

1Q2024 Results & Business Update

Sustained Growth Affirming

Solid Fundamentals

Ho Chi Minh City, May 2024



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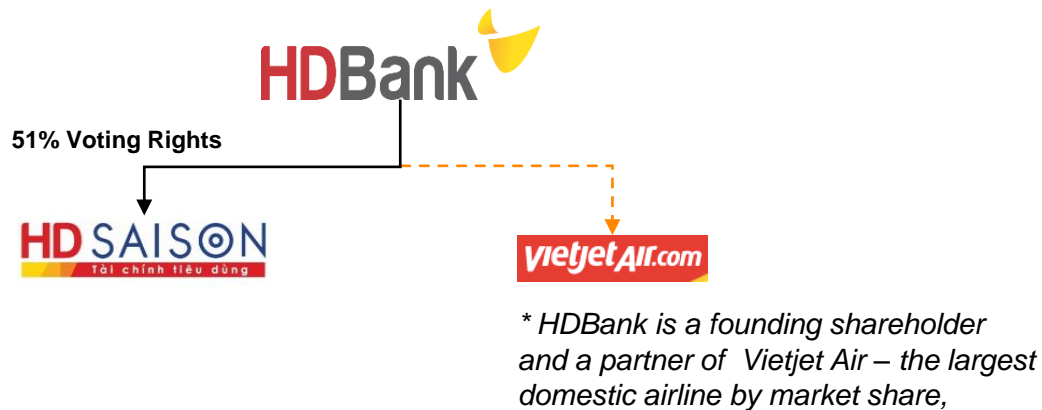
Overview of HDBank

One of the best banks in delivering shareholders' values

Overview

- Established in 1989, HDBank is currently among the largest listed companies by market capitalization and belongs to VN30 Index of top 30 best stocks,
- HDBank has proven M&A capabilities, successfully completing the acquisition of Societe Generale Viet Finance and DaiA Bank in 2013 to become one of the largest financial institutions in Vietnam
- HDBank has 51% of voting rights in HD Saison, one of the top 3 largest consumer finance companies in Vietnam,
- As of 31/03/2024, the Bank had 360 branches and transaction offices, nearly 24,700 points of sale, more than 17,400 employees serving over 17 million customers.
- Affiliated with Sovico - one of Vietnam's largest and most reputable conglomerates
- HDBank's long-term deposit credit rating is affirmed at B1 by Moody's

Subsidiary and partners



Source: Company data

*Deposits include customer deposits and valuable papers

*Total credit include gross loans to customers & investments in corporate bonds



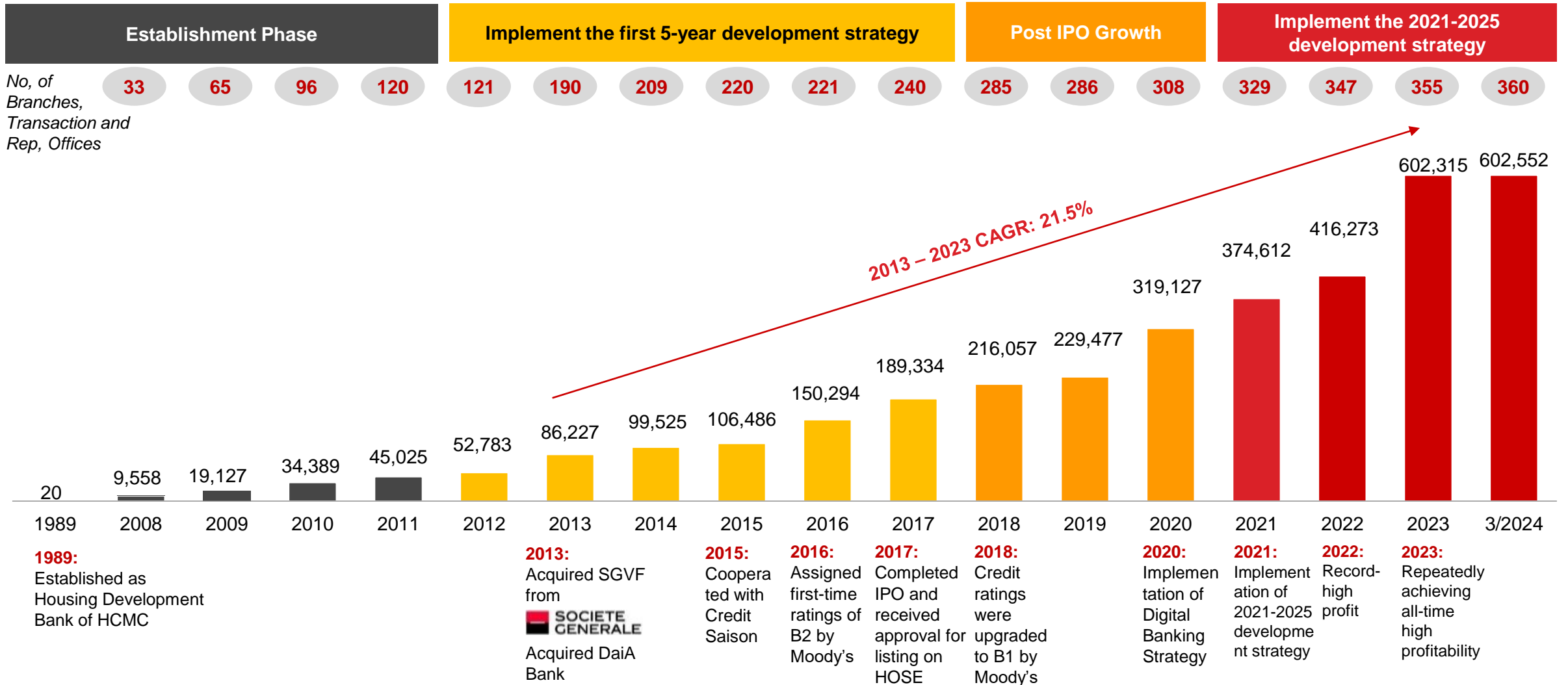
Key Statistics of 1Q2024 Performance

VND603tn Total Assets 10 years CAGR 21.5%	VND375tn Total credit balance Growth rate: 28.4% (YOY)	VND4.0tn Profit before tax Growth rate: 46.8% (YOY)
5.6% Net interest margin	26.7% Return on equity	13.8% CAR (Basel II)
1.99% NPL ratio (parent bank) (Before CIC reclassification: 1.50%)	2.24% NPL ratio (consolidated) (Before CIC reclassification: 1.78%)	31.7% Cost-to-Income Ratio (CIR)

Development Timeline

Over the past decade of transformation, HDBank has witnessed remarkable growth in both its total assets and network

(In VNDbn)



Source: Financial Statements

Note: In 2013, HDBank acquired 100% equity of Societe Generale Viet Finance Company Limited (SGVF) of the Société Générale Group (Republic of France) - one of the three largest consumer finance companies in Vietnam, to become a subsidiary of HDBank named HDFinance. In 2013, DaiA Bank had 20 years of banking experience, with a charter capital of VND 3,100 billion. Through the merger with DaiA Bank, HDBank increased its charter capital to VND 8,100 billion, and became one of the top 10 largest commercial banks in Vietnam.

Reputable Brand Name

Strong recognition from international institutions with B1 credit rating by Moody's

Prestigious Awards from the Government



- Awarded the Labor Medal by the President in 2013, 2015, 2017 and 2020
- Awarded the Government Emulation Flag by the Prime Minister in 2016 and 2020
- Awarded the Emulation flag by the Governor of the State Bank in 2016

Moody's Credit Rating

MOODY'S

Credit rating of **B1**

Internationally Recognized Awards



- Certificate of Merit for important contributions to the digital transformation of the banking sector in 2024



- 2024 Best Commercial Bank in Vietnam



- Best bank for Sustainable Finance in 2024



- Vietnam's best bank for CSR 2023 awarded by AsiaMoney



- 2023 Best Retail Bank in Vietnam
- 2023 Best Digital Transformation Bank in Vietnam



- ASEAN Business Award for Best Digital Innovation
- 2023 Women of Impact Award in 2023



- Best Companies to Work for in Asia awarded by HR Asia in 6 consecutive years from 2018 to 2023
- 2023 Digital Transformation Award



- Board of the Year in 2023

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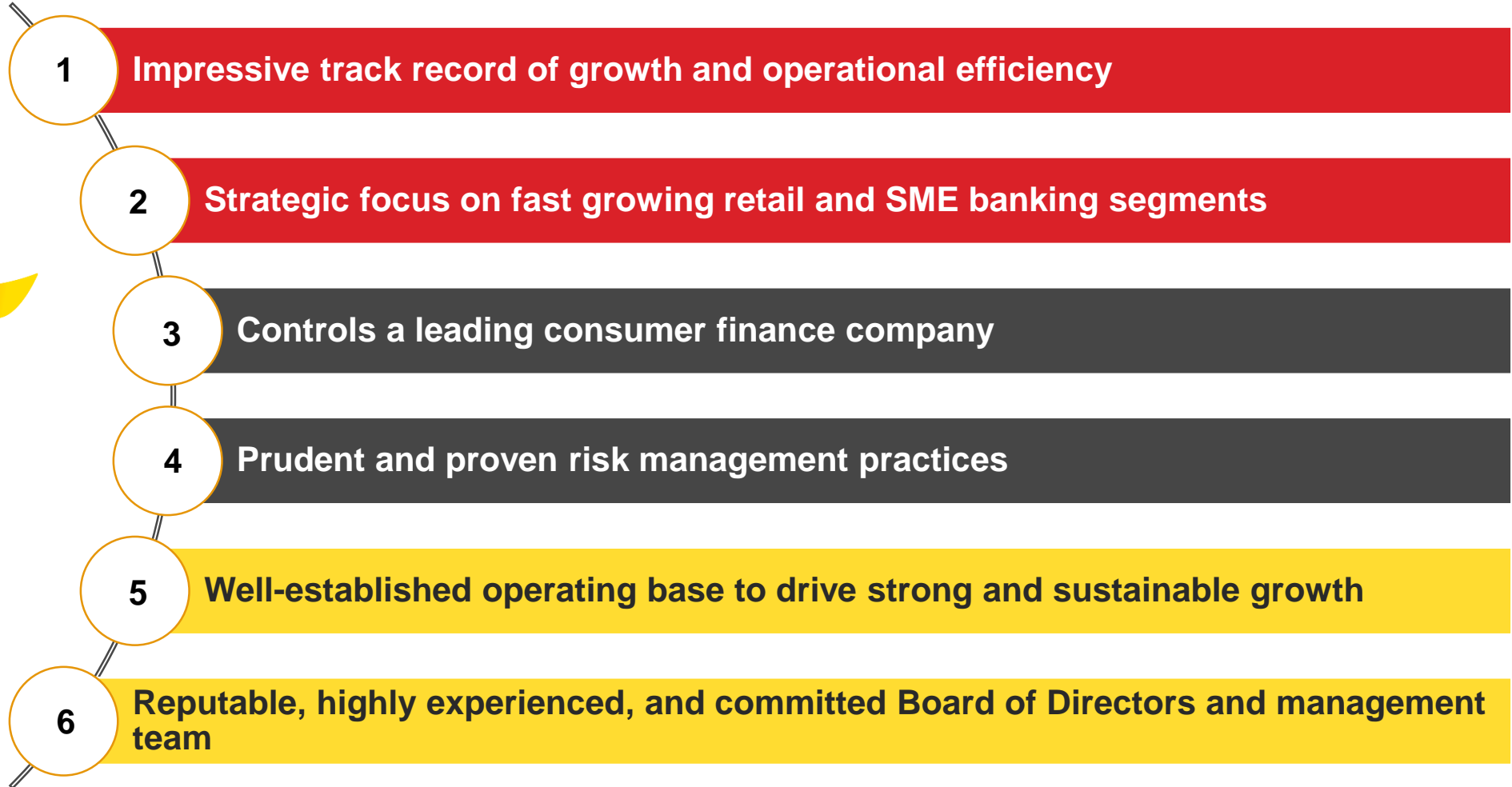
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Key Investment Highlights

