HDBank

Committed to your best returns

SUSTAINABLE DEVELOPMENT
PIONEERING SPIRIT



ANNUAL REPORT 2022

HDBank

Committed to your best returns



HAPPY DIGITAL Bank

NGÂN HÀNG SỐ HẠNH PHÚC

ANNUAL REPORT 2022

CONTENTS

06 OVERVIEW
38 GENERAL INFORMATION
66 BUSINESS RESULTS IN 2022
98 REPORT FROM THE BOARD OF MANAGEMENT
112 CORPORATE GOVERNANCE
178 SUSTAINABLE DEVELOPMENT
218 CONSOLIDATED FINANCIAL STATEMENTS



CONNECTING VALUES
CREATING THE FUTURE

HDBank
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1 OVERVIEW

06 | Message from the Chairman
08 | Message from the Chief Executive Officer
10 | Vision - Mission - Core Values
12 | Board of Directors, Board of Supervisors, Board of Management
30 | Organizational Structure of HDBank
32 | Highlights of the Year: 2022 in Review

MESSAGE FROM THE CHAIRMAN

Dear valued shareholders, business partners and customers of HDBank,

First of all, on behalf of HDBank's Board of Directors, I would like to express our sincerest gratitude and appreciation of your continued support to HDBank over the past time.

The year 2022 has ended with many unprecedented developments, which had swift, complicated and unpredictable impacts on the global economy. The International Monetary Fund (IMF) forecasts that the world economy would have grown only 3.4%, down sharply from 6% in 2021. Meanwhile, global inflation increased sharply to 8.8% from 4.7% in the previous year. The protracted Russia-Ukraine conflict and the zero-covid policy in China has disrupted the global supply chain. Tightening monetary policy applied in the US and some developed economies are causing weakened production and consumption which lead to adverse impacts on global trade and investment activities.

Despite the headwinds from international markets, however, Vietnam's economy maintained its good growth momentum with expected GDP growth of 8% with well-controlled CPI inflation below 4%. Industrial production and consumption have been recovering well after the pandemic; export-import activities, and inducement of foreign investment continued to be encouraging with stable exchange rate. Nevertheless, it is also true that the domestic economy last year witnessed turbulence as market interest rates increased sharply in the 4Q2022 caused by the liquidity crunch in the banking system; capital market witnessed strong fluctuations due to volatile investor sentiment; The real estate market has been facing with increased difficulties as the access to funding and market liquidity both deteriorated.



The landscape of the world and Vietnam macro-economy in 2022 have given challenges to overcome, but at the same time opportunities to take. I really appreciate and am proud of the results that HDBank has achieved as our Bank has shown its ability to seize opportunities in the turbulent time to achieve these encouraging results. Profit before tax reached 10.27 trillion dong, the highest ever in our history, a 27.2% increase YOY and 105% of the annual target, while we were successfully able to maintain excellent prudent ratios of capital adequacy and non-performing loans along with the one of the highest loan and deposit growth in the industry.

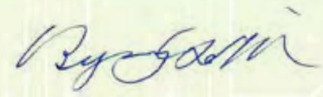
In addition to good business results in terms of both scale and quality, HDBank also pushed forward the implementation of strategic initiatives, including digital transformation, with launch of new products and services, proactive support for the customers facing difficulties due to the pandemic, participation in the credit institutions restructuring program, implementation of preferential credit packages for low-income workers, and proactive performance of corporate social responsibilities.

My heartfelt gratitude goes to State Bank of Vietnam, shareholders, business partners and customers who have always supported and accompanied HDBank. I believe that the success in the pivotal year of implementing the 5-year development strategy will be an important stepping stone for us to leap forward and realize the goal of becoming a leading bank in Vietnam.

In 2023, we forecast the world and Vietnam economy to continue to face fluctuations and challenges with possible global economic slowdown. These challenges require us to keep abreast of market developments and changes and to best prepare for different scenarios. We also need to constantly strive to avoid complacency and subjectivity, instead always promote the most valuable qualities of HDBank: with full of customer-centric minded professionalism and efficiency and, most importantly Honesty and responsibility. As the Chairman of the Board of Directors, I will exert my best and utmost efforts to share my experiences and expertise to enhance the competitiveness and value of the bank, further contribute to the development of the society and the prosperity of our shareholders and business partners.

Finally, the HDBank's Board of Directors highly appreciate the trust, support and welcome all ideas of all our valued shareholders, investors, business partners contributing to the development of HDBank. We do hope to further receive such trust and support in the forthcoming time to soon realize our vision of transforming HDBank into the best bank.

Chairman of the Board,
Independent BOD Member



Kim Byoungho

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear valued Shareholders and Partners,

Rising above the economic headwinds both globally and in Vietnam, HDBank has achieved its 2022 targets, reaching record results.

For the first time, HDBank joined the club of banks with profit before tax exceeding VND 10,000 billion, affirming its solid position in the Top 10 commercial banks. All core lines of business completed and exceeded the planned targets.

HDBank's strong standing is founded upon a combination of accomplishments and values, scale and performance, and not merely through numbers. HDBank has been a top choice and a safe, trusted Bank for the people. HDB stock symbol has garnered great interests from investors, earning strong confidence from partners, clients, and staff members for many years.

HDBank's results are affirmative and commendable, seeing that our society and economy are shouldering the burden of unprecedented trials, both domestically and globally, such as disease, war, supply chain disruptions, global recessions, and more.

Yet, HDBank always reminds itself to never rest on its laurels. Our past achievements are but hopeful steps on our journey to conquer the next summits. Our ultimate goal is to create and deliver maximum values to our shareholders, customers, employees, and the community.

Dear valued Shareholders and Partners,

HDBank 5-year plan for 2021-2025 is well on track. Our goal is to maintain high growth, at an average of over 25% per annum, and continue to assert our ability to ensure safe and sustainable operations. As we strive for this goal, HDBank will leverage its existing solid foundation, treasure its human capital, the spirit of unity, and the desire to overcome challenges.

In 2023, the year of new action plans, HDBank will continue to innovate and achieve the annual plan targets with specific action programs:

» **Objective 1 - Operational efficiency linked to the 5-year development strategy**

- Boost funding activities to ensure sufficient capital sources meet credit growth and LDR ratio demands. Vigorously improve the CASA ratio and reduce funding costs.
- Implement credit leverage policy by offering credit as a "leverage" tool in Combo packages to further penetrate the customer base and provide complete financial service packages, enhancing the efficiency of customer exploration and retention rates.
- Strive to deliver the 2023 annual targets, while concurrently implementing strategic initiatives to expand the Bank's scale and profits, and attaining financial indicators, towards the target becoming a Top 3 profitable bank by 2025.

» **Objective 2 - Customers and distribution channels**

- Develop new customer networks while also discovering the potential of existing customers through activation programs, cross-selling programs, and the SkyJoy loyalty platform. Additionally, connect with partners who own ecosystems in the approach of Open Banking.
- Deploy various sales channels, including mobile applications, HDBank's website, and personalized websites for 63 provinces, in the mindset of E-commerce. Promote sales partnerships via the Agency Banking method and progressively implement the kiosk bank business model in line with promoting the bank's brand reputation.
- Position the development of strategic customer chains based on sector initiatives and accompany them with HUB/RMs for high-specialization product/service lines.
- Reorganize and optimize the branch and transaction office network, efficiently implement SME centers in various provinces, and implement the Priority Banking model to engage middle to high-income customers.

» **Objective 3 - Products and Services**

- Improve the delivery of products and services via mobile/internet banking channels with a focus on providing a "one-click" approach for individual customers and ensuring "seamless" business customer journeys through the One-CMB toolkit.
- Encourage cross-selling and payment collection for retail products, including life and non-life insurance, bonds, cards, real estate, automobiles, payroll (under the Employee Banking initiative), and petrol cards for corporate customers.
- Strengthen HDBank's position among the top 5 private banks in terms of sales volume for life insurance products.
- Position HDBank credit cards among the top 3 in the market and continue promoting two primary credit cards: National 4in1 and Vietjet Air. Launch the Muadee by HDBank buy-now-pay-later service.

» **Objective 4 - Brand associated with products and services**

- Enhance multichannel marketing campaigns, with digital channels as the core, to attract more customers to open accounts and use financial services via online channels.
- Continue to strengthen OneCredit, OneUpas, and OnePayroll across all units as HDBank's branded product line.
- Improve HDBank's brand recognition at branches and transaction offices, including Kiosk Bank, to become a bank with top brand recognition and health among private commercial banks.

» **Objective 5 - Culture**

- Strengthen operational discipline, compliance awareness, and responsibility of leaders.
- Build an "Execution" culture with high commitments linked to results and appropriate rewards;



- Promote a working environment that is open, friendly, cohesive, and supportive among working levels, accepting genuine feedback, building to unleash collective intelligence. Improving the reception, training, mentoring, and rapid integration of new employees to enhance efficiency and retention.

» **Objective 6 – HDB Stock and Employee Benefits**

- Enhance the HDB stock position, achieving growth rate and valuation higher than the industry average, maintaining VN30 position on the stock exchange.
- Bring HDBank employee income and benefits to the forefront of the banking industry.

However, changes and challenges are ever present. The needs of markets and clients will evolve. Reaching the objectives will require HDBank to become more stable yet flexible, and strengthen its foundation, refresh its mindsets, and prepare the internal strength it would take to adapt to new requirements. Even as we set out the targets we need to conquer, HDBank is also preparing for changes so as to overcome any tension or turmoil that may come our way.

HDBank's previous five-year development plan has been a success in many ways. We now look to the future with aspiration and persistence. Breaking out of boundaries and limits, we would turn what once seemed impossible into reality. This very spirit has helped HDBank leap through the recent turbulent years, and it would once again drive us into tomorrow.

Business environment in Vietnam is turning to a new page, where every challenge is an opportunity. With strength and certainty, HDBank has complete confidence in the future, upholding a firm standing and reaching ever new heights.

I am confident that HDBank's journey in innovation and triumph would be an exciting and valuable experience for our investors. It has been a privilege for HDBank to have you with us on this journey so far, and we look forward to the next promising chapters with our valued Shareholders and Partners!

