index lost 2.67 per cent to 415.66 points.

During the session, more than 141.8 million shares were traded on the market, worth over VND2.6 trillion.

Foreign investors were still net buyers on both exchanges, but with a small value compared to the morning session. Accordingly, they net bought a value of VND101.91 billion, compared to a value of VND281.2 billion in the morning trade.

# Macro & Policies

## 2. Regional Covid-19 outbreaks challenge Vietnam's resumption of int'l tourism

According to the Ministry of Culture, Sports and Tourism's plan, Vietnam will pilot resuming international tourism from July to September 2021, with a focus on seaside resorts and golf services for tourists from South Korea.

The ministry chose the Southern Hoi An region and Chu Lai Airport in Quang Nam Province, which meet the requirements on transport, healthcare and tourism infrastructure, to pilot resuming international tourism.

The government of Quang Nam said it is willing to collaborate with ministries and departments for this purpose.

Some businesspeople said by piloting resuming international tourism from July to September, Vietnam would be able to reopen its doors to international tourists by later this year.

Besides Quang Nam, some other localities also want to pilot resuming international tourism to help the industry recover. Kien Giang Province wants to welcome Russian tourists to resorts on Phu Quoc Island.

Nguyen Trung Khanh, chairman of the Vietnam National Administration of Tourism, said to prepare for the resumption of international tourism, localities must implement effective Covid-19 infection prevention and control measures and enhance the close cooperation between destinations, travel companies, accommodation facilities and transport companies to ensure safety for tourists, the community and tourism staff.

**Pressure from regional Covid-19 situation**

Resuming international tourism amid Covid-19 is a great challenge, with many requirements such as negotiations with source markets, effective control over unexpected incidents and ensuring the capacity of the tourism and health system.

To collaborate with the Ministry of Culture, Sports and Tourism to pilot resuming international tourism, Quang Nam Province has asked the Ministry of Health for support.

The province suggested that the ministry put in place regulations on medical requirements for international tourists and solutions to ensure their safety, give guidance in case there are tourists infected with Covid-19 and determine the fees related to Covid-19 infection prevention and control.

The province also wants to vaccinate all officials and employees that have close contact with tourists and negotiate with source markets on recognizing Covid-19 testing results and immigration policies.

"Vietnam has effectively put the pandemic under control and sped up Covid-19 vaccination. However, I'm worried that the recent outbreaks in other countries such as Cambodia, Thailand and India will prevent Vietnam from accelerating the resumption of international tourism," a businessman in HCMC said.

Minister of Culture, Sports and Tourism Nguyen Van Hung said resuming international tourism is a big challenge, involving many relevant agencies. Therefore, the Government will be very careful, resume international tourism step by step and prioritize safety.

The Government will not sacrifice the people's health and safety for economic benefits.

Vietnam earlier planned to resume international tourism last year but the plan was ruined by the second Covid-19 wave.

## 3. Mekong Delta provinces promote development of fishery logistics services

**Removing difficulties for fishing ports**

Song Doc Estuary is one of the largest and busiest estuaries in Ca Mau Province, where many fishing boats from inside and outside the province gather to anchor. The largest fishing port of the province – Song Doc – is located here. This port is capable of receiving about 45,000 tons of seafood per year. It has the main wharf of 100 meters in length and a bridge of over 50 meters and is capable of receiving 600CV vessels.

According to the Management Board of Ca Mau Fishing Ports, Song Doc Fishing Port has been upgraded but failed to keep up with demand because lots of fishing vessels with a length of above 15 meters concentrates in this estuary, leading to a huge demand for loading and unloading seafood. Sometimes it is impossible to clear all the goods in a short time, causing product quality to reduce and the rate of loss to increase.

Meanwhile, Ganh Hao Fishing Port in Dong Hai District in Bac Lieu Province is now degraded and overloaded after many years of use. Therefore, Bac Lieu Province has upgraded and expanded it with a capital of VND180 billion, of which, the central budget provides VND120 billion. The construction is carried out from 2017 to 2021, with the goal to upgrade Ganh Hao Fishing Port to meet the Class-I fishing port standards. However, the construction of this fishing port is forecasted to be unable to complete as planned, due to many arising problems that have not been resolved completely, including design adjustment and delayed site clearance. According to the Management Board of the investment and construction of agricultural and rural development projects in Bac Lieu Province, which is also the management unit of Ganh Hao Fishing Port, if the project is not completed by the end of this year, the Government may withdraw the support capital.