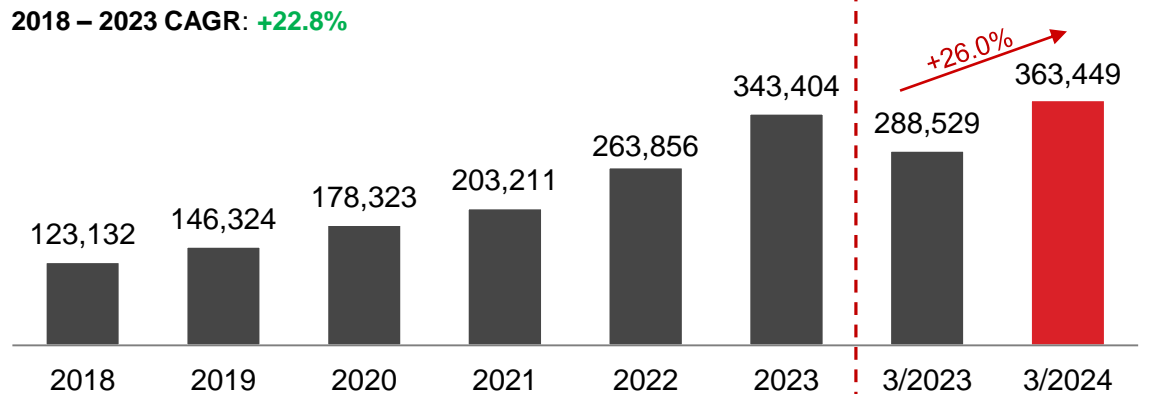


1 Impressive Track Record Of Growth And Operational Efficiency

Significant growth in scale with ample capital base

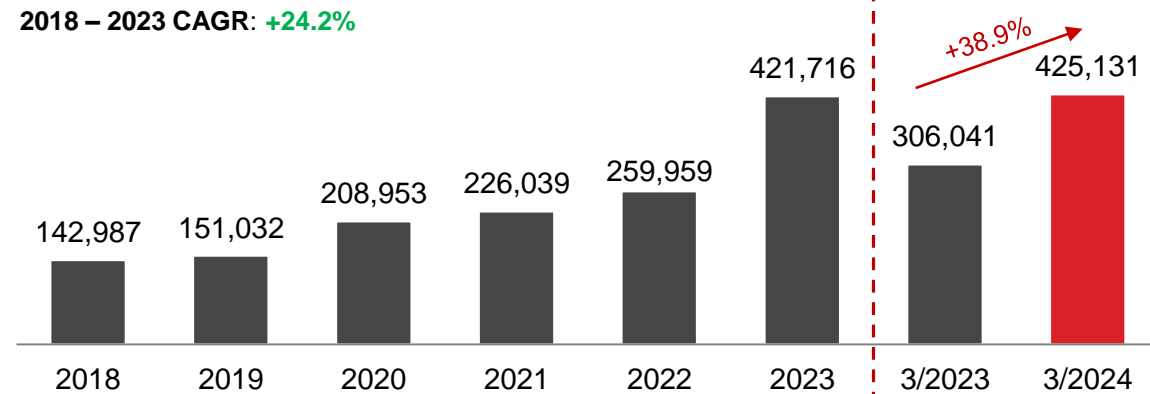
Loan Book (VNDbn)

2018 – 2023 CAGR: +22.8%



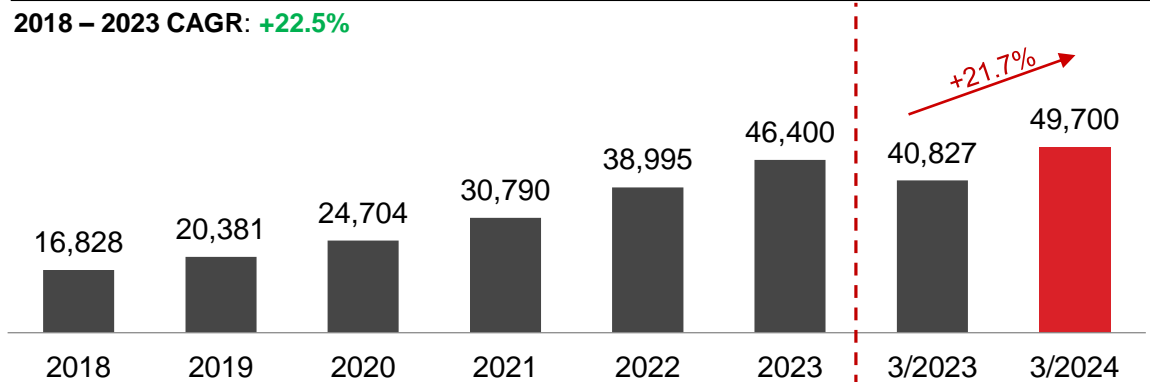
Customer Deposits and Valuable Papers (VNDbn)

2018 – 2023 CAGR: +24.2%

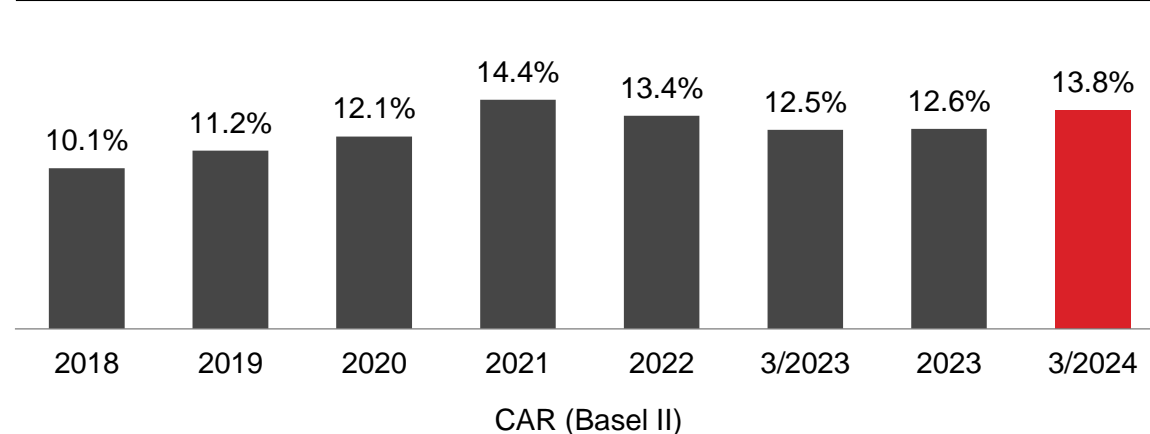


Total Equity (VNDbn)

2018 – 2023 CAGR: +22.5%



High level of Capital Adequacy

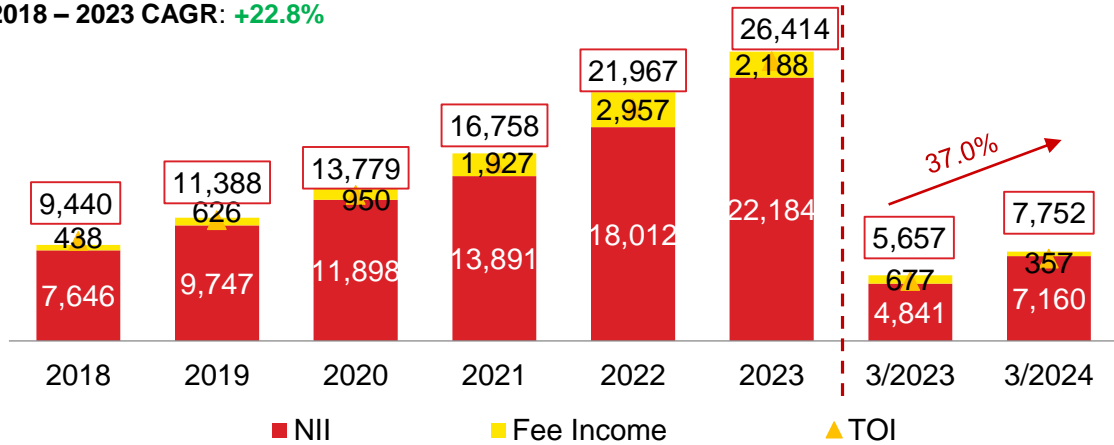


1 Impressive Track Record Of Growth And Operating Efficiency

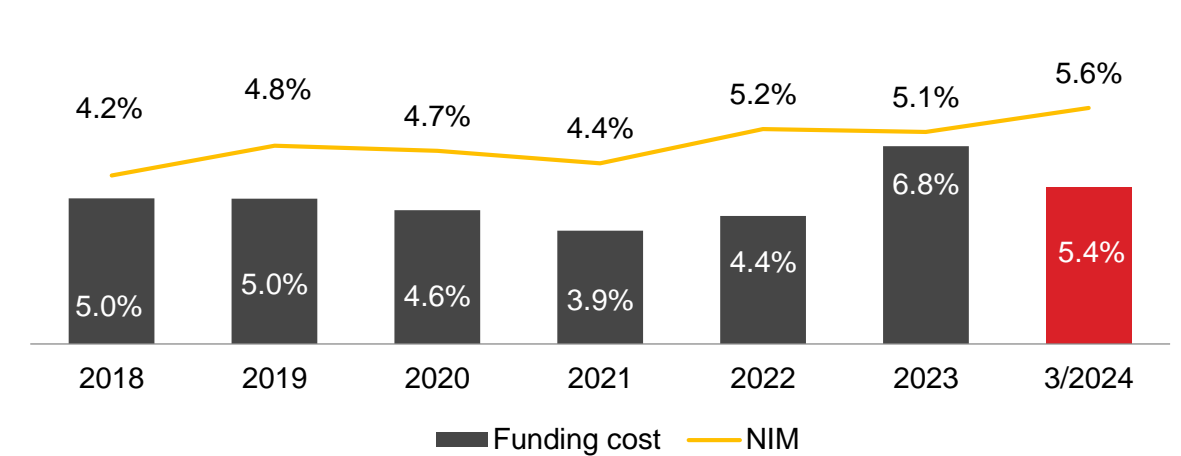
Consistently achieving strong profitability