Chief Executive Officer



Pham Quoc Thanh

VISION

To become a leading financial group with a commercial bank at its core which ranks among the best in Vietnam, which offers superior products and customer services through an international network, and which operates efficiently and is trusted by customers.

MISSION

TO OUR CUSTOMERS

HDBank is committed to deliver the best return to its customers through innovative and comprehensive financial solutions, hence meeting their diverse and ever-changing demands with critical insights.

TO OUR EMPLOYEES

HDBank creates a professional, exciting and rewarding work environment where staff can learn, innovate and contribute towards their career development.

TO OUR PARTNERS

HDBank is committed to maximise the interests of its shareholders and partners through robust and sustainable growth, effective governance and rigorous risk management.

CORE VALUES

INTEGRITY AND RESPONSIBILITY

HDBank is a trusting and earnest business collective with bold thoughts, daring initiative and a firm sense of responsibility.

CUSTOMER-ORIENTATION

HDBank places customers at the core of its operation and strives to exceed their expectations.

CONSISTENCY AND FLEXIBILITY

HDBank defines its goals clearly and displays consistency in their pursuit. The Bank demonstrates its proactive and flexible actions in its course towards the defined goals.

EFFICIENCY AND INNOVATION

HDBank continually learns, innovates and perfects itself to achieve operational efficiency and superior customer services.

PROFESSIONALISM AND TEAMWORKING

HDBank upholds a professional operation which encourages friendly sharing and cooperation based on mutual trust and respect.

BOARD OF DIRECTORS



From left to right

Mr.
NGUYEN HUU DANG
Vice Chairman

Mr.
LUU DUC KHANH
Vice Chairman

Mdm.
NGUYEN THI TAM
Member

Mdm.
NGUYEN THI PHUONG THAO
Permanent
Vice Chairwoman

Mr.
KIM BYOUNGHO
Chairman,
Independent Member

Mr.
NGUYEN THANH DO
Vice Chairman

Mr.
LE MANH DUNG
Independent Member



Mr. KIM BYOUNGHO

Chairman, Independent Member

Born in 1961, Mr. Kim Byoungho has over 30 years of experience in the financial industry. He previously served as the Chief Financial Officer and Chief Executive Officer of Hana Bank, which is the second-largest bank in Korea, as well as the Vice Chairman of the Board of Directors of Hana Financial Group in Korea. Throughout his career, he has been instrumental in driving comprehensive innovation and strong growth at Hana Bank, propelling it to become one of the largest banks in Korea and extending its reach globally.

Under Mr. Kim Byoungho's leadership at Hana Financial Group, he oversaw the acquisition of Seoul Bank in 2002, successfully bringing Hana Bank into the league of Korea's largest banks. In 2012, he spearheaded Hana Bank's repurchase of over 51% of Korea Exchange Bank (KEB) capital from Lone Star Fund (USA). The transaction was completed in 2015, propelling Hana Bank's total assets to over USD 240 billion and solidifying its position as the top bank in Korea in terms of international network with 137 branches across 24 countries. Mr. Kim was also instrumental in directing numerous international projects of Hana Bank in various markets including Indonesia, China, the US, and Vietnam.

On April 26, 2022, Mr. Kim Byoungho was elected as an independent member of HDBank's Board of Directors, and subsequently elected by the Board of Directors to serve as the Chairman of HDBank's Board of Directors starting from April 29, 2022.

EDUCATION:

Master of Business Administration (MBA) degree from the University of California, Berkeley, United States of America
Bachelor's degree from Seoul National University, Korea.



Mdm. NGUYEN THI PHUONG THAO

Permanent Vice Chairwoman

With extensive experience in various economic sectors in Vietnam and other parts of the world, particularly in the banking and financial industry, Mdm. Nguyen Thi Phuong Thao has held management positions in foreign banks and established and managed several banks in Vietnam. As the Permanent Vice Chairwoman of HDBank, she has been instrumental in leading numerous innovations that have enabled the bank to achieve sustainable growth and development. Beyond her business acumen, Mdm. Thao has actively participated in various educational, social, and charitable organizations that promote community cohesion.

Mdm. Nguyen Thi Phuong Thao has joined HDBank's Board of Directors since June 30, 2005, and has since directed a series of reforms that have propelled the bank to the top of the industry.

EDUCATION:

Doctorate in Economic Cybernetics from Moscow D. Mendeleev Institute of Chemical Technology.
Bachelor's Degrees in Finance and Credit and in Labour Economic Management from Plekhanov Moscow Institute of the National Economy.
Founding Member of the Institute for System Programming, an affiliate of the Russian Academy of Sciences.



Mr. LUU DUC KHANH
Vice Chairman

An expert in finance and banking, Mr. Luu Duc Khanh held senior management positions at several banks, including HSBC, Techcombank, ABBANK, etc., and contributed to their solid achievements in Vietnam.

Mr. Luu Duc Khanh has joined HDBank's Board of Directors since July 03, 2009. He has participated in the introduction of many strategies relating to business operation, risk management, technology, etc., which aim at transforming the Bank into a modern international institution.

Education:
Master of Business Administration (MBA) degree from the University of New England in Australia
Bachelor's Degree from Lviv Polytechnical Institute in the Soviet Union
Bachelor's Degree in Economics from University of Economics Ho Chi Minh City



Mr. NGUYEN THANH DO
Vice Chairman

Mr. Nguyen Thanh Do has gained considerable experience in financial management and external finance. He used to be the Deputy

General Director of the External Finance Department, an affiliate of the Ministry of Finance, General Director of the Debt Management and External Finance Department, an affiliate of the Ministry of Finance.

Mr. Nguyen Thanh Do has joined HDBank's Board of Directors since April 21, 2017 and made productive contributions to the Bank's development strategies.

Education:
Doctorate in Banking and Finance from Moscow Finance Institute.



Mr. NGUYEN HUU DANG
Vice Chairman

Mr. Nguyen Huu Dang has been with HDBank for nearly 30 years. He has held various positions from credit officer and specialist in managing non-state credit institutions. He also worked at the state-owned Dong Thap provincial bank and Vietinbank.

Mr. Nguyen Huu Dang has joined HDBank's Board of Directors since December 31, 2010, he has been instrumental in proposing key strategies for the bank's significant accomplishments.

Education:
Postgraduate Degree in Banking.



Mdm. NGUYEN THI TAM
Member

Mdm. Nguyen Thi Tam is a senior banking expert with 35 years of experience in banking and finance, especially the management of credit institutions and international payment. She has held many important positions in Vietcombank, most recently Deputy Chief Executive Officer, Member and Advisor of the Board of Directors of Vietcombank.

Mdm. Nguyen Thi Tam has joined HDBank's Board of Directors since April 26, 2013. She is the recipient of numerous medals and commendations from the President, the Government and the banking sector in Vietnam.

Education:
Certificate in Banking Studies from Swedish International Development Cooperation Agency
Certificate in Business Administration from Tuck School of Business Administration in the United States, Certificate in Advanced Political Studies.



Mr. LE MANH DUNG
Independent Member

Mr. Le Manh Dung has 25 years of experience in Banking and Finance, used to hold the position of Head of Credit Department of Woori Bank, Director of the Financial Institution Advisory Group of Citi Capital Partners, Investment Director of Mekong Capital, the Chief Representative of the DEG Deutsche Investitions- und Entwicklungsgesellschaft mbH, of the German Development Bank KFW in Vietnam.

In the role of Chief Representative, Mr. Le Manh Dung directly leads and builds DEG's investment strategy in the Vietnamese market, supporting potential businesses in Vietnam to develop sustainably, creating long-term values for the economy as well as the community and society.

Mr. Le Manh Dung has joined HDBank's Board of Directors since April 29, 2022.

Education:
Master of Business Administration (MBA) from the Institute of Management (CFVG), jointly granted by the National Economics University and the Paris Chamber of Commerce and Industry.

CHANGES IN THE BOARD OF DIRECTORS IN 2022

TIME	CHANGES IN THE BOD
April 29, 2022	Mdm. Le Thi Bang Tam - Chairwoman of the Board of Directors, Mr. Chu Viet Cuong - Member of the Board of Directors, Mr. Lim Peng Khoon - Member of the Board of Directors have ended their office term. HDBank's 2022 Annual General Meeting of Shareholders elected members of the Board of Directors for the official term 2022 - 2027 including 5 existing members (Mdm. Nguyen Thi Phuong Thao, Mr. Nguyen Huu Dang, Mr. Nguyen Thanh Do, Mr. Luu Duc Khanh, Mdm. Nguyen Thi Tam) and 02 new independent members (Mr. Kim Byoungho and Mr. Le Manh Dung).

BOARD OF SUPERVISORS



From left to right

Ms.
DUONG THI THU
Member of the Board of Supervisors

Mr.
DAO DUY TUONG
Chief of the Board of Supervisors

Ms.
BUI THI KIEU OANH
Member of the Board of Supervisors

Mr.
NGUYEN LE HIEU
Member of the Board of Supervisors



Mr. DAO DUY TUONG
Chief of the Board of Supervisors

He has nearly 30 years of experience in the field of Finance - Accounting. Previously, he was Chief Accountant of Enterprise 347, Song Hong Company - Ministry of National Defense, Phu An Infrastructure Development and Construction Investment Joint Stock Company, Song Viet Investment Joint Stock Company.

Mr. Dao Duy Tuong has joined HDBank's Board of Supervisors since December 03, 2010, he plays an important role in controlling all activities, ensuring safe and effective operational targets in accordance with the requirements of HDBank and the State Bank.

Education:
Bachelor of Economics majoring in Accounting, National Economics University.



Ms. DUONG THI THU
Member of the Board of Supervisors

Ms. Duong Thi Thu used to be a Lecturer at Hong Duc University, Credit Officer at Sacombank. Joining HDBank since 2006, she has held the positions of Internal Auditor, Regional Head of Internal Audit and Deputy Head of Internal Audit of HDBank. With 15 years of experience at HDBank, she has accompanied and actively contributed to HDBank's sustainable development journey.

Ms. Duong Thi Thu has joined HDBank's Board of Supervisors since June 13, 2020.

Education:
Bachelor of Economics - Academy of Finance.