Recently, after the field trip to remove difficulties for Ganh Hao Fishing Port, Mr. Pham Van Thieu, Chairman of the People's Committee of Bac Lieu Province, asked functional departments to advise on the adjustment of the design of the fishing port, consider the source of capital allocated for the project to implement quickly, especially the arrangement of capital for site clearance. Mr. Thieu also directed that when the project of upgrading and expanding Ganh Hao Fishing Port is completed, it must serve the operation of vessels well because this is a project that contributes to helping Bac Lieu Province to enrich and thrive from the sea.

**Urgent expansion of seafood processing establishments**

The water of Ca Mau is one of the four key fishing grounds of the country. Currently, there are five fishing ports in the area. Of which, three fishing ports are of Class-II, namely Ca Mau, Song Doc, and Rach Goc fishing ports, and two fishing ports of Class-III, namely Cai Doi Vam and Ho Gu fishing ports. In the Mekong Delta, many fishing ports have been built or upgraded and expanded, but have not been as effective as expected yet.

According to the departments of Agriculture and Rural Development of Mekong Delta provinces, over the past time, the management, exploitation, and operation of fishing ports have always been paid attention to. Thanks to that, fishing vessels in and out of fishing ports for loading and unloading seafood, the control of output, and other issues at wharves have more changes than before. Besides, the coordination between fishing ports and functional sectors is also better, helping to monitor the loading and unloading output quite closely. However, the departments of Agriculture and Rural Development of Mekong Delta provinces also acknowledged that the proportion of products exploited through ports remained fairly low. Due to the custom, fishermen mainly sell seafood at spontaneous terminals or barns of enterprises, making it difficult to control fishing vessels in and out the ports. Moreover, there is a shortage of human resources for the management and operation of fishing ports and storm shelter anchorage areas, and the quality of staff is not high, mainly based on practical experience. The capacity of loading and unloading goods at fishing ports is also limited with a small number of stevedores and the job being carried out by hand instead of machines.

Amid these shortcomings, Mr. Nguyen Quang Khai, Director of the Management Board of Ca Mau Fishing Ports, said that to promote more effectively fishing ports, the unit has asked the authorities to adjust the planning at the fishing ports in the direction of expanding seafood processing establishments, increasing the added-value of seafood products, investing synchronously in infrastructure, especially connecting roads to fishing ports for vehicles with a load of over 10 tons to circulate conveniently. Mr. Khai also proposed to continue investing in the construction and upgrading of fishing ports. In which, there are some fishing ports qualified to become Class-I fishing ports. At the same time, they should implement well the provisions of the 2017 Law on Fisheries, accompany the whole country in removing the yellow card of the European Commission over illegal, unreported, and unregulated (IUU) fishing.

## 4. Vietnamese firms lower 2021 targets despite brighter economic outlook

Even though economic growth is expected to strongly recover this year as the pandemic has been contained, companies in many sectors have still lowered their profit targets.

According to VNDirect Securities Corporation, total profits of companies listed on three exchanges, including the Ho Chi Minh Stock Exchange, Hanoi Stock Exchange and UPCOM, rose 15.6 percent year-on-year in the fourth quarter of 2020.

With outstanding economic recovery, listed companies' profits are estimated to grow 23 percent this year, said VNDirect.

However, despite a bullish outlook, many companies submitted lower business plans compared to last year to shareholders.

Pha Lai Thermal Power JSC (PPC) set a target of nearly 5.7 trillion VND in total revenue, down 31 percent over last year, resulting in a drop of 66 percent in profit before tax to 415 billion VND.

Although the power sector is expected to grow as it has recovered strongly, PPC's profit target is the lowest since 2014.

During 2017 - 2020, PPC had always set a profit plan of over 700 billion VND per year and then surpassed the plan. Last year, the company exceeded its profit target by 30 percent.

The company is likely to face many difficulties and challenges this year.

"Power output and contracted power output are very low this year, which will affect our operation process, as well as business results," said PPC.