Total Operating Income Breakdown (VNDbn)

2018 – 2023 CAGR: +22.8%

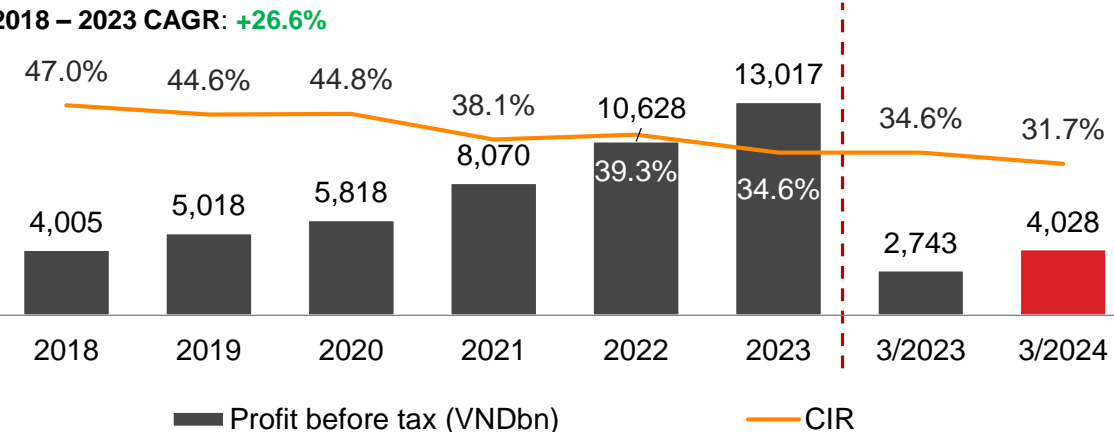


Sustainable NIM with Well-controlled Funding Costs

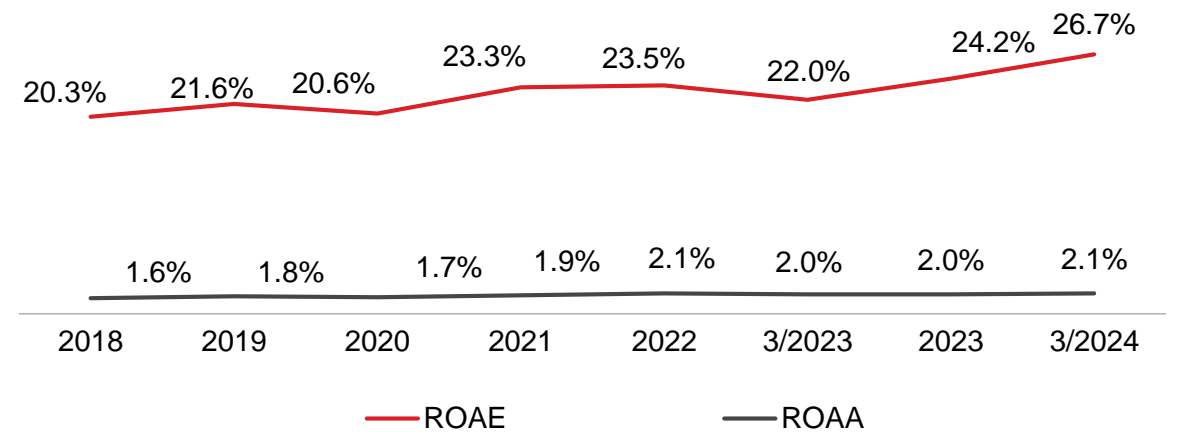


Optimal operational efficiency and consistent profitability

2018 – 2023 CAGR: +26.6%



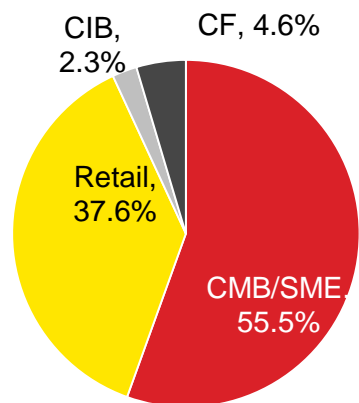
Sustainable and Growing Profitability Ratios



2 Strategic Focus on the Fast-Growing SME and Retail Banking Segments

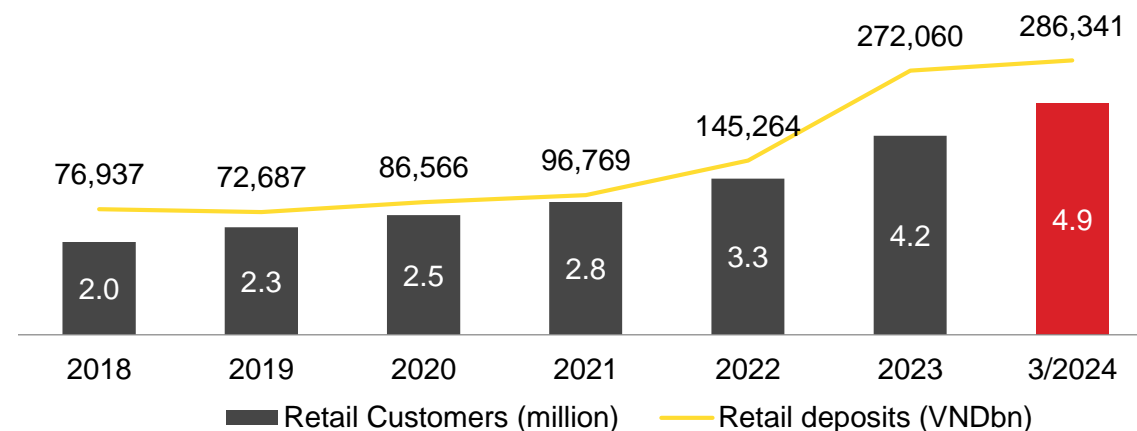
SME and Retail are most benefited from the country strong economic growth

Loan Portfolio Breakdown (Mar 2024)

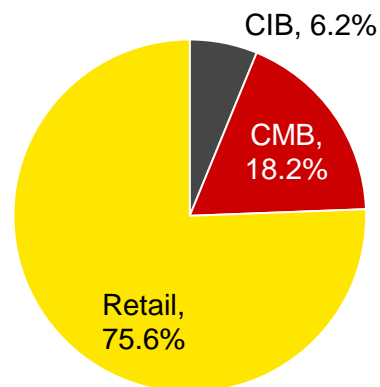


- Over the years HDBank has carefully tailored its strategy to focus on the fast growing CMB/SME and Retail & Consumer banking segments,
- Retail, SME and consumer finance continue to be the dominant contributors to HDBank's loan book

Retail Customers and Deposits Growth

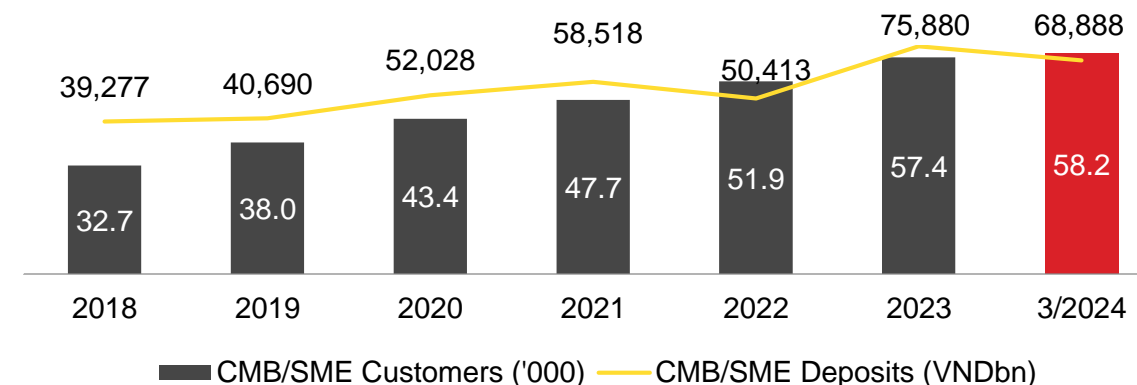


Customer Deposit Breakdown (Mar 2024)



- Customer deposits account for >79% of total funding of HDBank
- Retail deposits accounted for the largest proportion which are >75% of total customers' deposits