Ms. BUI THI KIEU OANH
Member of the Board of Supervisors

Ms. Bui Thi Kieu Oanh has extensive experience in various positions at credit institutions such as: Head of Retail Banking Division - Dai A Commercial Joint Stock Bank, Director of Cho Lon Branch - Techcombank, Deputy Director of Retail Banking Division - Vietnam Thuong Tin Commercial Joint Stock Bank (Vietbank), Deputy Head of Internal Audit of HDBank.
Ms. Bui Thi Kieu Oanh has joined HDBank's Board of Supervisors since April 26, 2022.

Education:
Bachelor's degree in Banking and Finance.



Mr. NGUYEN LE HIEU
Member of the Board of Supervisors

Mr. Nguyen Le Hieu has extensive experience in banking sector in many positions such as Corporate Customer Relationship Officer - Asia Commercial Joint Stock Bank (ACB), Director of Chanh Hung Transaction Office - Nam A Commercial Joint Stock Bank (NamABank), Head of Internal Audit for East Saigon Region – HDBank, Member of Basel implementation team - Saigon Thuong Tin Commercial Joint Stock Bank (Sacombank).

Mr. Nguyen Le Hieu has joined HDBank's Board of Supervisors since April 26, 2022.

Education:
Master of Development Economics, Vietnam - Netherlands Program
Master of Data Science and Artificial Intelligence - Asian Institute of Technology (AIT).

CHANGES IN THE BOARD OF SUPERVISOR IN 2022

TIME	CHANGES IN THE BOS
April 26, 2022	Ms. Nguyen Thi Tich – Member of the Board of Supervisor has ended her office term. HDBank's 2022 Annual General Meeting of Shareholders elected members of the Board of Supervisor for the official term 2022 – 2027 including 2 existing members (Mr. Dao Duy Tuong and Ms. Duong Thi Thu) and 02 new members (Ms. Bui Thi Kieu Oanh and Mr. Nguyen Le Hieu).

BOARD OF MANAGEMENT



Back row, from left to right

Mr. TRAN HOAI PHUONG
Director of Commercial Banking Division

Mr. TRAN THAI HOA
Deputy Chief Executive Officer

Mr. NGUYEN CANH VINH
Deputy Chief Executive Officer

Mr. NGUYEN VAN HAO
Deputy Chief Executive Officer

Mr. TRAN HOAI NAM
Deputy Chief Executive Officer

Front row, from left to right

Mr. LE THANH TUNG
Deputy Chief Executive Officer cum Person in charge of Corporate Governance

Ms. TRAN THU HUONG
Director of Operations Division

Mr. PHAM QUOC THANH
Chief Executive Officer

Front row, from left to right

Mr. LE THANH TRUNG
Deputy Chief Executive Officer

Mr. NGUYEN DANG THANH
Deputy Chief Executive Officer

Mr. PHAM VAN DAU
Chief Financial Officer

Mr. TRAN QUOC ANH
Director of Retail Banking Division

Mr. HUYNH TRUNG MINH
Director of Bancassurance Division

Back row, from left to right

Ms. HO DANG HOANG QUYEN
Chief Accountant

Mr. NGUYEN MINH DUC
Deputy Chief Executive Officer

Mr. HOANG DUC LONG
Director of Treasury Division



Mr. PHAM QUOC THANH
Chief Executive Officer

He held the Deputy Chief Executive Officer position of HDBank from 2013 until he was appointed to the Chief Executive Officer position in April 2020. He has made many contributions to HDBank's breakthrough development strategy, especially in commercial banking development, Green Credit program, chain financing, ecosystem expansion and HDBank's digital transformation.

Mr. Pham Quoc Thanh has been active more than 30 years in the banking sector. He is highly regarded for his abundant experience in risk management and corporate banking. He held many senior positions at HSBC, ACB, ABBank and Techcombank.

Mr. Pham Quoc Thanh has joined HDBank's Board Of Management since March 11, 2013.

Education:
Bachelor's Degrees in Credit and Banking and in Foreign Language.



Mr. LE THANH TUNG
Deputy Chief Executive Officer cum
Person in charge of Corporate Governance

Mr. Le Thanh Tung has served HDBank for nearly 30 years at different positions, including Branch Director and Regional Director. With his leadership and business acumen, he has managed and nurtured the operation of the regional branches and transaction offices, thus facilitating the Bank's recent impressive expansion and growth.

Prior to his association with HDBank, Mr. Le Thanh Tung worked at several financial institutions and commercial banks. In addition, he is the current Secretary of HDBank Party Committee.

Mr. Le Thanh Tung has joined HDBank's Board Of Management since September 16, 2009.

Education:
Master of Business Administration (MBA)
Bachelor's Degree in Law



Mr. NGUYEN MINH DUC
Deputy Chief Executive Officer

Mr. Nguyen Minh Duc has amassed more than 30 years of experience in the management of credit and financial institutions. He has made vital contributions to the Bank's achievements in risk management and compliance audit, bringing HDBank into the top of the leading banks in terms of asset quality with an effective risk management system, always fully complying with the regulations of state management agencies, gradually applying international standards.

Mr. Nguyen Minh Duc was previously a professor of Economics at Vietnam Maritime University and held senior positions at several banks in Vietnam.

Mr. Nguyen Minh Duc has joined HDBank's Board Of Management since December 30, 2013.

Education:
Master of Economics, Bachelor's Degree of Law.



Mr. TRAN HOAI NAM
Deputy Chief Executive Officer

Mr. Tran Hoai Nam has obtained a broad experience in banking and finance, notably in corporate and institutional banking. He is considered as an energetic leader with many initiatives. Currently, Mr. Tran Hoai Nam is in charge of the Bank's corporate and institutional banking, and the development of HDBank partnership with both domestic and international major organisations. Prior to HDBank, he held management positions at the Ministry of Science and Technology, Citibank, VIB, etc.

Mr. Tran Hoai Nam has joined HDBank's Board of Management since February 27, 2012.

Education:
Master's Degree from the Asian Institute of Technology
Bachelor's Degree from Hanoi University of Science and Technology.



Mr. LE THANH TRUNG

Deputy Chief Executive Officer

Mr. Le Thanh Trung has worked for more than 30 years in the banking and financial sector in Vietnam and abroad. Notably, he is knowledgeable in system management, organisational structure, risk management, and customer relations.

He served senior positions at Vietcombank Leasing Company and other commercial banks, including Vietcombank and Shinhan Vina Bank.

Mr. Le Thanh Trung has joined HDBank's Board of Management since February 15, 2012.

Education:
Doctorate in Economics and Bachelor's Degree in Law.



Mr. NGUYEN VAN HAO

Deputy Chief Executive Officer

Mr. Nguyen Van Hao has nearly 30 years of experience in banking and finance, the journey that had him in various senior management positions, such as Department Head of The Bank of Tokyo Mitsubishi UFJ in Vietnam, CFO of PGBank, Member of the Board of Directors and Chief Executive Officer of VietABank.

Mr. Nguyen Van Hao has joined HDBank's Board of Management since October 02, 2020.

Education:
Master's Degree majored in Economics, National Economics University



Mr. TRAN THAI HOA

Deputy Chief Executive Officer

Mr. Tran Thai Hoa has obtained a broad experience in the banking and financial sector with nearly 30 years working at several banks. Prior to HDBank, he served 17 years at the Ho Chi Minh City Branch of the SBV and at VietABank as Head of Department and Deputy General Director.

Mr. Tran Thai Hoa has joined HDBank's Board of Management since May 27, 2015.

Education:
Bachelor's degree from the Banking University of Ho Chi Minh City.



Mr. NGUYEN DANG THANH

Deputy Chief Executive Officer

Mr. Nguyen Dang Thanh, a seasoned executive in banking and finance, has a strong management acumen with several posts in Product R&D, Risk Management, Marketing, Human Resources Management, Distribution Channel Management, Card Business Development and digital banking, Corporate & Retail Business Development, as well as Network Management, etc.

Prior to the current post with HDBank, he has ever held senior management positions at other banks and corporates such as Deputy Chief Executive Officer of Sacombank, Deputy Chief Executive Officer of Techombank, Chief Executive Officer of VietBank, Chief Executive Officer of Dong Duong Corporation, Hoa Lam Corporation, Chairman of TTC Land.

Mr. Nguyen Dang Thanh has joined HDBank's Board of Management since July 09, 2020.

Education:
Bachelor's Degree majored in Monetary Affairs from University of Economics Ho Chi Minh City.



Mr. NGUYEN CANH VINH

Deputy Chief Executive Officer

Mr. Nguyen Canh Vinh started his career as a Lecturer at Hanoi National University of Civil Engineering before moving to Finance - Banking, a field in which he has worked for more than 26 years. During this period, he held many senior leadership positions ranging from sales division to Deputy Chief Executive Officer and Chief Executive Officer at leading banks in Vietnam, including 21 years at Techcombank. Joining HDBank from the end of 2022, he quickly integrated and effectively contributed to HDBank during the Bank's acceleration period in development strategies.

Mr. Nguyen Canh Vinh has joined HDBank's Board of Management since November 01, 2022.

Education:
Bachelor's Degrees from National University of Civil Engineering and National Economics University
Master of Business Administration from La Trobe University.



Mr. PHAM VAN DAU

Chief Financial Officer

Mr. Pham Van Dau has nearly 30 years of experience in the banking and financial sector and specialises in credit, accounting, finance, funding, and planning. He plays a crucial role in managing the Bank's financial activities, ensuring the utilisation of its capital, and devising detailed plans for the Bank's development.

Mr. Pham Van Dau has been HDBank's Chief Financial Officer since September 16, 2009.

Education:
Master's Degree in Economics.



Mr. TRAN QUOC ANH

Director of Retail Banking Division

Mr. Tran Quoc Anh has amassed nearly 30 years of experience in banking. He is especially enthusiastic about modern retail banking. Before joining HDBank, Mr. Anh served many critical roles at the Retail Banking Division of ACB, including Product Director, Director of Credit Centre, Deputy Chairman of Credit Committee,...

Mr. Tran Quoc Anh has been Director of Retail Banking Division since May 07, 2015.

Education:

Bachelor's Degree in Banking from the Banking University of Ho Chi Minh City.