The volatility of coal prices also directly weighs on the company's production costs, affecting its competitiveness in the electricity market.

Petrovietnam Fertilizer & Chemicals Corporation (DPM) and Petro Viet Nam Ca Mau Fertilizer JSC (DCM) also lowered their business results on higher raw material costs. Accordingly, DCM set this year's profit after tax at 197 billion VND, down 70 percent year-on-year, while DPM estimated its profit after tax to decline 48 percent to 364 billion VND.

DCM said that it has to face a series of difficulties, especially as gas prices tended to rebound, the COVID-19 outbreak and new strains spreading to many countries, and the drought and saline intrusion in the dry season in the southwest continues unpredictably, affecting demand for fertiliser products.

Severe competition between local and foreign fertiliser producers also puts pressure on the market.

Enterprises in the natural rubber industry also hesitated in making business plans such as Phuoc Hoa Rubber JSC (PHR), Vietnam Rubber Group JSC (GVR) and Tay Ninh Rubber JSC (TNR).

PHR expected 2021 will be a tough year for the industry, especially in collecting latex.

After struggling last year, the business prospects of enterprises in the fisheries sector are poor.

Travel Investment And Seafood Development Corporation (DAT) estimated this year's revenue at 2.1 trillion VND, down 2.8 percent against last year, with profit after tax decreasing 22.9 percent to 40 billion VND.

According to DAT, demands in export markets due to COVID-19, higher freight costs and higher raw materials costs are reasons for its pessimism.

Similarly, after a plunge in 2020, Vinh Hoan JSC (VHC) continues to set a lower profit target. The enterprise expected a drop of 22.2 percent in revenue to 8.5 trillion VND, with profit after tax of 700 billion VND, down by 2.6 percent.

Some companies even set negative profit targets.

36 Corporation (G36) surprised shareholders and investors with a revenue plan of over 19 trillion VND, down 17.03 percent year-on-year, and a loss of 66 billion VND.

In 2020, despite being heavily affected by the COVID-19 pandemic, G36 still recorded impressive business results as its revenue reached over 2.3 trillion VND (up 28.7 percent), resulting in a growth of 83.4 percent in profit after tax profit to 58 billion VND. Since registering to trade on UPCOM in 2016, G36 has always been profitable.

## 5. Free trade deal increasing Vietnam's allure to Brits

The UK-Vietnam Free Trade Agreement (UVFTA) is one of the first signed and entered into by the UK after leaving the European Union on December 31 last year. The agreement reflects the importance both the UK and Vietnamese governments place on the strategic partnership developed over the last 10 years and the growing importance of the bilateral relationship between the pair.

A recent policy review submitted to the British parliament states "As an independent trading nation, the UK's aim is to increase prosperity in all parts of the UK with a values-driven trade policy to open up markets and update international trading rules". It further elaborates that "in the decade ahead, the UK will deepen their engagement in the Indo-Pacific, establishing a greater and more persistent presence than any other European country."

The region is already critical to the UK economy and security, the review noted, and the UK will look to cement ties with South Korea and other regional powers such as Indonesia, Vietnam, Malaysia, and Singapore. The strong ties and the strategic partnership will therefore put Vietnam in a strong position to benefit from this policy.

In 2019, Vietnam was the UK's 40th largest trading partner overall, accounting for 0.4 per cent of UK total trade (65th largest export market and 29th largest import market). Total trade between UK and Vietnam in goods and services totalled $7.97 billion in 2019. In terms of UK-ASEAN bilateral trade flows, Vietnam sits sixth behind Thailand, Indonesia, Philippines, Malaysia, and Singapore.

The UVFTA will make the Vietnamese market more attractive to UK companies through several main areas. First is increased access to public procurement markets. Continuing the access gained through the agreement means that British firms have more opportunity to bid for public procurement contracts in Vietnam. After a period of 15 years, the share reserved for domestic suppliers will be 50 per cent, with the remainder open to all suppliers with market access rights. Companies will also be supported by significant credit lines, available through UK Export Finance, at concessional interest rates.

Secondly, reducing regulatory barriers and overlapping red tape will also benefit access to Vietnam for small- and medium-sized British enterprises as well as through the Overseas Business Network Initiative. Operated by the British Chamber of Commerce in Vietnam, we have already seen an increase in market entry/access enquiries from UK companies through this.