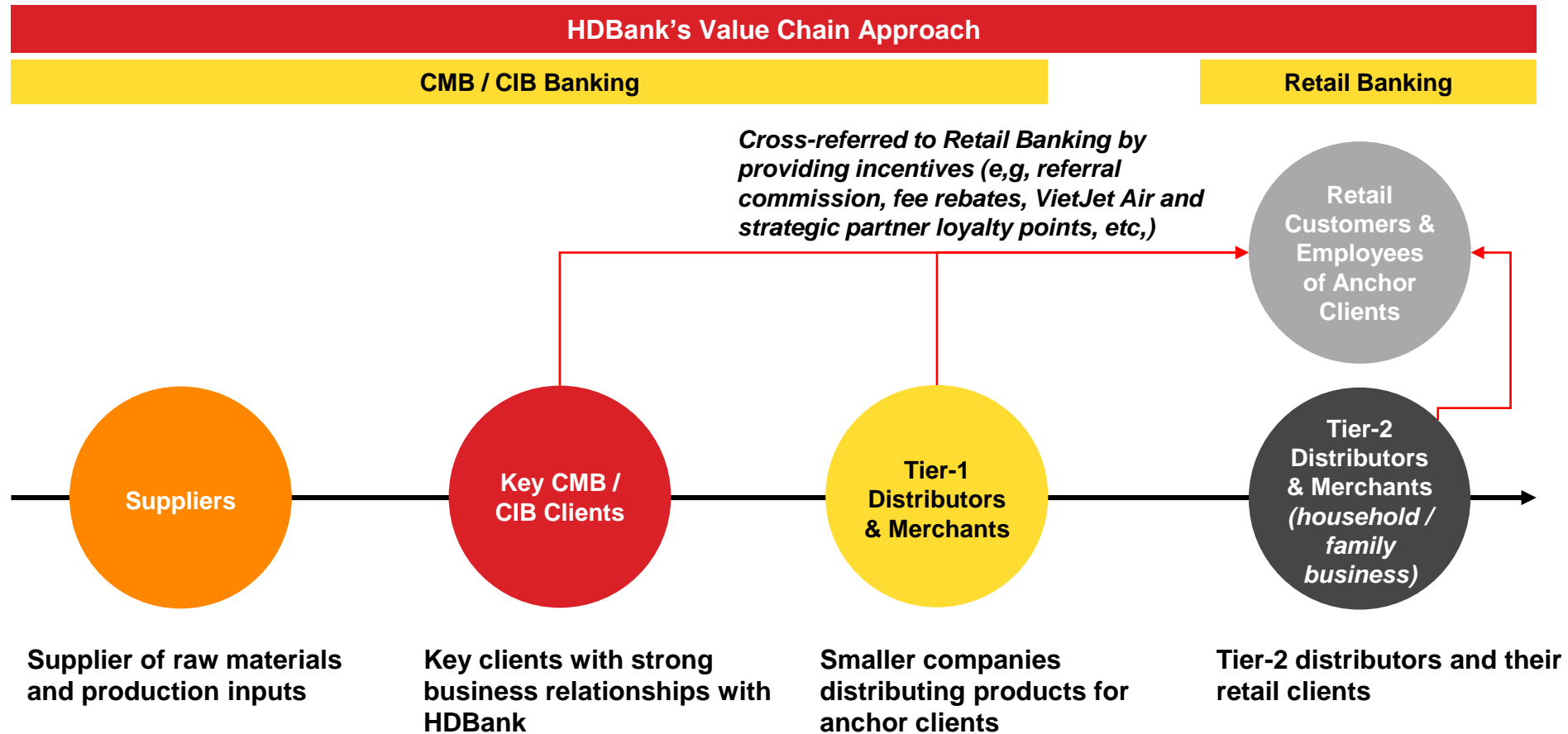
CMB/SME Customers and Deposits Growth



2

Strategic Focus on the Fast-Growing SME and Retail Banking Segments

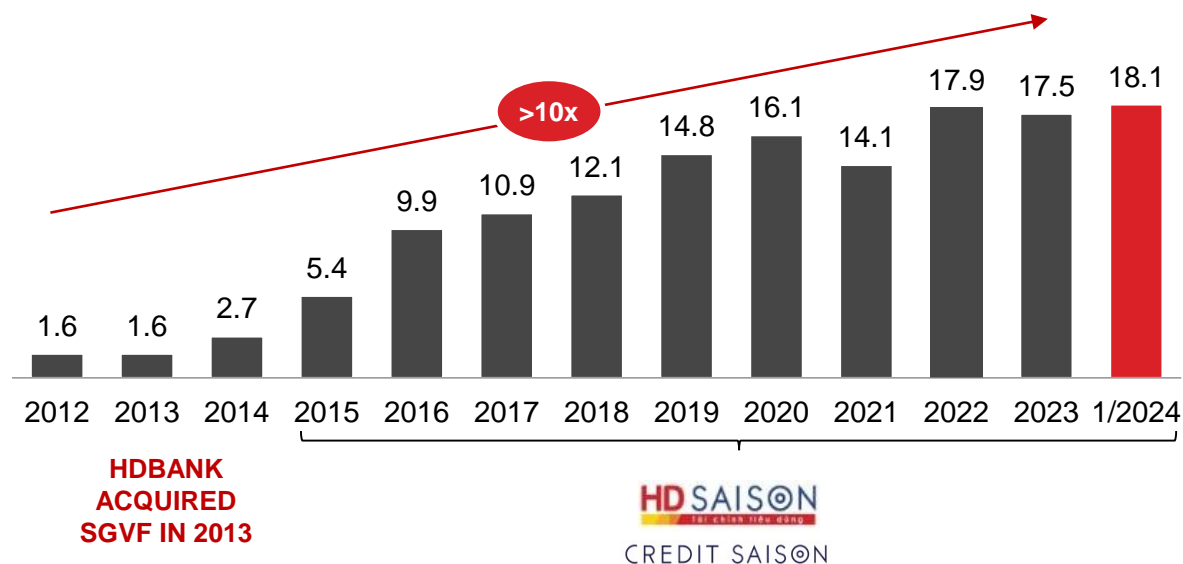
Opportunities to capture values from all potential customers in the value chain ecosystem



Controls a Leading Consumer Finance Company

HD Saison is one of the leading consumer finance companies in Vietnam

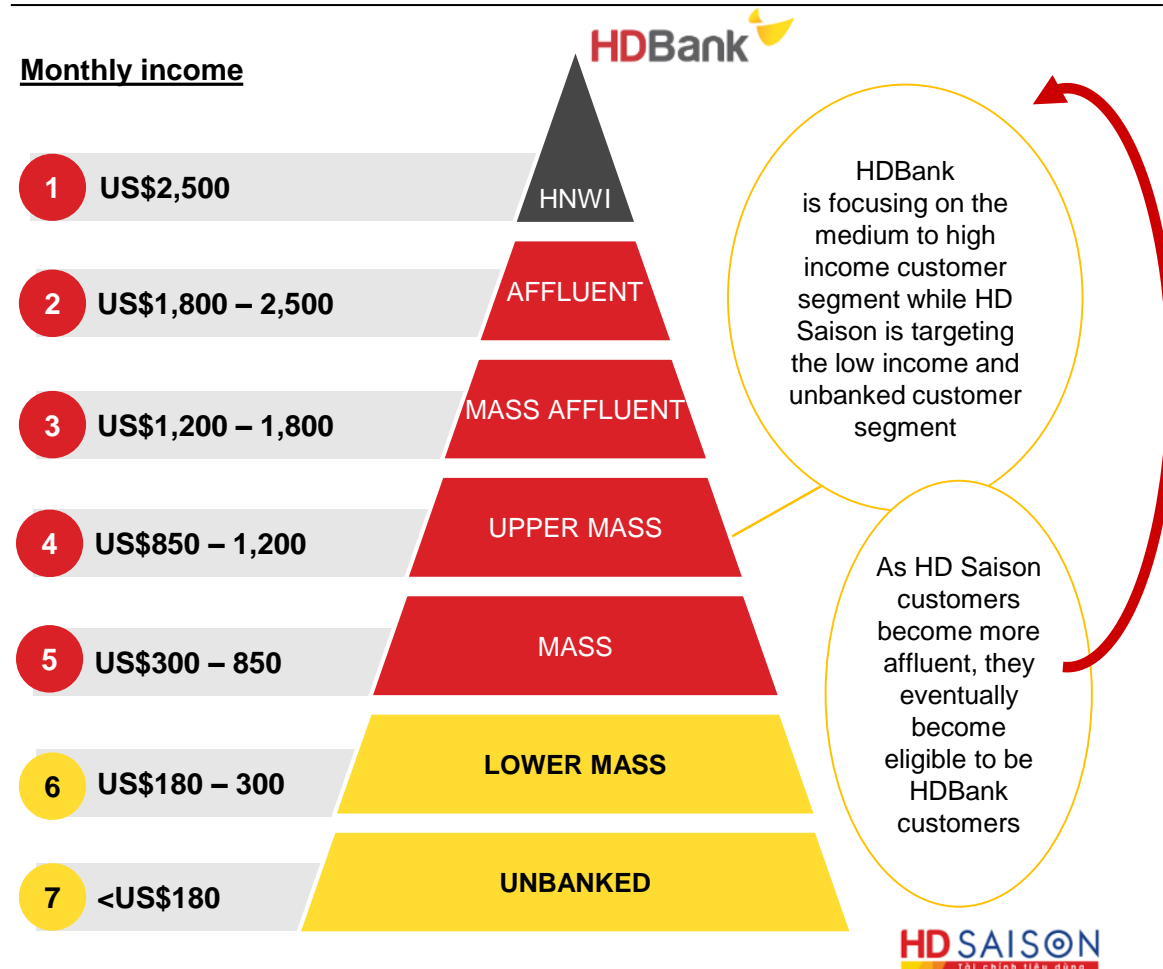
HD Saison's Total Assets (VNDtn)



Benefiting from International Partnership

- Inherited product packages, information technology, credit scoring and risk management systems developed by Societe Generale
- Strategic partnership with Credit Saison, a top 3 largest credit card issuer in Japan
- Credit Saison provides HD Saison with technical assistance, training, customer service, diversified products, including credit cards and access low cost funding sources

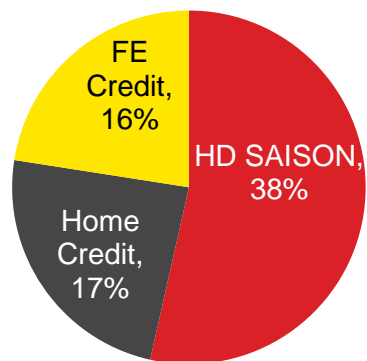
Targeted Customer Segments



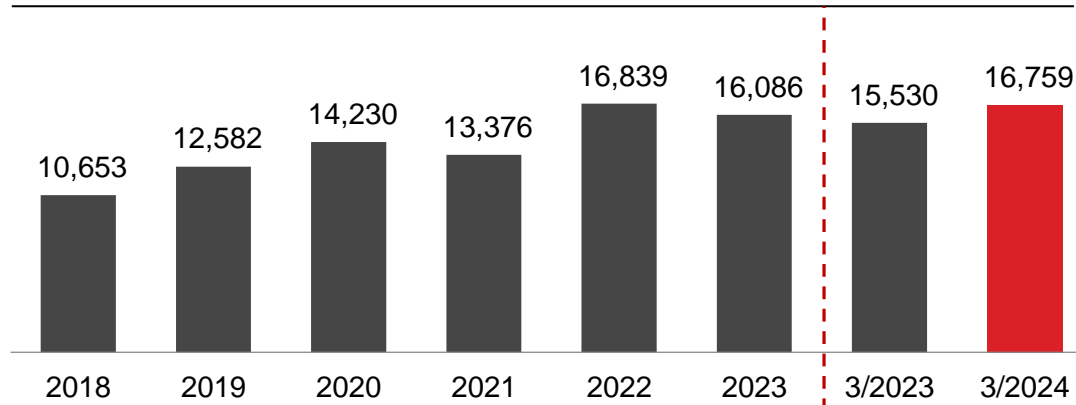
3 Controls a Leading Consumer Finance Company