Mr. TRAN HOAI PHUONG

Director of Commercial Banking Division

Mr. Tran Hoai Phuong has nearly 30 years of experience working at major international financial institutions such as Standard Chartered, Citi, BNP Paribas to working at management positions, the Board of Management at domestic banks such as Techcombank, TPBank and OCB as Deputy General Manager. With more than 25 years of experience, he has extensive experience in building solutions and developing relationships with large enterprises, multinational enterprises, import and export financing and supply chain financing.

Mr. Tran Hoai Phuong has been Director of Commercial Banking Division since December 31, 2020 .

Education:

Bachelor's degree in Foreign Trade - Ho Chi Minh City University of Economics (1989 - 1994).



Mr. HUYNH TRUNG MINH

Director of Bancassurance Division

Mr. Huynh Trung Minh has nearly 30 years of experience in the field of Insurance and Finance. Before assuming the position of Head of Banking and Insurance Division at HDBank, he worked in the positions of Head of Sales - Prudential Vietnam Life Insurance Company, Regional Director - ANZ Bank Vietnam, Director of ANZ Bank Vietnam. Southern Director - VIB Bank, Deputy Director of Personal Banking Division - HDBank.

Mr. Huynh Trung Minh has been Director of Bancassurance Division since January 27, 2021.

Education:

Degrees in Economic Engineer - Maritime University.
Master of Finance and Banking - School of Applied Sciences and Arts Northwestern Switzerland.



Ms. TRAN THU HUONG

Director of Operations Division

Ms. Tran Thu Huong has more than 20 years of banking experience in various fields at credit institutions, including more than 10 years with HDBank. From June 2019, she was assigned to run the Operations Division with the goal of innovating operations towards international standards, and achieving efficiency by applying technology and automation into operations, processes and capacity building of operations staff, customer service staffl, meeting the requirements of HDBank's development strategy.

Ms. Tran Thu Huong has been Director of Operations Division since August 28, 2020.

Education:

Bachelor's degree in Banking - Banking University of Ho Chi Minh City



Mr. HOANG DUC LONG

Director of Treasury Division

Mr. Hoang Duc Long has been with HDBank for more than 20 years and has held many positions in the Capital Market Division. He has made a great contribution to the management and implementation of treasury and capital market business, bringing outstanding business performance over the years at HDBank, contributing to enhancing the image and reputation of HDBank in the financial market. He plays a key role in advising the Executive Board, the ALCO Board in balance sheet management, capital optimization and capital use, liquidity management, capital market expansion and operation of HDBank.

Mr. Hoang Duc Long has been Director of Treasury Division since December 25, 2019.

Education:

Master's Degree in Banking and Finance - University of Economics Ho Chi Minh City.



Ms. HO DANG HOANG QUYEN

Chief Accountant

With nearly 30 years of experience in the field of Finance - Accounting of the Bank, she is considered as one of the leading experts in this field. She has been with HDBank for more than 24 years and held many positions such as Payer, Accountant, Controller, Deputy Branch Director, Head of the Accounting-Finance Department and Chief Accountant, helping her to understand deeply the Bank's business, thereby contributing to the accounting apparatus, appropriate financial-accounting policies, accurately reflecting the Bank's operation.

Ms. Ho Dang Hoang Quyen has been the Chief Accountant since July 07, 2011.

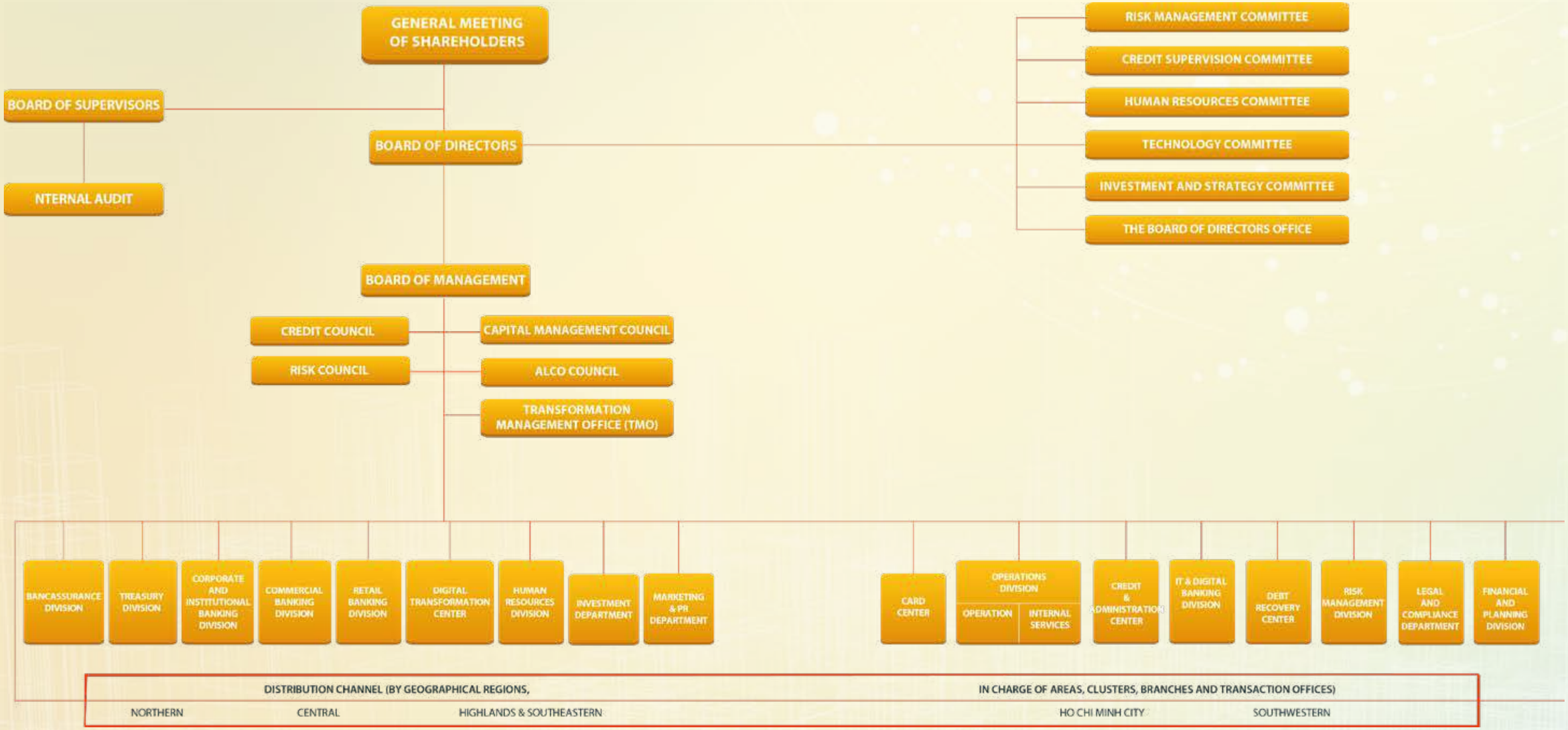
Education:

Master's Degree in Economics.

CHANGES IN THE BOARD OF MANAGEMENT IN 2022

TIME	CHANGES IN THE BOARD OF MANAGEMENT
Nov 01, 2022	HDBank's Board of Directors appointed Mr. Nguyen Canh Vinh as Deputy Chief Executive Officer of HDBank.
June 20, 2022	HDBank's Board of Directors approved the resignation letter of Ms. Nguyen Doan Duy Ai - Deputy Chief Executive Officer of HDBank.

ORGANIZATIONAL STRUCTURE OF HDBANK



HIGHLIGHTS OF THE YEAR: 2022 IN REVIEW



» *Members of the Board of Directors, 2022-2027, at the 2022 Annual General Shareholders Meeting*

1 JOINING THE VND 10,000 BILLION PROFIT BANK CLUB

HDBank achieved its highest-ever business results in 2022, with a profit before tax of VND 10,268 billion, an increase of 27.2% compared to the same period last year and fulfilling 105% of the AGM target. The service segment grew strongly, with positive contributions from bancassurance and payment activities. In particular, bancassurance revenue in 2022 doubled from 2021. The ROAE reached 23.5%, and the ROAA reached 2.1%, both high figures in the sector. The Bank also completed an increase in its charter capital to VND 25,303 billion and maintained a high and regular dividend payout ratio for many years.

In the context of market volatility, the positive results once again affirm HDBank's capacity to maintain high growth, effective risk management system, flexible adaptation, and customer and partner trust. This result also helps HDBank to be more confident in realizing its strategic objectives in the upcoming development phase.

2 EFFECTIVE RISK MANAGEMENT, IMPLEMENTATION OF BASEL III

HDBank has always focused on risk management and continually improved its system of policies, processes, and technology applications to monitor, forecast, and timely alert any risks. Therefore, in 2022, despite many fluctuations, all operations went smoothly, and all safety ratios were within the limits allowed by the State Bank. The stand-alone non-performing loan ratio was only 1.3%, and the consolidated non-performing loan ratio was 1.27%. The Capital Adequacy Ratio (CAR), under Basel II standards, reached 13.4%, the highest in the industry. The loan/deposit ratio was 76.6%, lower than the maximum limit of 85% regulated by the State Bank. Other safety operating ratios were well-maintained at level compared to the industry.

HDBank also further improved its internal control system in accordance with current regulations and best international standards. In addition, HDBank actively prepared to implement Basel III and was one of the first banks in Vietnam to issue regulations on environmental, social, and corporate governance (ESG) management, in line with the State's policy on green growth and international practices.

3 HDBANK HAS A FOREIGN CHAIRMAN OF THE BOARD OF DIRECTORS FOR THE FIRST TIME

On April 26, 2022, the Annual General Meeting of Shareholders of HDBank elected Mr. Kim Byoungho to the Board of Directors for the 2022-2027 term, and the Korean businessman was chosen by the Board of Directors to be the first foreign Chairman of the Board of Directors in the Bank's history. This event demonstrates the shareholders' vision of bringing the best international standards into HDBank's management work in the new development phase and international integration.

Mr. Kim Byoungho has previously held senior leadership positions such as Chief Executive Officer of Hana Bank (Korea) and Vice Chairman of Hana Financial Group's Board of Directors. He is expected to lead and direct the acceleration of strategic programs, expand international cooperation, and realize high and sustainable growth both in scale and quality according to the shareholders' approved strategy.