I expect this to be particularly true with companies in the digital space (IT, fintech, digital health, and smart cities) where regulatory barriers have historically limited investment.

Another area is reduced tariffs on exports to Vietnam. The deal secures the immediate elimination of 65 per cent of all tariffs since the UVFTA entered into force, which will increase to 99 per cent of tariffs after seven years. This includes eliminating tariffs on machinery and mechanical appliances, the UK's top export to Vietnam, and pharmaceutical products, the UK's second-largest export. On the Vietnamese side, exports of clothing and footwear will benefit immediately as will electronic items such as mobile phones.

Vietnam's commitment to higher international standards, for example on international labour standards and sustainability will also help to attract high-quality British investors, especially those committed to the UN's Social Development Goals in their supply chain.

Of course, it is a little difficult to predict what the impact will be on trade and investment partly because of the lack of ability to travel between the two countries at this time. The elimination of 65 per cent of the tariffs that exist is expected to have an immediate impact on trade between the two, and we know that Vietnam will likely be the biggest beneficiary.

Of note, export-import turnover between Vietnam and the UK reached $657.35 million in January, an increase of over 78 per cent compared to a year ago, of which, Vietnam exported to the UK about $598.07 million worth of goods, an increase of over 84 per cent from the same month last year and 56 per cent from December 2020.

Export revenue of seafood increased 18.1 per cent to $19.72 million, and fruit and vegetables rose 148.6 per cent to $1.04 million. Vietnam's manufacturing and processing sector saw impressive growth in exports to the UK, with phones and components up 371.6 per cent to $252.59 million; machines, equipment, and spare parts up 109.9 per cent to $74.58 million; and computers and components up 91 per cent to $31.82 million.

Whilst the agreement did not come into force immediately, it should also be noted that the tariff reductions can be claimed retrospectively from January 1 once the UVFTA is fully effective.

## 6. Long An sets its economic zone to drive southern region development

Long An province is pondering the development of a super economic zone covering 32,000ha of land, one of the largest in the southern region, according to the latest proposal from the Long An Economic Zone Authority (LAEZA) at a recent conference held in Tan An City.

The EZ project was part of the province's development plan for the 2021-30 period with a vision to 2050, which will be submitted to the relevant ministries and agencies and the government for consideration and approval, according to the LAEZA.

With a strategic location and an abundant land fund, the project can connect with major localities such as Binh Duong, Dong Nai, Cantho, Vung Tau and Ho Chi Minh City, and Phnom Penh in Cambodia. The project will become a link of a supply chain, especially in the hi-tech and agriculture industries.

The EZ will focus on smart electronics, robotics and automation, advanced agriculture and biotechnology, biofuel, biochemistry and healthcare.

Addressing the conference on April 19, Deputy Prime Minister Truong Hoa Binh said: "Long An needs to achieve a harmonious development of urban and agricultural areas. The provincial authority should define key industries for investment and focus on hi-tech, supporting industries and logistics services as well as enhance the technological application in agriculture."

"The province must continue improving its institutional reform, the business environment and promptly remove obstacles for local enterprises," he added.

The province will build the hi-tech economic zone in association with smart urban areas similar to those in South Korea to attract hi-tech projects, Nguyen Van Duoc, secretary of the Long An Party Committee, said. Besides, the province has signed ten memoranda of understanding on digital transformation and investment.

The zone, which will include Can Giuoc District and part of Can Duoc District, will be developed based on some existing industrial and hi-tech parks such as Long Hau, Dong Nam A, Tan Kim and Tan Kim.

The project is divided into seven functional areas, including two satellite residential areas in Can Giuoc and Can Duoc, an education, healthcare and sports complex, an auxiliary area, an industrial park-international seaport, a hi-tech agriculture and an eco-urban area.

Residential areas are expected to cover about 15,000ha, while more than 5,800ha will be reserved for seaport and agricultural areas, over 7,800ha are planned for high-tech agriculture and the rest for traffic projects and water surface.

## 7. Pharmaceutical firms report mixed results in Q1

In its quarterly financial report, Traphaco JSC (TRA) posted a gain of 23.7 per cent year-on-year in net revenue to over VND486.8 billion in the first quarter of 2021.