Well-established market position in motorbike lending and profitability

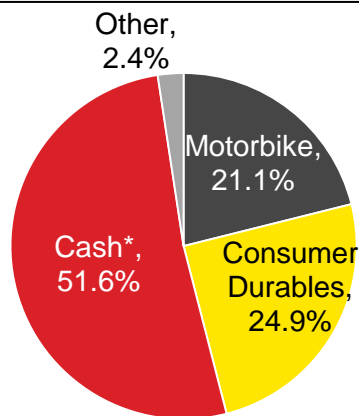
Leading Motorbike Loan Market Share (Mar 2024)



Total Loan (VNDbn)



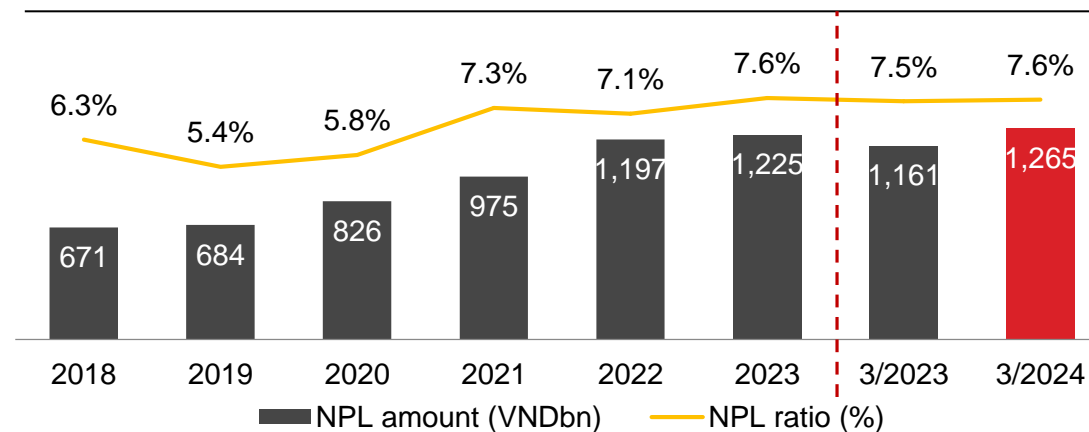
Diversified and Sustainable Loan Portfolio Breakdown



(Cash loans as defined by SBV: 27%, against the regulatory cap of 30%)

Source: Company data

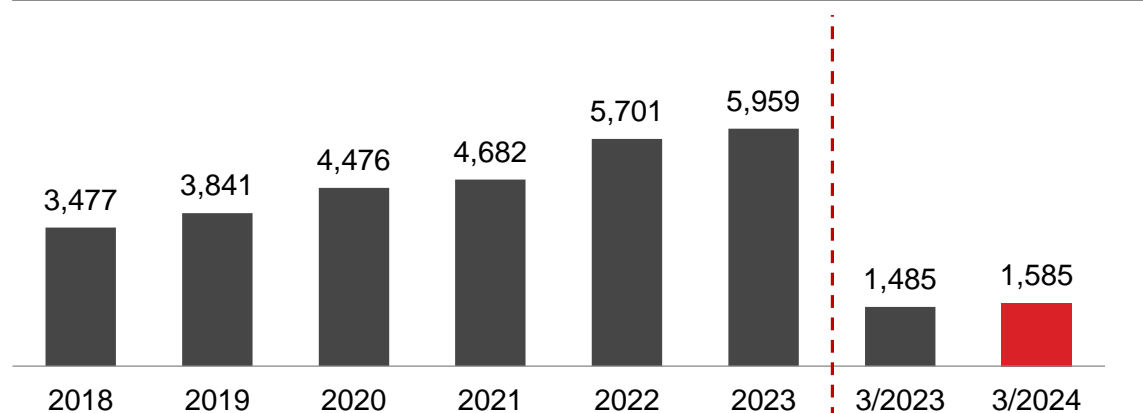
Well-controlled NPL with improved outstanding balance



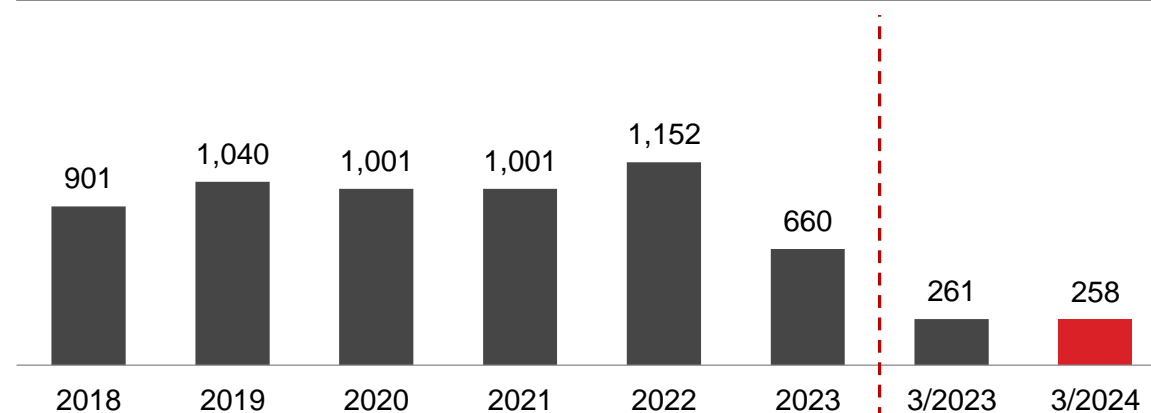
Controls a Leading Consumer Finance Company

Well-established market position in motorbike lending and profitability

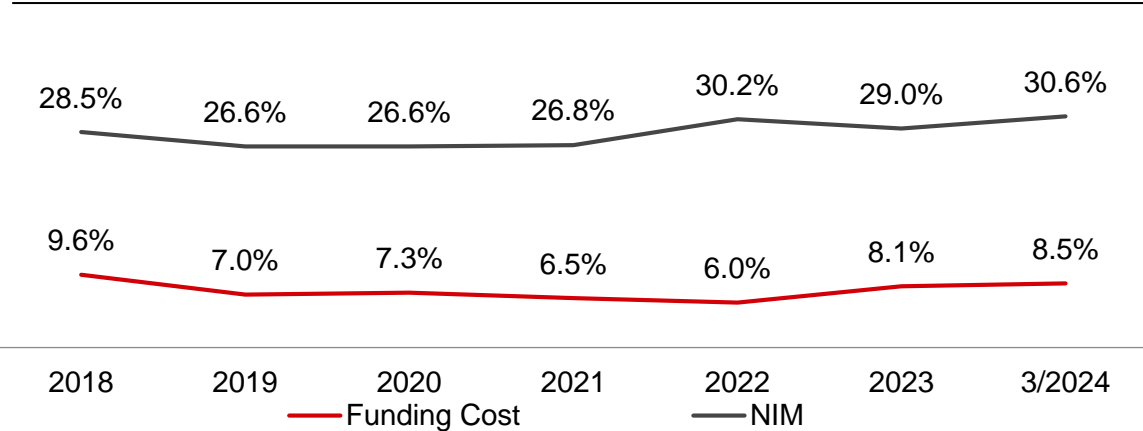
Total Operating Income (VNDbn)



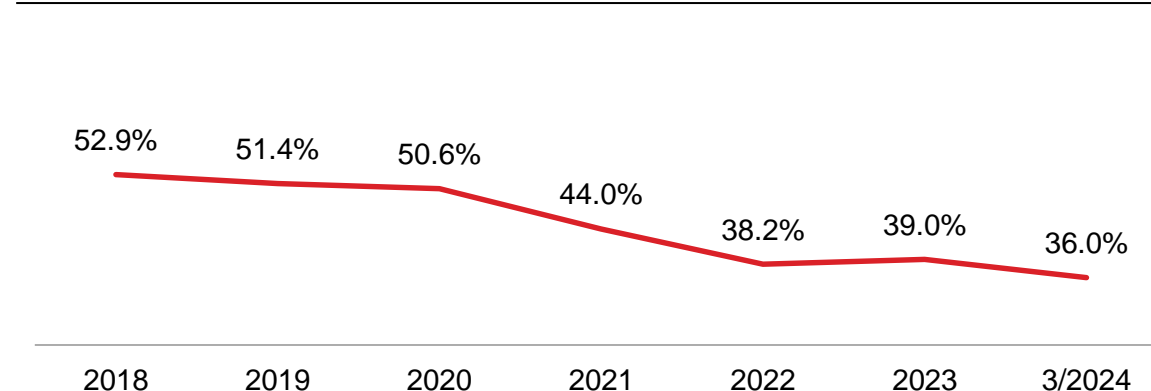
Profit Before Tax (VNDbn)



Net Interest Margin And Funding Cost



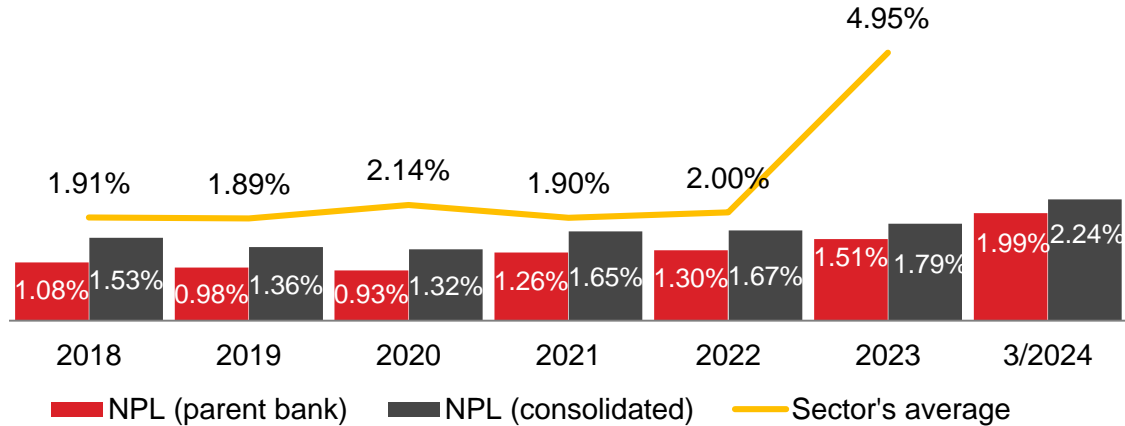
Cost To Income Ratio (CIR)