» *Mr. Kim Byoungho - Chairman, Independent Member of the Board of Directors, 2022-2027*

4 AFFIRMING LEADERSHIP POSITION IN SUPPLY CHAIN FINANCING

HDBank has pioneered the development of supply chain financing and achieved positive results, affirming its leading position in this business area. Currently, HDBank's supply chain activities focus on seven key areas including: FMCG, energy, steel, agriculture & livestock, retail, supplier/industrial support, and strategic partners (Vietjet Air, HD SAISON).

The total scale of supply chain activities has expanded significantly by the end of 2022, maintaining an annual growth rate of more than 35%. The number of customers participating in the supply chain has increased by more than 30% annually.

Towards the goal of helping HDBank develop a supply chain financing portfolio of up to 1 billion USD by 2025, developing a supply chain financing portfolio (SCF) in agriculture, financing for suppliers and distributors, in May 2022, HDBank and the International Finance Corporation (IFC) signed a Memorandum of Understanding in Washington D.C to promote support for small and medium-sized enterprises to access finance and participate in the global supply chain.



» *IFC and HDBank signed MOU to become strategic partners, supporting small and medium enterprises (SMEs) to scale up finance and participate in the global supply chains, including financing the high-tech agricultural chain.*



» *H.E Prime Minister Pham Minh Chinh and Governor of the State Bank of Vietnam Mdm. Nguyen Thi Hong, Mdm. Nguyen Thi Phuong Thao – Permanent Vice Chairwoman of the Board of Directors of HDBank at the National Digital Transformation Day 2022*

5 ACTIVELY PROMOTING DIGITAL TRANSFORMATION TO BRING CONVENIENCE TO CUSTOMERS

In 2022, HDBank's Digital Transformation programs have shown positive results. The number of transactions through digital channels increased 96% compared to the same period last year. HDBank was honored with the Vietnam Digital Transformation Award 2022 in the category of "Products, Solutions, and Outstanding Digital Technologies" at the Vietnam Digital Awards 2022 ceremony.

HDBank focused on perfecting the digital customer journey at the counter, digitizing the customer journey on mobile with personalized one-touch transaction features using deep analysis models to provide the fastest, most convenient, and most suitable experience for customers.



HDBank also optimized its automatic marketing system, improved infrastructure, and analyzed user behavior data. With a complete customer journey gradually being built, the number of transactions and the level of customer loyalty to HDBank has increased positively.

6 ROBUST GROWTH OF CASHLESS PAYMENT SERVICES

HDBank has been implementing many solutions to develop cashless payment services to enhance convenience and customer experience, as well as to contribute to the Government's policy of promoting cashless payments. One of the significant moves is the strategic cooperation between HDBank and Vietnam National Petroleum Group (Petrolimex) to deploy cashless payment at Petrolimex's petrol stations nationwide and issue the first ever HDBank Petrolimex 4-in-1 co-branded card in Vietnam. The card integrates features of credit cards, debit cards, prepaid cards, and Petrolimex's loyal customer account (Petrolimex ID) on a single physical card. HDBank also creates an impact on the market with a range of new card products, including the outstanding HDBank Vietjet Platinum card with superior benefits.

These useful and modern products, along with well-planned and effective deployment, have helped HDBank achieve encouraging results. The number of cards issued quadrupled from 2021. Credit card transaction volume also quadrupled from 2021. In addition, POS transaction volume increased by 90% and QR code transaction volume increased by 10 times compared to 2021.

With the goal of digitizing all activities to bring the best convenience and experience to customers nationwide, HDBank has pioneered the

7 STRENGTHENING DIGITAL NETWORK OPERATION TO PROVIDE CONVENIENT TRANSACTIONS FOR CUSTOMERS NATIONWIDE



» *Localized websites for 63 provinces*

deployment of online banking and financial services to 63 provinces and cities. Customers now only need to access the HDBank website to easily access localized financial solutions that are suitable for each region's characteristics, instead of having to go to a transaction office.

At the same time, for traditional transaction channels, HDBank continues to open 18 new branches/transaction offices, raising the scale of its banking network to 347 transaction points. The financial consumer transaction network coverage has also been expanded to over 24,400 transaction points, with an addition of more than 2000 points, creating favorable conditions for local residents to access financial and banking services to serve their personal and production needs, contributing to promoting the local economy.



» *HDBank senior management joined the Seminar "Digital Transformation for a Cashless Payment Society"*



» *"Enriching confidence – Enabing achievements" – the encouraging Management – Employee dialogue*

8 FIVE CONSECUTIVE YEARS AS "THE BEST COMPANIES TO WORK FOR IN ASIA"

Recognizing that people are the most valuable asset, HDBank constantly strives to build a professional, friendly, and effective working environment by implementing pioneering recruitment policies, training programs, and employee benefits. In 2022, the average income of staff and employees increased by 37.76% compared to 2021. Currently, HDBank's salary and welfare system ranks among the best in the bank sector. To ensure a fair and transparent working environment, the Bank's human resources management recorded positive changes through the issuance of Policy on preventing discrimination and a complaints mechanism to ensure the rights of employees, as well as comprehensive digitization of the administration process, and connecting the development of human resources.

The well-being of its over 16,000 staff and employees is also a top priority for the Bank, which fosters their attachment to their "second home" through a range of initiatives that connect leaders with employees nationwide. These include programs such as "Enriching Confidence" and "Happy Friday" that encourage dialogue and engagement, as well as internal competitions such as "My HDBank" writing contest, "Graceful HDBank" photo competition, and "Our Job Stories" video clip competition, all of which have had positive effects. In recognition of its commitment to its workforce, HDBank was honored with the prestigious "Best Workplace in Asia" award for an unprecedented 5 years in a row, as bestowed by HR Asia, the foremost personnel magazine in the region.



» *In 2022, the 5th year in a row, HDBank was the only bank awarded "The Best Companies to Work For in Asia" by HR Asia – the top asian HR Magazine*

9 CONTRIBUTING TO THE COMMUNITY

With a sustainable development orientation, spreading love and positive impact to every locality where HDBank operates, in 2022, HDBank continues to fulfill its social responsibility, accompanying localities across the country to support vulnerable groups through programs such as building charity houses, providing flood shelters, donating health insurance cards, sponsoring scholarship funds for poor students and patients, and supporting difficult circumstances and disadvantaged people.



» *HDBank shared necessities to the disadvantaged people in Da Bac Town, Hoa Binh Province on the occasion of the Luna New Year Quy Mao 2022*



» *HDBank sponsored the eye surgery for the poor across the country.*

Up to now, HDBank has sponsored thousands of cataract surgeries for poor patients and donated tens of thousands of health insurance cards to the underprivileged nationwide. The Bank also cooperates with HD SAISON to implement preferential credit packages to support workers and laborers in industrial parks and export processing zones across the country to improve their quality of life. In 2022, for the sixth year, HDBank remained an active supporter of the Countries' major Futsal tournaments and was the main sponsor of the HDBank International Chess Tournament in its 10th year, with the desire to contribute to the development of Vietnamese sports on the journey to reach the international level.

10 REPUTATION AND BRAND VALUE CONSTANTLY IMPROVING

In 2022, HDBank was honored with 24 prestigious awards and an accolades, including 13 domestic awards and 11 international awards, affirming its reputation and position among the leading banks.

HDBank received an accolade from the Prime Minister, awarded a commendation by the State Bank of Vietnam, and received recognition from the People's Committee of Ho Chi Minh City for its significant contributions to the state budget. At the announcement ceremony for the Top 50 reputable and efficient public companies and the Top 10 reputable commercial banks in Vietnam in 2022, HDBank was honored in both categories and ranked among the Top 5 reputable private joint stock commercial banks. Forbes magazine also recognized HDBank as the leading financial brand.

Mibrand Vietnam (partner of the Brand Finance Group) evaluated the HDBank's Brand in 2022 and found that it had risen 8 places compared to 2021. It was also ranked The Bank with the highest rate of frequent customer usage, as well as the lowest rate of customer attrition.

» *HDBank honored in "The top financial brands 2022" by Forbes Vietnam*



PIONEERING TRANSFORMATION
STRIVING FOR THE EXCELLENCE





2 GENERAL INFORMATION

40 | Overview
41 | Subsidiaries and affiliates
42 | Business lines and business locations
44 | History of establishment and development
46 | Financial growth for the years 2020, 2021, and 2022
48 | Business Environment, Opportunities, and Challenges
49 | Economic Outlook
50 | HDBank's Risk Management
54 | Assessment of 2022 Performance Based on the 2021-2025 Development Plan
58 | 2021 - 2025 development strategy targets
60 | Medium and long term development strategy
62 | Sustainable Development Goals (Environment, Social and Governance - ESG)
64 | Outstanding Impressions and Awards

OVERVIEW

Name in Vietnamese	**NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN PHÁT TRIỂN THÀNH PHỐ HỒ CHÍ MINH**
Name in English	**HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK**
Abbreviated name	**HDBank**
Business Registration Certificate	**No. 0300608092 issued by Ho Chi Minh City Department of Planning and Investment, 1st registered on 11th August 1992 and 32nd amended on 02nd Nov 2022**
Current charter capital	**VND 25,303 billion**
Owner's equity	**VND 38,995 billion**
Head Office	**No. 25Bis Nguyen Thi Minh Khai Street, Ben Nghe Ward, District 1, Ho Chi Minh City**
Tel	**(84-28) 6291 5916**
FAX	**(84-28) 6291 5901**
Website	**www.hdbank.com.vn**
License of Establishment and Operation	**No. 26/GP-NHNN issued by the State Bank of Vietnam on 12th February 2020 and Decisions amending and supplementing the License of Establishment and Operation No. 26/GP-NHNN dated 12th February 2020**
Logo	HDBank
Ticker	**HDB**

SUBSIDIARIES AND AFFILIATES

Subsidiary

HD SAISON FINANCE CO., LTD. (HD SAISON)

Address	Charter capital	Ownership ratio
8-9-10 Floor, Gilimex Building, 24C Phan Dang Luu Street, Ward 6, Binh Thanh District, Ho Chi Minh City, Vietnam	VND 2,350 billion	50%

History of establishment

HD SAISON Finance Co., Ltd. (*"HD SAISON"*) was originally Société Générale Viet Finance Co., Ltd. (*"SGVF"*) which was owned 100% by Société Générale S.A (French Republic). In 2013, Société Générale S.A transferred 100% of its equity of SGVF to Ho Chi Minh City Development Joint Stock Commercial Bank (*"HD Bank"*) and SGVF changed its name to Ho Chi Minh City Development Joint Stock Commercial Bank Finance Co., Ltd. (*"HDFinance"*).