Its profit after tax still increased nearly 20 per cent to VND35.63 billion, while financial expenses rose dramatically during the period, up nearly 127 per cent, and sales expenses rose 28.7 per cent.

Another company posting outstanding performance in the same period was DHG Pharmaceutical JSC (DHG). DHG's net revenue reached VND1.02 trillion, up 18.5 per cent against last year.

The company's profit after tax also witnessed a climb of 15.3 per cent to nearly VND204 billion.

The positive results were due to higher sales and better management in costs, the financial report showed. Of which, while its financial expenses and general and administrative expenses dropped 5.9 per cent and 27.7 per cent, respectively, sales expenses rose slightly 9.1 per cent.

Business activities of OPC Pharmaceutical JSC (OPC) also brought good results in the first quarter with its revenue gaining 4.5 per cent over last year to VND278.9 billion. The company reported a rise of 13.6 per cent in profit after tax to VND36.8 billion.

Meanwhile, Domesco Medical Import Export JSC (DMC) and Ha Tay Pharmaceutical JSC (DHT) recorded poor results during the period.

The quarterly financial report showed that DMC's net revenue was little change compared to the same period of 2020 at over VND290 billion, while profit after tax declined 44.3 per cent to VND23.76 billion on the higher cost of goods sold and other expenses.

DHT also saw a loss of 26.8 per cent year-on-year in revenue to VND379.9 billion, resulting in lower profit after tax. The company's profit slid 32 per cent to VND21.9 billion.

**Better growth outlooks**

Even though the first-quarter results were not as great as expected, companies in the industry were still optimistic for 2021.

Most pharmaceutical firms set growth or slight dips in profit, such as DHG expected its profit to stay unchanged at VND821 billion, or Cuu Long Pharmaceutical JSC (DCL) set this year's profit target of VND110 billion, up 59.4 per cent.

Others like DMC and TRA also expected double-digit growth in 2021.

Despite better outlooks, not all pharmaceutical shares have performed well since the beginning of the year, such as TRA shares losing nearly 4.4 per cent for 2021, or DHG shares falling nearly 5 per cent.

# Corporate News

## 8. HDB: HDBank eyes 25 percent jump in profit in 2021

**↓ -1.49%**

The Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) targets pre-tax profit of 7.28 trillion VND (316.65 million USD), an increase of 25 percent from 2020.

The information was released at its annual general meeting of shareholders held in Ho Chi Minh City on April 23. At the AGM, shareholders approved all the statements and proposals by the board of directors.

This year, HDBank aims to increase total assets by 25 percent to 399.32 trillion VND (17.3 billion USD), and deposits and loans outstanding by 25 percent and 26 percent to 359.85 trillion VND and 236.77 trillion VND.

Profitability ratios like return on assets and return on equity will continue to be high at 1.62 percent and 21.1 percent.

This year it will continue to speed up digital transformation, automate key processes to improve the customer experience, reduce operating costs, and generally improve its competitiveness.

The credit card segment and other products and services also have great potential for development in 2021 and the following years.

The AGM also approved the profit distribution plans for 2020 with dividends to be paid in shares at a rate of 25 percent.

The bank achieved outstanding growth in the first quarter of the year, with consolidated pre-tax profits of over 2.1 trillion VND (91.17 million USD), up 68 percent year-on-year. The standalone pre-tax profits topped 1.8 trillion VND (78.14 million USD), a year-on-year increase of 88 percent and indicating that the bank will achieve the business targets it has set itself for this year.

Its total consolidated assets increased by 39.1 percent to 319.127 trillion VND (13.8 billion USD), or 104.5 percent of the target for the year.

Its deposits at the end of the year reached 208.95 trillion VND (9.06 billion USD), up 38.4 percent for the year and 11 percent higher than the target.

Loans outstanding increased by 23 percent to 188.2 trillion VND, exceeding the target by 5.8 percent. Return on equity and return on assets were 20.6 percent and 1.7 percent.

The bank also fulfilled its plans to increase the charter capital from 9.8 trillion VND to more than 16.088 trillion VND by issuing dividends and bonus shares to the tune of 65 percent, the highest rate in the industry.