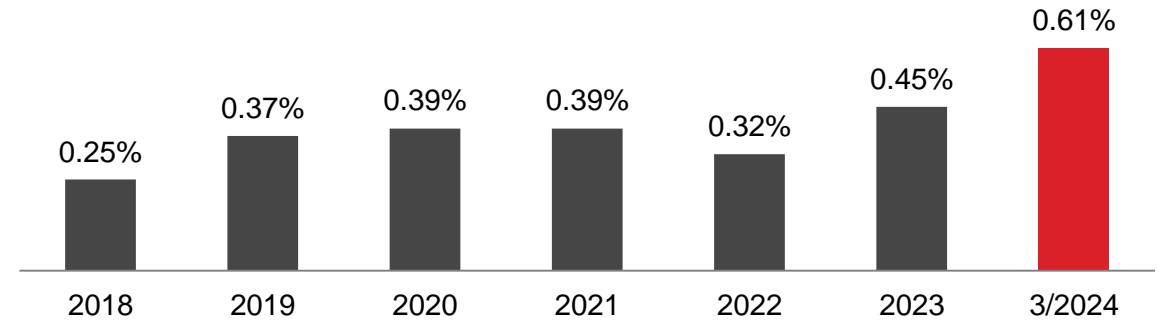
4 Prudent and Proven Risk Management Practices

Parent bank NPL and liquidity ratios are among the best in the industry

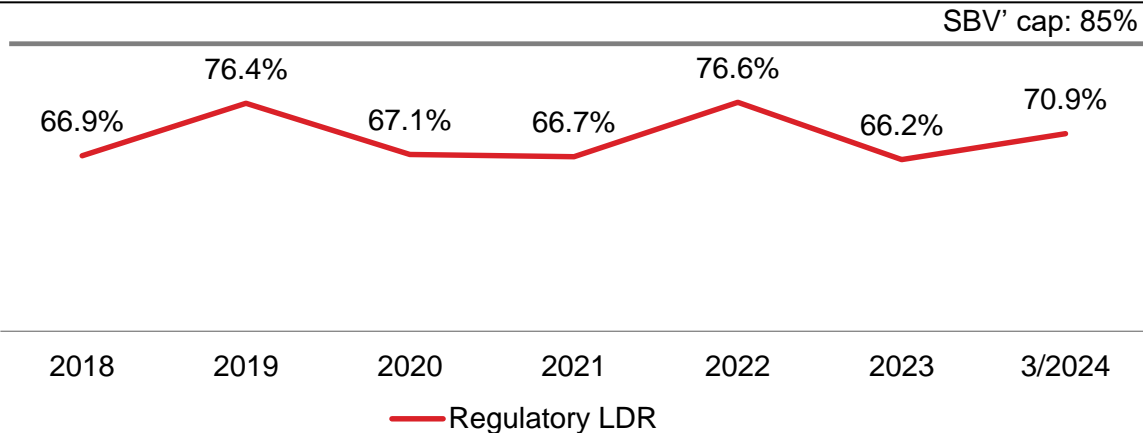
NPL Ratio Remains Better Than Industry Average



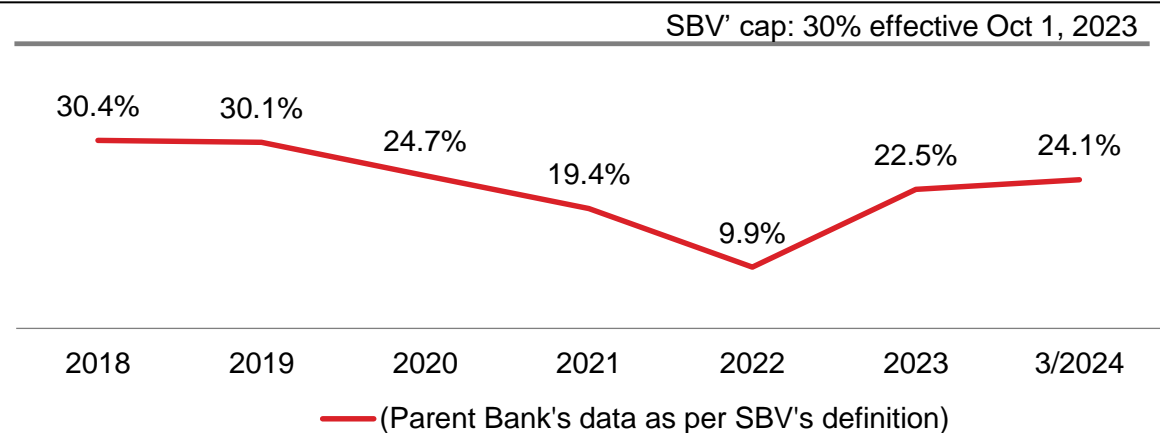
Low Credit Cost Thanks To Solid Asset Quality



Loan To Deposit Ratio Is Much Better Than Regulatory Requirement



The Ratio Of Mid-to-long Term Loans Financed With Short-term Funds

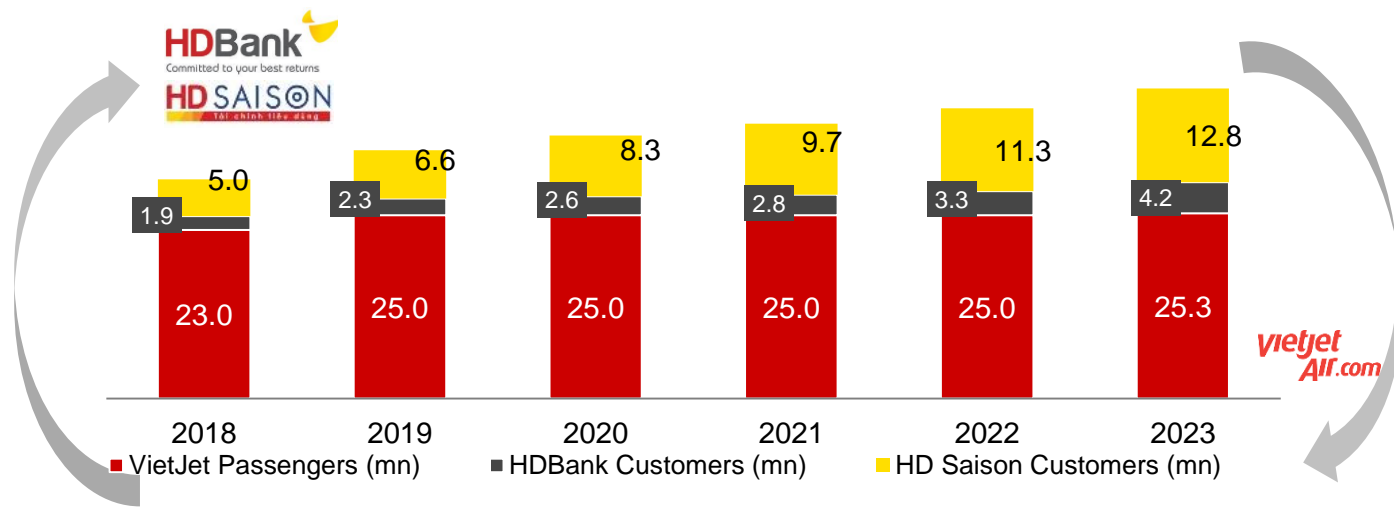


Source: Company data
 NPL excluded purchased debts, The industry average NPL ratios are announced by the SBV
 (*) Data of the Parent Bank

5

Well-Established Operating Base to Drive Strong and Sustainable Growth

With a unique ecosystem for cross-selling of products



COMBINED TOTAL OF >50,000 PHYSICAL TOUCH POINTS

Building an ecosystem from our captive customer base which will allow HDBank to enhance our digital banking reach, provide payments infrastructure and develop a unique e-wallet service

DISTRIBUTION NETWORK



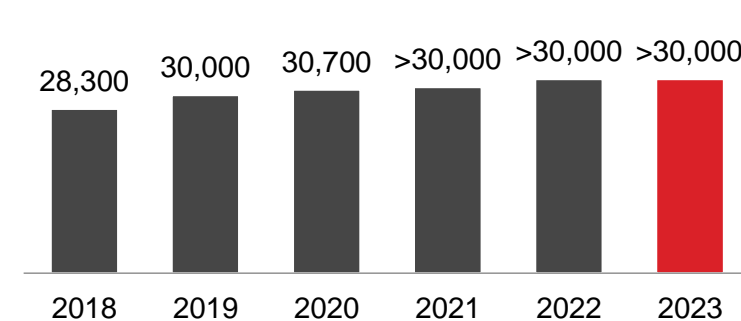
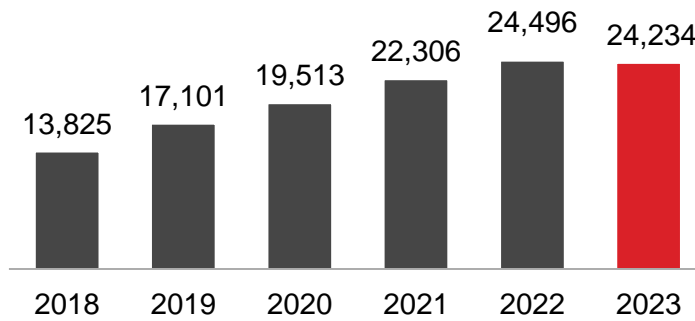
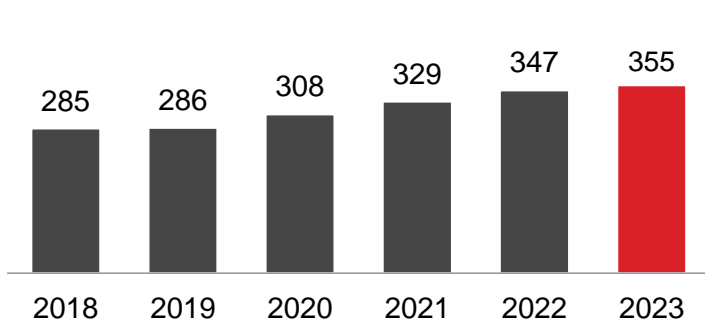
HDBANK BRANCH GROWTH