After getting approval from the State Bank of Vietnam, HDBank successfully transferred 49% of HDFinance's charter capital to Credit Saison Co., Ltd. and 1% of Charter Capital for Ho Chi Minh City Securities Corporation. HDFinance officially changed type of enterprise from a one-member limited liability company to a limited liability company with two or more members and officially renamed to HD SAISON Finance Co., Ltd.

Products and services

HD SAISON offers consumer loan products, including: installment loans for transport vehicles, household appliances and furniture, tuition fee, beauty expenses, dental expenses, wedding ceremony, travel, sports, and cash for personal use.

In addition, HD SAISON mobile application that is available on both IOS and Android allows clients to apply for such loans entirely on-line with just a few touches on their mobile phone screens.

HD SAISON's international credit card HD SAISON VISA embedded with contactless payment EMV chip offers clients a modern, fast and highly secure payment method.

Transaction points as of 31 December 2022

24,496 transaction points in 63 cities and provinces nationwide.

Affiliate

Pursuant to the BOD's Resolution No. 05/2022/NQ-HDQT dated March 3, 2022 on the change of HDBank AMC's business type from One-member Limited Liability Company to Joint Stock Company with HDBank's capital contribution ratio is only 2%, HDBank AMC is no longer an affiliated company of HDBank.

BUSINESS LINES AND BUSINESS LOCATIONS



HDBank was established and operated under Decision No. 47/QD-UB of the People's Committee of Ho Chi Minh City dated February 11, 1989 and License No. 26/GP-NHNN issued by the State Bank of Vietnam dated February 12, 2020 (replacing License No. 00019/NH-GP of the State Bank of Vietnam dated June 6, 1992).

The Bank was established in order to perform all activities allowed for a commercial bank under applicable laws, including: mobilizing and receiving short, medium and long-term deposits from organizations and individuals; offering short, medium and long-term loans to organizations and individuals based on types and sources of its funds; carrying out foreign currency transactions, international trade finance services, discount commercial papers, bonds and other valuable papers, providing payment services and other banking services permitted by the SBV.

BUSINESS LOCATIONS

01 Head Office in Ho Chi Minh City

01 Representative Office in Hanoi

01 Representative Office in Myanmar

344 Branches and Transaction offices nationwide

A wide operation network enables HDBank and its member units to outreach customers in all 63 provinces and cities nationwide and surrounding regions, providing diversified services to various types of customers ranging from individual customers to household businesses and enterprises.

LOCATION	QUANTITY BRANCH/TRANSACTION OFFICE
Ho Chi Minh City	61 (Head Office included)
Hanoi	56 (Northern RO included)
North	69
Central	40
Southeast - Central Highlands	74
Southwest	46
Myanmar	01 Representative Office

HISTORY OF ESTABLISHMENT AND DEVELOPMENT

1989

HDBank was established as Ho Chi Minh City Housing Development Commercial Joint Stock Bank.

2011

The bank officially changed its name to the current Ho Chi Minh City Development Joint Stock Commercial Bank.

2013

HDBank acquired Société Générale Viet Finance (SGVF), a wholly owned subsidiary of Société Générale (French Republic). SGVF was renamed to HDFinance.

The bank merged with Dai A Commercial Joint Stock Bank.

2015

HDBank transferred 49% of HDFinance's capital to Credit Saison (Japan) and renamed it as HD SAISON.

2016

HDBank was assigned B2 rating in its first rating by Moody, an international credit rating agency.

2017

HDBank pulled off a successful IPO and was approved to be listed in Ho Chi Minh City Stock Exchange (HOSE).

2018

Its credit rating was upgraded by Moody's to B1. HDB stock was officially traded on HOSE and placed in the top 20 stocks with the highest market cap.

2020

The bank marked its 30th anniversary with a number of prestigious awards and titles.

Its charter capital was increased to over VND 16,088 billion.

The bank successfully issued its USD 160 million international bonds – marking itself as a credit institution with the largest volume of bonds issued in 2020.

2021

Moody's increased its credit rating outlook from Stable to Positive.

Its charter capital was increased to over VND 20,073 billion.

The bank successfully placed its USD 165 million international bonds.

2022

Attained a record-breaking business result, joining the group of banks with profit before tax exceeding VND 10 trillion.

Selected as one of the four healthy banks to participate in the project on restructuring the commercial banking system, a representation of trust of the Government and the State Bank of Vietnam.

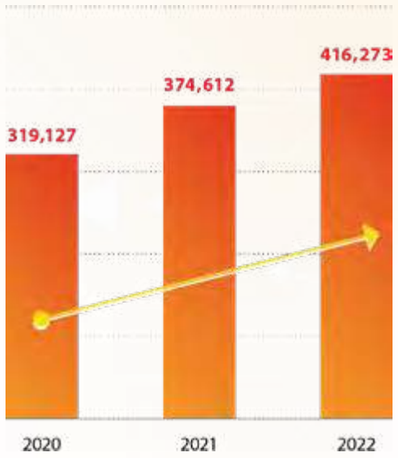
Received numerous prestigious national and international awards, strengthening the brand reputation and market position.



FINANCIAL GROWTH FOR THE YEARS 2020, 2021, AND 2022

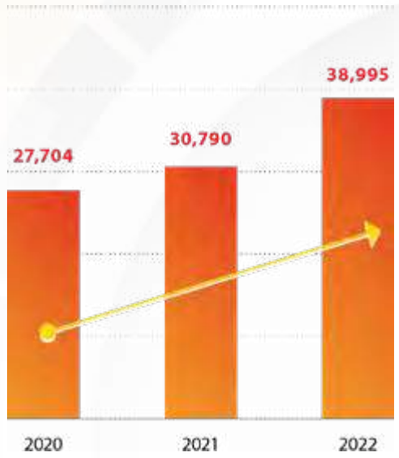
Total Assets *Unit: VND billion*

HDBank's total assets reached VND 416,273 billion for the first time, an 11.1% increase compared to 2021 and a 10-year CAGR growth rate of 22.9%.



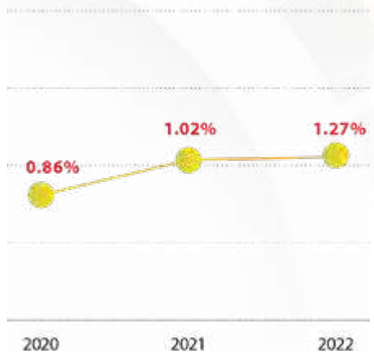
Owner's equity *Unit: VND billion*

Shareholders' equity increased by 27% compared to 2021 and recorded a 10-year CAGR growth rate of 21.9%.



Non-performing loan ratio (*) *Unit: %*

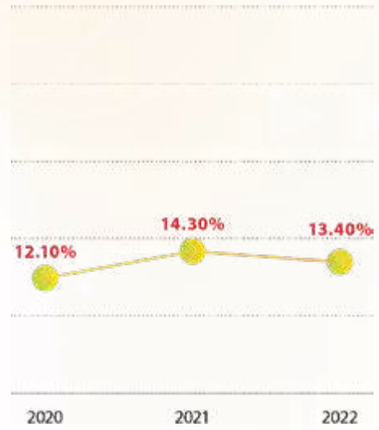
In 2022, the consolidated non-performing loan ratio, as calculated per Circular 11 of the State Bank of Vietnam, was 1.27%. Additionally, the separate non-performing loan ratio for the bank was recorded at a low sector-wise level of 0.96%



(*) Non-performing loan ratio is calculated pursuant to Circular 02/2012/TT-NHNN and Circular 11/2021/TT-NHNN

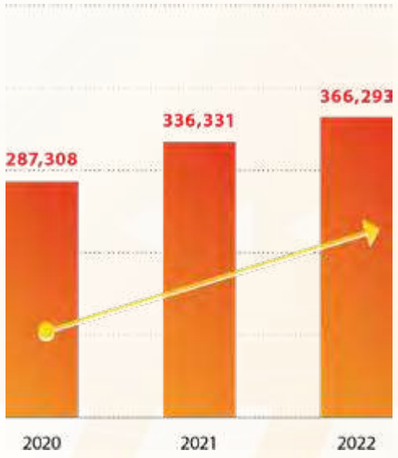
Capital Adequacy Ratio *Unit: %*

Capital Adequacy Ratio of HDBank is always well controlled at a high level compared to the regulatory level of the State Bank of Vietnam.



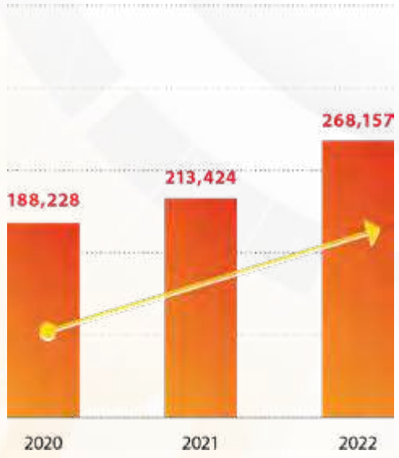
Total Deposits *Unit: VND billion*

Total deposits increased steadily with a growth rate of 8.9% compared to 2021, and recorded a 10-year CAGR growth rate of 23%.



Total credits *Unit: VND billion*

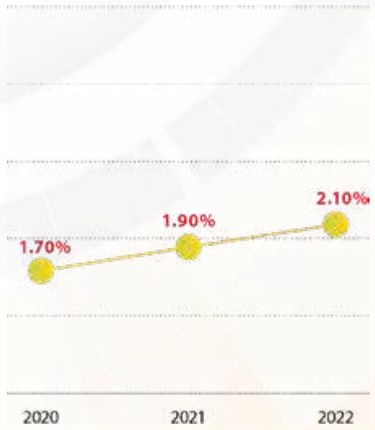
Total credits grew impressively by 25.6% compared to 2021 and recorded a 10-year CAGR growth rate of 26.8%.