Profit before tax was 5.82 trillion VND, up 15.9 percent and equivalent to 102.8 percent of the target. The bank's non-performing loans ratio was just 0.93 percent, among the lowest in the industry.

All the bonds it sold to the Vietnam Asset Management Company have been settled before schedule.

Of these, the ratio of short-term funds used for medium- and long-term loans is only 24.8 percent as against the permitted maximum level of 40 percent, and the capital adequacy ratio is 12.1 percent while it needs to be only 8 percent.

HDBank was one of the first lenders in Vietnam to complete all three Basel II risk management pillars ahead of the central bank's schedule.

Credit rating agency Moody's recently confirmed HDBank's B1, or “stable” ratings outlook.

The year also witnessed strong digital transformation by the lender, which has created a solid foundation for achieving its goal of becoming Vietnam's leading digital bank.

Besides, HDBank undertook a number of community activities, contributed 18 percent more to the State budget than in 2019, and ensured the interests of shareholders and employees were fully safeguarded.

With its solid foundations, outstanding performance and transparency meeting the highest international standards, the bank wants to walk hand in hand with shareholders and investors towards new successes and great benefits.

## 9. TCB: Techcombank targets market capitalisation of 20 billion USD in five years

**↓ -2.59%**

The Technological and Commercial Joint Stock Bank (Techcombank) aims to become the leading bank not only in Vietnam but also in the Top 10 in ASEAN, with a market capitalisation of 20 billion USD in the next five years.

Accordingly, its return on equity (ROE) would be at 20 percent, total operating income (TOI) at 30 percent and current account savings account (CASA) ratio at 55 percent.

The information was released at its 2021 Annual General Meeting of Shareholders (AGM) held in Hanoi on April 24. The shareholders approved all resolutions presented, including the 2021 business plan.

Techcombank's Chairman Ho Hung Anh said the bank expected before-tax profit of 19.8 trillion VND in 2021, up 25.3 percent from last year. Its total credit is projected to increase 12 percent year-on-year to 356.1 trillion VND, or higher, in line with any quota that may be granted by the State Bank of Vietnam. Deposits are expected to reach 334.2 trillion VND, increasing 14.7 percent from the previous year. It will be managed in accordance with actual credit growth as part of the bank's Asset Liability Management (ALM). Techcombank plans to keep non-performing loans (NPL) below two percent.

Techcombank reported that it will increase charter capital to 35.1 trillion VND, an increase of 0.17 percent in conjunction with the planned issuance of six million ESOP shares.

Techcombank delivered strong results in 2020, despite an unprecedented and unpredictable economic environment. The bank posted VNĐ15.8 trillion before-tax profit, representing a 23.1 percent year-on-year increase and 27 trillion VND of TOI, up 28.4 percent from last year. Return on Assets (ROA) improved to 3.1 percent, and CASA ratio (46.1 percent) was the highest amongst local peers. Techcombank reported a 16.1 percent Capital Adequacy Ratio (CAR), 0.5 percent NPL ratio and 171 percent loan loss coverage ratio, indicating healthy asset quality and prudent risk management.

Techcombank shared its next 5-year strategy (2021-2025) and updated its Vision and Mission statement to “Change banking, change lives”, helping Vietnamese people and businesses achieve their full potential.

Jens Lottner, Techcombank's General Director, said the bank plans to accelerate the key foundational investments to enable business models in line with its vision. It will double down on the biggest opportunities such as CASA, mortgages, real estate value chain and wealth management (bonds, funds, bancassurance). It will also continue to diversify into other areas towards risk-return optimisation and participating in emerging opportunities.

In 2020, Techcombank's market capitalisation reached 5 billion USD and is currently at 6 billion USD. These are the numbers that show a sustainable move for Techcombank, he added.

He affirmed that Techcombank could reach a market capitalisation of 20 billion USD in the next five years as it is continuing to maintain the pre-tax profit growth rate of 23-25 percent a year. The bank has a very clear plan to achieve this goal.

Techcombank has supported impacted customers, employees and the broader community during the pandemic. So far, the bank has responded with a 41 trillion VND support package, which includes debt moratoriums, interest waivers, interest reductions, and has helped over 3,200 customers.

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