HD SAISON POINTS OF SALE GROWTH



VIETJET MARKETING POINTS GROWTH



Source: Company data

Reputable and Highly Experienced Board of Directors (HDBank)

Committed to investors' best returns



Kim Byoungho
Chairman, Independent member

- He has over 30 years of experience in the finance and banking industry and used to hold Chairman and CEO positions at Hana Bank and Vice Chairman of the BOD – Hana Financial Group,
- Master in Business Administration (California University, Berkeley, USA)
- Experience (yrs): Industry: 36



Nguyen Thi Phuong Thao
Permanent Vice Chairwoman

- Key and representative shareholder, Chairwoman of Vietjet, Vietnam's largest airline,
- Nearly 30 years of experience in banking-finance sector, Founded and managed many banks including VIB, TCB,
- PhD in Economics, Bachelor in Finance, Credit, and Banking
- Experience (yrs): Industry: 28; HDBank: 21



Luu Duc Khanh
Vice Chairman

- Expert in the Finance and Banking industry, Previously held prominent positions at banks in Vietnam
- Master in Business Administration
- Experience (yrs): Industry:30 HDBank:16



Nguyen Thanh Do
Vice Chairman

- More than 30 years of experience in banking-finance sector,
- Former Director of the Department of Debt Management and External Finance - MoF
- PhD in Banking and Finance
- Experience (yrs): Industry:38; HDBank: 10



Nguyen Huu Dang
Vice Chairman

- More than 30 years of experience in banking-finance sector, including nearly 30 years with HDBank
- Worked at the SBV and Vietinbank
- Master in Banking
- Experience (yrs): Industry:32; HDBank:26



Pham Quoc Thanh
CEO, Board Member

- CEO of HDBank since 2020, held executive positions in various banks,
- Bachelor of Banking Credit and Bachelor of Foreign Languages
- Experience (yrs): Industry: 33; HDBank: 10



Le Manh Dung
Independent Member

- He has nearly 30 years of experience in the banking and finance industry and currently the chief representative of DEG – a member of KfW in Vietnam
- Master in Business Administration
- Experience (yrs): Industry: 28

Reputable and Highly Experienced Board of Directors (HD Saison)

Committed to investors' best returns



Kosuke Mori
Chairman of Members' Council

- Member of Board of Management of Credit Saison Co., Ltd,
- Chief of Board of Supervisors of PT, Saison Modern Finance (Indonesia), Director of Credit Saison Asia Pacific Pte, Ltd, (Singapore), Director of Saison Capital, Member of BOM of Credit Saison Co., Ltd,
- Bachelor of Law from the University of Tokyo – Japan
- Experience (yrs): Industry: 24



Nguyen Thi Phuong Thao
Permanent Vice Chairwoman of Members' Council

- Key and representative shareholder, Chairwoman of Vietjet, Vietnam's largest airline,
- More than 20 years of experience in banking-finance sector, Founded and managed many banks including VIB, TCB,
- PhD in Economics, Bachelor in Finance, Credit, and Banking
- Experience (yrs): Industry:28; HDBank:21



Koji Sugahara
Member of Members' Council

- CEO of Credit Saison Co., Ltd, Director of Credit Saison Asia Pacific Pte, Ltd, (Singapore), Director of Saison Capital (Singapore), Member of the Board of Directors of Siam Saison (Thailand), Chairman of the Board of Credit Saison (Shanghai) Co., Ltd, (China),
- Bachelor of Foreign Studies from Osaka University of Foreign Studies - Japan,
- Experience (yrs): Industry: 23; HD SAISON: 7



Nguyen Huu Nhan
Member of Members' Council
Chief Executive Officer of HD Saison

- Joined HD SAISON almost since its beginning and has vast experience in the consumer finance industry
- Previously served 10 years at Pricewaterhouse Coopers Vietnam
- Master of Accounting from Ho Chi Minh City University of Economics; ACCA
- Experience (yrs): Industry: 27; HD SAISON: 17



Pham Quoc Thanh
Member of Members' Council

- CEO of HDBank since April 2020, significantly contributed to the positive and innovative development strategies of HDBank
- Held executive positions in HSBC, ACB, ABB, TCB,
- Bachelor of Banking Credit and Bachelor of Foreign Languages
- Experience (yrs): Industry: 33; HDBank: 10

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Key Strategic Initiatives

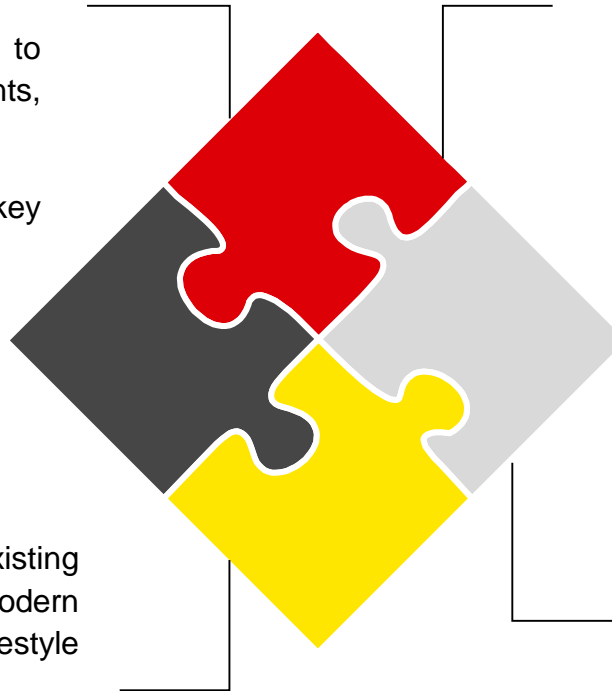
Focus on Digitalization within HDB while integrating with the Group Ecosystem

Digital Transformation

- Appointed BCG to advise on HDB digitalization strategy and execution over the next 3 years
- Optimize and re-invent customer journeys to serve existing target customer segments, deepening the relationship
- Omni Channel with Data analytics and AI are key focus

Ecosystem

- The Group digital ecosystem leveraged on existing businesses and partner networks to be a modern lifestyle platform that address most common lifestyle needs,
- Capture future trends of new Vietnamese generations: (i) Experience more (ii) Simplicity & Personalization and (iii) Digital connection



Bancassurance

- Our strategy is to enhance sales in life insurance, affirming our position among the leading banks in distributing life insurance products,
- Non-life insurance partnership with HD Insurance (HDI)

Environmental, Social and Corporate Governance

- Continue to develop and enhance ESG program followed international standards
- Increase reporting and governance standards

Digital Transformation Strategy

Aiming to capitalize on large ecosystem, maximize efficiency and enhance customer experience through digitization

3 Levels of Digitization Planned

- 1 **Automation:** Taking separate components of existing processes and automate them using digital tools
- 2 **Redesign:** Taking holistic view and optimizing e2e processes with digital technologies
- 3 **Reimagine:** Radically changing how processes work thanks to comprehensive digital enablement

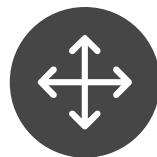
→ **Current Focus: Improving Customer Journey**



Focus on the actual **journey** the customer goes on, not a pre-determined process



Covers **end-to-end** view and informs all internal / back-end processes to support



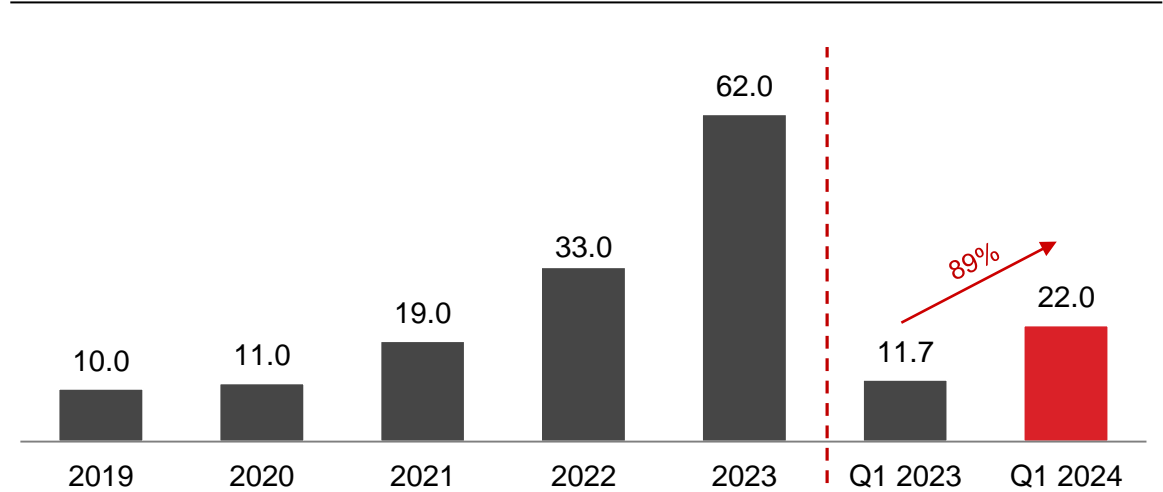
Utilize **multiple channels** and is not constrained by mechanics of internal processes