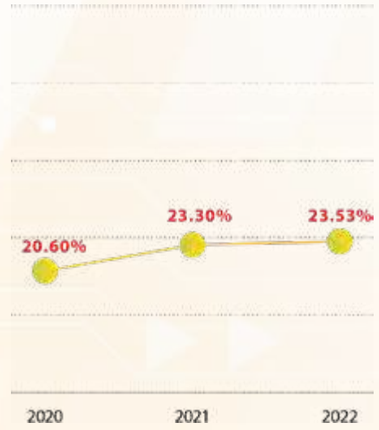
Profitability Ratios

HDBank maintains a high and sustainable profitability ratio, bringing the best returns to shareholders and being among the leading group in the industry, with a 10-year CAGR growth rate of 12.0%.

ROA *Unit: %*



ROE *Unit: %*



BUSINESS ENVIRONMENT, OPPORTUNITIES, AND CHALLENGES

In 2022, the global economy experienced rapid and unpredictable fluctuations, with growth declining sharply to 3.2% from 6% in the previous year, while inflation increased to 8.8% from 4.7%. The Russia-Ukraine conflict and China's zero-Covid policy had adverse effects on the global supply chain, and tightened monetary policies led to declines in production and consumption, negatively impacting global trade and investment. Despite these challenges, Vietnam's economy achieved positive results, with GDP growth of over 8%, controlled inflation below 4%, and strong rebounds in industrial production and consumption after the pandemic. Import and export activities, foreign investment, and VND/USD exchange rates were all positive, while interest rates, capital markets, and real estate markets faced challenges due to liquidity issues and investor sentiment.

Overcoming international challenges, Vietnam's economy achieved some positive results last year. GDP growth exceeded 8%, inflation was kept below 4%, industrial production and consumption recovered strongly after the pandemic, import and export activities remained strong, and foreign investment attraction remained positive; the VND/USD exchange rate remained stable. In addition to the benefits mentioned above, the domestic economy experienced disruptions last year when interest rates rose in the fourth quarter of 2022 due to a lack of liquidity in the money market during some stressful times; the capital market experienced strong fluctuations due to investor sentiment; and the real estate market faces many challenges when both access to capital and liquidity decline.

In the context of good domestic economic growth but facing many difficulties and challenges, as well as many rapid, complicated, and unpredictable fluctuations, the Government and the State Bank have managed monetary policy proactively, flexibly, and closely coordinated with fiscal policy and other policies, ensuring system safety and liquidity, contributing to macroeconomic stability, and controlling inflation. According to data from the State Bank, credit of the whole economy in 2022 has increased by 14.17% compared to the end of 2021 to meet the capital needs of people and businesses. The foreign currency market is basically operated smoothly and stably. Vietnam Dong depreciated only about 3.56% against the USD compared to the end of 2021, lower than other currencies in the region and the world (CNY decreased by 9.86%, Korean Won decreased by 8 ,64%, Japanese Yen down 14.97%...)

The trend of digital transformation and cashless payments continued to be implemented, with a focus on building and completing the legal framework to optimize banking operations, simplify and automate business processes, improve efficiency, and enhance customer transaction experience. Cashless payment transactions increased by more than 86% in quantity and 32% in value, with mobile phone and QR code payments increasing by over 150% on average.

ECONOMIC OUTLOOK

Global and Vietnam's Economic Outlook for 2023

The IMF has forecasted global economic growth to reach 2.9% in 2023 and 3.1% in 2024. These relatively modest projections are based on the assumption that many central banks around the world will continue to tighten monetary policy to control inflation for much of 2023, as well as potential geopolitical issues and the risk of a strong resurgence of the COVID-19 pandemic. In addition, the IMF predicts that global inflation in 2023 may decrease to 6.5% from the 8.8% level of 2022, as some central banks consideradjusting interest rates downwards when inflation control targets are close to being met.

In Vietnam, the National Assembly has set a target of 6.5% GDP growth for 2023, and the assessments and forecasts of research organizations inside and outside the country also place similar expectations on the basis that Vietnam is one of the bright spots in terms of economic growth, with FDI inflows showing a strong upward trend, trade balance continuously achieving a surplus for many months, diversified export goods, increasing competitiveness, and many vibrant tourism promotion activities. As a country with a high level of trade openness, Vietnam is directly affected by cost factors and imported inflation. However, 2023 also has favorable factors such as domestic economy on the path of recovery, low budget deficit, and achieving budget revenue targets to create a suitable fiscal policy space. In addition, global inflation is forecasted to gradually cool down, and the prices of certain commodity goods will have certain downward pressure... Therefore, Vietnam is fully capable of controlling inflation at 4%-4.5% as set by the National Assembly's target.

Opportunities and Challenges

Accompanying the advantages and challenges of the economy, the banking industry still has opportunities to develop, grow, and help stabilize the macroeconomy, but it also cannot avoid the risk factors in 2023.

The pressure of monetary policy management to balance the objectives of controlling inflation, sustainable economic growth, while ensuring the stability of the financial market and the major balances of the economy is considered one of the biggest challenges for the State Bank and the banking industry. In addition, the banking industry is also assigned the task of improving the liquidity of the corporate bond market and strengthening investor confidence, minimizing risks to facilitate and meet capital needs for production and business, helping businesses recover and develop, and reducing dependence on bank credit.

However, the opportunities for the banking industry to develop sustainably and effectively are still relatively promising. In today's digital trend, banks are heavily investing in upgrading and perfecting new technology infrastructure to not only ensure information security but also perform digital transformation to automate business processes, supply banking products and services on digital platforms, improve service quality, and enhance convenience and experience for customers.

HDBANK'S RISK MANAGEMENT

Risk Management System

1. RISK MANAGEMENT ACTIVITIES IN 2022

In 2022, HDBank continued to maintain a good internal control system, with 3 pillars of Basel II and compliance with Circular 41 and Circular 13, including: CAR calculation according to Basel (pillar 1), application of internal capital adequacy assessment process (ICAAP) (pillar 2), and transparency of information (pillar 3).

The prudential ratios of HDBank are always strictly managed within the limits prescribed by the State Bank. Capital adequacy ratio CAR reached 13.4%; The separate non-performing loan ratio (according to Circular 11/2021/TT-NHNN) of HDBank reached 0.96%; The ratio of short-term funds used for medium and long-term loans is 8.4%, lower than the prescribed level of 34%. The loan to deposit ratio is 81.1% compared to the maximum limit of 85%.

HDBank regularly organized training courses to improve knowledge of risk management, update new regulations and enhance risk management awareness from management to employees. In addition, HDBank also continued to further improve the internal control system mentioned above, through preparing to implement Basel III (with the advice of a leading consulting company), with the direction of becoming one of the Vietnamese banks with a modern, healthy and sustainable risk management system, committed to the highest benefit for customers.

Moreover, HDBank was one of the first banks in Vietnam to issue Regulation on Environmental, Social, Governance (ESG) management, in accordance with the state's policy on green growth and international norms, and is also upgrading its risk management system on environmental-social factors in credit granting and trade finance activities, with advice from leading consulting companies.

2. INTERNAL CONTROL SYSTEM

HDBank has implemented an Internal Control System in accordance with Circular 13 of the State Bank, and the Basel Standard: applying three (3) lines of defense and five (5) key activities in the following model:





» *Kick-off ceremony of the consulting project on Upgrading Basel II to Basel III*

System of regulations, limits, and prudential ratios

The system of regulations, limits, and prudential ratios are continued to be developed and completed by the bank. The system of regulations is organized into three levels: Regulations (issued by the Board of Directors to set general policies and directions), Policies and Guidelines/Products (issued by the Chief Executive Officer and implemented appropriately from time to time), encompassing all activities to standardize operations and ensure safety for the bank.

Since 2013, the bank has successfully implemented a quality management system according to ISO 9001:2008 (now upgraded to the latest version in 2018) and the 5S standard (Sort, Set, Shine, Standardize, and Sustain).

In addition, the bank regularly establishes and adjusts its system of limits related to credit transactions, money market transactions, investments, and prudential ratios related to liquidity, asset and liability management, etc., in accordance with the regulations of the State Bank of Vietnam and in line with HDBank's operations.

3. CONTROL, MONITORING AND INSPECTION SYSTEM

HDBank places special emphasis on its remote control, monitoring, and inspection system as a basis for detecting, warning, and preventing risks before, during, and after transactions.

The system applies multiple methods simultaneously: automatically through the IT system, periodically performed by specialized control departments, or immediately on each transaction.

Reports on the results of monitoring and actual inspection with data, analysis, specific warnings, and proposals are sent in a timely manner to the Board of Management and the Board of Directors for appropriate and timely processing instructions.





Risk management activities

1. CREDIT RISK MANAGEMENT

HDBank has established a strict credit rating system throughout the organization, from headquarters to business units, including all departments at all stages: sales, appraisal, approval, disbursement, and debt collection. The credit approval process is applied independently at the proposal - appraisal/valuation - approval stages, clearly defining the steps and responsibilities of each participating party.

HDBank has also established strict regulations on credit granting, collaterals, and lending by industry, purpose, type of collateral, etc. to mitigate concentrated risks.

In addition, with the advice of leading auditing firms, HDBank has successfully built an internal credit rating system for individuals, enterprises, credit organizations and submitted it to the State Bank of Vietnam for official application since 2011, which is an important basis in the process of credit granting, debt classification and risk provision. Currently, HDBank is reviewing and perfecting this credit rating system with the application of artificial intelligence (A.I) technology.

HDBank is implementing and perfecting many systems and tools to improve and better control, including limit management system, centralized approval system at approval centers, disbursement and documentation, centralized notarization management system at Credit support management Centers... Currently, HDBank is implementing the upgrade of loan origination system (LOS) from leading software companies with the ability to handle multi-channel credit applications quickly, efficiently, safely to serve customers better.

The handling of overdue debts continues to be emphasized through regular activities of the Overdue Debt Handling Steering Committee with the participation of the Management Council, the Board of Management and coordination of regions, applying effective non-performing loan handling measures, and consistent with the Government's policies.

In 2022, with the challenges after the Covid-19 pandemic and the global economic decline, HDBank has implemented many solutions in line with the Government's policies and has controlled the consolidated non-performing loan ratio (per Circular 11) at 1.27%, for HDBank only was 0.96%.