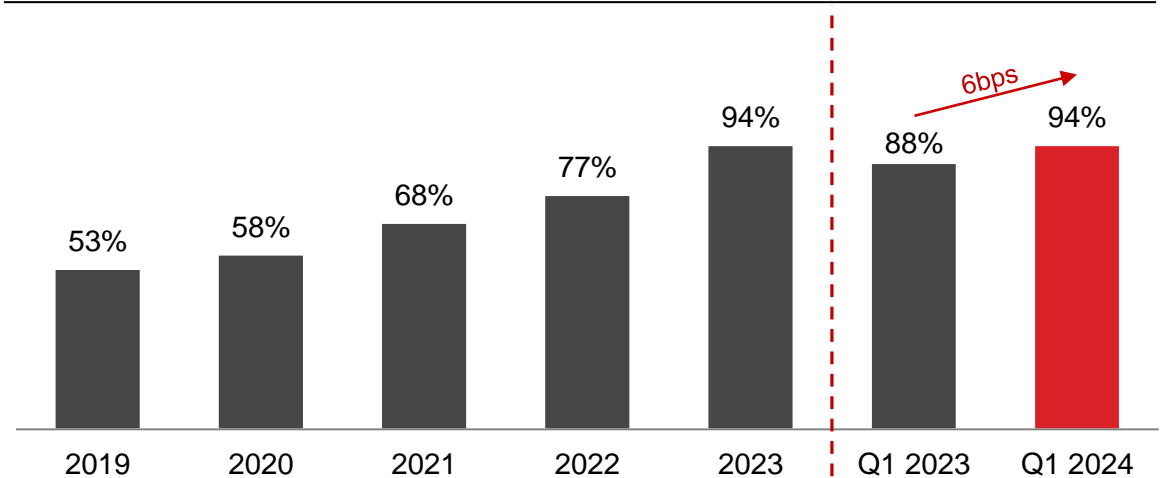
Improves with **cutting-edge technology**, and is not bound by legacy infrastructure

Source: HDB

Number of Digital Transactions Surged (million)



Digital Transactions/Total Retail Banking Transactions



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ESG Risk Management Strategy and Sustainable Development

HDBank has been incorporated development goals with sustainable values, fulfil its social responsibility and raise awareness on environmental protection

Environmental

The Bank's Actions

- Pioneering the implementation of “Green credit” to support renewable energy projects, reducing carbon emission via green credit programs for commercial and retail solar power projects nation-wide,
- Declining credit applications from customers and projects not meeting regulated environmental standards,
- Proactively raising awareness among employees, launching internal contest to implement “Green ideas” in the workplace

Impact

Taking actions to support Vietnam's Carbon Neutrality by 2050

US\$800 million – projected climate finance portfolio by 2025, to reduce emissions by >54,000 tons of CO2 per year

>VND 10tn credit programs to support clean and high-tech agriculture



On October 31, 2021, within the framework of the 26th Conference on the United Nations Framework Convention on Climate Change (COP26) and the bilateral visit to the UK by the Prime Minister of the Socialist Republic of Vietnam Pham Minh Chinh, Ho Chi Minh City Development Commercial Joint Stock Bank (HDBank) and Affinity Equity Partners (Affinity) signed a cooperation agreement to support HDBank's funding program of USD 300 million for Vietnamese enterprises and projects that meet the relevant ESG and sustainable development criteria,

ESG Risk Management Strategy and Sustainable Development

HDBank has incorporated its development goals with sustainable values, fulfilment of its social responsibility and environmental protection

Social

- Positioning human as the crucial factor in development strategy, thus, regularly launching training courses and establishing a clear career pathways in line with equal and transparent treatment for every employee,
- Proactively fulfilling social responsibility through community support and development flourishing virtuous values
- Developing products and services meeting customers' demand and continuously improving customers' experiences,

Awarded Best Company to work for in Asia in 6 consecutive years from 2018 to 2023

More than 52% of loan portfolio are customers living in tier-2 cities and rural provinces

The Best Bank for sustainable finance The Asset Triple A Award 2022

Governance

- Implementing best-practice standards in corporate governance in operational activities to ensure its compliance with the best governance practices.
- Committed to delivering the highest value to shareholders and all stakeholders of the Bank.
- > VND 8.7tn in green loan has been disbursed for environmental protection and climate change mitigation projects accumulated over the three years of 2021, 2022, and 2023.

Pioneered implementing Basel III standards in governance

Achieved AGM business targets over many consecutive years

Issued Regulation on E&S Risk Management in Credit Extension applied to all corporate loans



HDBank is honored with Asian Banking and Finance Award in the "Sustainability Initiative of the year" category



HDBank is awarded the Best Company to work for in Asia in 6 consecutive years

Key Highlights Of Corporate And CSR Activities

2024 AGM concluded Successfully Ratifying Ambitious Business Targets And High Dividend Rate



On April 26, 2024, HDBank successfully held the Annual General Meeting of Shareholders with all reports and presentations approved with very high approval rates. The GMS approved the business plan for 2024 with ambitious targets, including Profit Before Tax of over 15.8 trillion dong, up 22% YOY; Return On Equity of 24.6%. The GMS also ratified an increased dividend payout ratio for 2023 of 30% (from 25% as initially proposed) including 10% cash dividend and 20% stock dividend.

“With positive results from digital transformation efforts, the implementation of digital banking, along with the trust and support from regulatory authorities and partners, HDBank is fully confident in achieving and exceeding the business targets for 2024”, Chairman Kim Byoungcho remarked.

HDBank and the National Health Information Center collaborate to promote cashless payments in the healthcare sector



On January 24th, 2024, HDBank and the National Health Information Center - Ministry of Health jointly organized a signing ceremony to cooperate in implementing cashless payment solutions for medical fees at healthcare facilities nationwide.

According to the terms of the cooperation agreement, both parties have agreed to collaborate in developing and deploying cashless payment solutions for medical fees at healthcare facilities, in line with the government's direction to promote cashless medical payments. This initiative aims to provide convenience and ease of access for citizens in utilizing healthcare services.

Key Highlights Of Corporate And CSR Activities

HDBank partners with the Cooperative Month 2024 to promote cooperative business activities and value chains



HDBank proudly participated in the Cooperative Month 2024, a nationwide event held from March 29th to April 29th, 2024, organized by the Vietnam Cooperative Alliance. As of December 31st, 2023, there were 31,364 cooperatives across Vietnam, with 20,710 of them being agricultural cooperatives, comprising 66.03% of the total.

Aligned with this commitment, HDBank is dedicated to actively supporting cooperatives and businesses, enhancing access to capital for the advancement of high-tech agriculture, promoting green credit initiatives, facilitating lending along the value chain, and providing financial assistance to SMEs.

HDBank continues to expand branch networks in rural provinces



In the first quarter of 2024, HDBank has established new branches and transaction offices in rural provinces including Ha Giang, Phu Tho, Ninh Binh, Ninh Thuan, and Binh Thuan. These locations act as crucial connection points, supporting the local economic development strategy. To further enhance accessibility, HDBank has also established dedicated online banking channels for each province. These channels introduce and offer products and services specifically designed to meet the needs of local residents and businesses. This makes it easier for everyone to access financial products, loan packages, and digital financial incentive programs.

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II. Key Investment Highlights

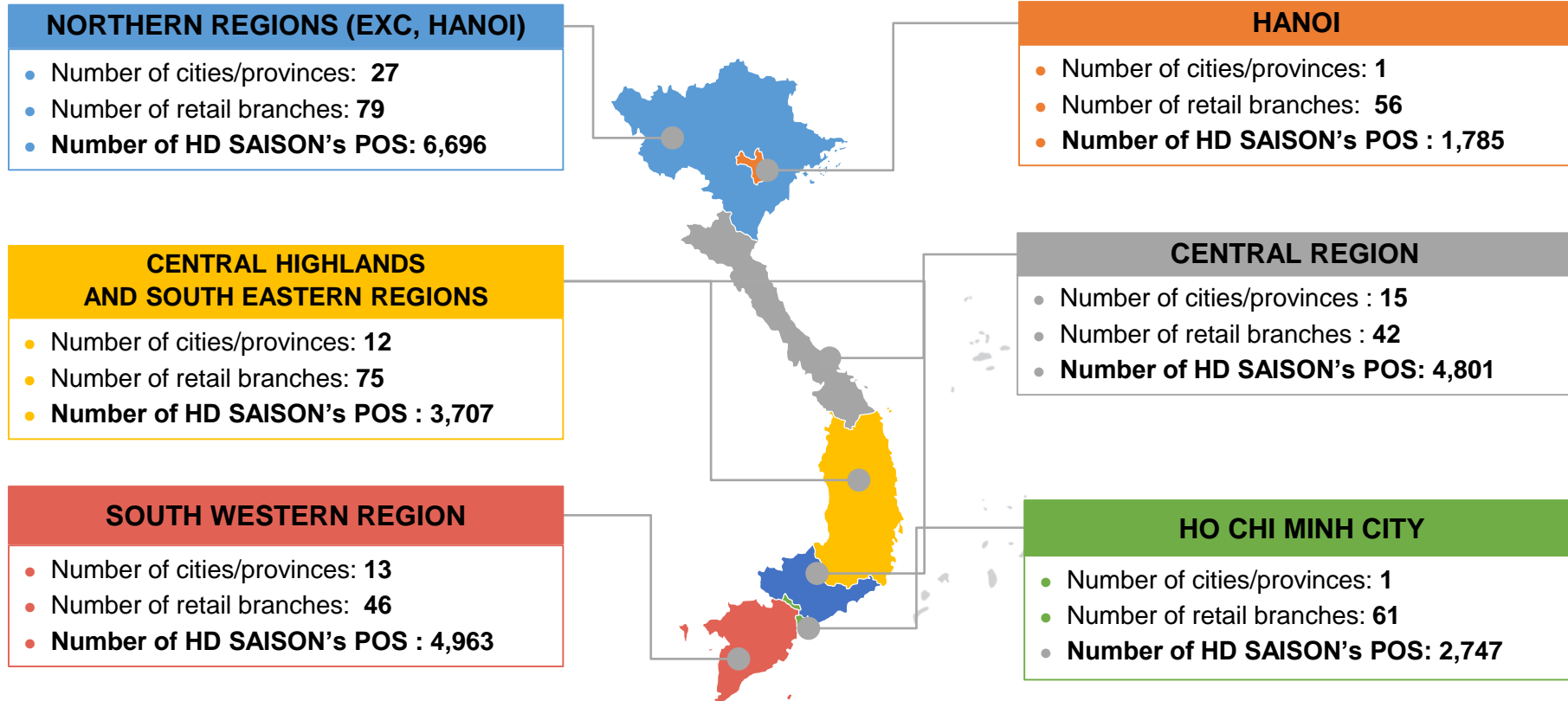
III. Strategic Initiatives

IV. Highlights of Key CSR Activities

V. Appendix

Distribution Network

HDBank and HD SAISON are forming the largest retail banking and consumer finance distribution networks in Vietnam



- As of 31/03/2024, HDBank had 355 banking units in domestic and overseas markets,
- HD Saison had 24,699 points of sales (POS) covering 63/63 cities and provinces,

Source: Company data

Typical Design of A Transaction Center



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FEEDBACK