2. LIQUIDITY, INTEREST RATE, MARKET RISK MANAGEMENT

In 2022, HDBank completed three important projects, including investment and implementation of business software, treasury management, upgrading the system of regulations on liquidity risk management, interest rate risk for the banking book, and improving the system of regulations on market risk management (with the advice of a leading audit company), to ensure effective, safe, and Basel-compliant operations.

In 2022, HDBank continued to upgrade the Asset and Liability Management (ALM) software and fund transfer management (FTP) to further enhance the efficiency, safety, and liquidity management of the bank.

The Liquidity and Market Risk Management department regularly monitors and warns of limits in foreign exchange trading, debt and equity securities investments. The liquidity and prudential ratios in accordance with State Bank of Vietnam regulations are always ensured.

In response to fluctuations in exchange rates, interest rates, and bonds in 2022, HDBank conducted a number of stress tests on market risk and liquidity risk, which showed that HDBank still ensured effective and safe operations.

3. OPERATIONAL RISK MANAGEMENT

The operational risk management function is continuously improved through operational risk management policies and gradually implementing monitoring of risk-related indicators for personnel and information technology systems.

In 2022, with the advice of a leading consulting company, HDBank has been upgrading its operational risk management framework along with supporting softwares to improve important activities such as Loss Data Collection (LDC), Risk and Control Self-assessment (RCSA), Business Continuity Plan (BCP), monitoring of key operational risk indicators, etc., in compliance with the requirements of State Bank of Vietnam and international standards.

4. CONCENTRATION RISK MANAGEMENT

HDBank continues to improve concentration risk management in two main operations (in accordance with Circular 13): concentration risk in credit granting and concentration risk in proprietary trading of foreign exchange, bonds, through building and implementing a tightly-controlled risk limit system such as maximum loan limits for each customer, related customer group, maximum proportion of lending by industry/field, maximum proportion of proprietary trading for some foreign exchange and bond products, etc.



ASSESSMENT OF 2022 PERFORMANCE BASED ON THE 2021– 2025 DEVELOPMENT PLAN

HDBank has made significant progress in accomplishing concrete results by executing several specific action plans to align with the medium and long-term development strategy, while implementing the 2022 plan.

Profit before tax reached a record level of

VND 10,268 billion

↑ up 27.2% YoY

✓ fulfilled 105% of the plan set by shareholders.

Effectiveness associated with strategic objectives

HDBank has dealt with market fluctuations in the domestic and international markets to achieve success in 2022, completing and exceeding the key targets.

ROEA reached

23.5%

ROAA reached

2.1%

CAR ratio reached

13.4%

All of these achievements continue to affirm the appropriate and effective strategy of HDBank in the context of a volatile business environment, as well as confirm the bank's leading position in the market.



IMPLEMENTATION OF INITIATIVES AND STRATEGIES

Aiming to become one of the most profitable banks by 2025, HDBank has focused on implementing strategic initiatives in 2022 to change and achieve breakthroughs in business models, operations, risk management, corporate culture, comprehensive training and digital transformation.

As of now, most of the projects have been kept on schedule, making positive contributions to improving labor productivity of employees and customer experience, improving risk management efficiency and automating operations, while effectively utilizing HDBank's advantages in key business areas, including retail, supply chain financing, small and medium-sized enterprises, agriculture, and rural areas.

PROMOTING DIGITAL TRANSFORMATION

From 2021 to 2025, HDBank focuses on investing in digital transformation and developing digital banking. In the past year, the bank has digitized the customer journey for individual and enterprises customers, including account opening, credit card issuance, time deposit account opening, online foreign currency trading, and issuing letters of credit to shorten transaction time and enhance customer experience. HDBank clearly understands the importance of data in the digital transformation process and has implemented many projects related to the use of big data, building an RFM (Recency, Frequency, Monetary) machine learning model to classify potential customer segments, helping to increase conversion and cross-selling products to business units.

HDBank is also one of the pioneering banks in automating operation processes with robots to optimize processes and reduce operational costs, including human resources and customer services.



» *HDBank won the Vietnam Digital Transformation Award in 2022*

Achievements in digital transformation in 2022

E-banking transaction volume:

↑ 96%

from 2021.

E-banking transaction value:

↑ 547%

from 2021.



Completed digitization of customer journey at the counter: opening accounts via tablet, savings, investment and insurance purchases, opening credit card accounts, and secured loans against savings.

- Time to open new accounts for customers decreased by 73% (from 30 minutes to 8 minutes).
- Customer information management and inquiries became faster and more convenient thanks to the Customer360 feature integrated on tablets.

Completed digitization of customer journey on mobile devices

- One-touch banking services provided the most personalized and convenient experience for customers.
- Upgraded financial products to meet flexible financial requirements for customers, such as credit card installment conversion on mobile devices, opening attractive account numbers, and QR code transaction payments.



Applied digital transformation in operational processes and customer experience journey

- Upgraded eKYC account opening process on HDBank mobile app
- Connected with HD SAISON through online account opening on HDSaison app, commission program for partners, and connection with Vietjet Air.
- Built and standardized an automatic reporting system to support management, operation, and business development.



2021– 2025 DEVELOPMENT STRATEGY TARGETS

HDBank's strategic vision and objectives are to become a leading SME, Retail and Consumer Bank and among the top finance and banking group in Vietnam and Southeast Asia, contributing to the development and integration of global financial markets. Specifically:



DIGITAL BANK

Pioneering in information technology, digital banking development and fintech, etc. with diversified quality and convenient financial products and services, thereby becoming the people's bank of choice - the Happy Digital Bank.

ADVANCED CONSUMER FINANCE



urning HD SAISON into a leading consumer finance company, while improving and harnessing the ecosystem of Finance - Aviation - Retails - Consumers - Energy - Telecoms - Real estates with the aim of serving more than 40 million individual and corporate customers in the economy, bringing the highest benefits to shareholders, partners, customers and employees.

GREEN BANK – SUSTAINABLE DEVELOPMENT



Adhering to a development strategy of sustainability, further promoting Green Bank initiatives, contributing to the growth of a Green Economy for a sustainable society, environment, and future development of Vietnam.

HDBank
Committed to your best returns



MEDIUM AND LONG TERM DEVELOMENT STRATEGY

For the Bank's development goals

HDBank's 2023 business plan is aligned with its medium and long-term development strategy, consisting of

07 specific action programs



1 ASSOCIATING OPERATIONAL EFFICIENCY WITH STRATEGIC DEVELOPMENT STRATEGY:

Fulfill the targets for 2023 and launch strategic initiatives to ensure a satisfactory profit and financial metrics as specified in the Bank's strategy as well as commitments towards investors, strive to become the third most profitable bank by 2025.

2 ACCELERATING DIGITAL TRANSFORMATION:

Accelerate digital transformation across all aspects to facilitate the full integration of HDBank in the digital era; shift from multi-channel into an omni-channel business model on online platforms, The Bank aims to acquire one million new individual customers and fundamentally complete customer journey digitalization.

3 DIVERSIFYING CUSTOMERS AND DISTRIBUTION CHANNELS:

Discover potential customers, effectively acquire ecosystem customers, promote chain financing and connect with platform partnerships. HDBank will diversify sales channels via its App and website, adopting an e-Commerce mindset, and set up a digital banking business center to lead the online sales channel. It will also develop a shared network of KIOSK BANK and ATMs.

4 EXPANDING PRODUCTS AND SERVICES

Develop industry-specific products and services in line with chain potential, continue to leverage existing strengths and replicate our business model in rural and agriculture-based markets. Promote cross-selling and distribution of retail products: insurance (life and non-life), bonds, cards, properties, vehicles. Improve HDBank's position as one of the top 5 performers in life insurance. Characterize HDBank's card products with superior quality, promote card issuance on the platforms of: integrated cards, co-branded cards, student cards, complete installation of POS for partners and expand the merchant network.

5 ESTABLISHING BRAND NAME FOR PRODUCTS AND SERVICES:

Reposition HDBank's brand towards Happy Digital Bank. Boost digital marketing campaigns for products and services and promote online customer onboarding. Improving HDBank's brand identity at branches and transaction offices, becoming one of the leading commercial banks with established brand's image and identity.

6 BUILDING A PROFESSIONAL CULTURE:

Strengthen discipline and order, focusing on leaders' accountability and cultivate a "Make-it-happen" culture with a high level of commitment and performance-based rewards.

7 ENHANCING POSITION OF HDB STOCK:

Advance the position of HDB shares, target higher growth and valuation than the industry average, and firmly retain HDBank in the VN30 basket.

HDBank focuses not only on achieving its 2023 business targets but also on adopting international best practices in risk management and complying strictly with regulatory requirements. With remarkable financial capacity, a strong ecosystem of potential customer base, and a sound business strategy, HDBank is well prepared for rapid and sustainable growth in the coming time.

SUSTAINABLE DEVELOPMENT GOALS (ENVIRONMENT, SOCIAL AND GOVERNANCE – ESG)

During the COP26 conference in 2021, Vietnam pledged to attain net zero emissions by 2050 and endorse a circular economy to cope with the effects of climate change. In light of this objective, HDBank acknowledges the pivotal function of banks in advancing the growth of eco-friendly financial tools by endorsing eco-friendly and socially accountable business ventures that safeguard the environment and counteract climate change.

HDBank has been at the forefront of promoting environmentally sustainable projects in Vietnam since 2018. In 2023, the Bank plans to maintain this momentum by concentrating on securing funds and increasing disbursement for projects that are both environmentally responsible and socially beneficial, while also ensuring they do not pose any risk to the community. Furthermore, HDBank intends to prioritize projects that promote overall social development, in order to achieve their comprehensive financial objectives.

HDBank is committed to integrating sustainable development goals, which encompass environmental, social, and governance aspects, into its overall business development objectives. The Bank acknowledges that sustainable development is crucial for achieving development goals and creating multidimensional value, as well as mitigating risks related to the environment, society, and corporate governance, all of which are essential for the bank's sustainable growth. This aligns with the expectations of responsible shareholders and investors, both locally and internationally, who are collaborating with HDBank to implement long-term financial solutions for the region.

The following are specific sustainable development goals towards the 2021-2025 strategic goals:

- Coordinate with international consulting firms to develop and implement an Environmental and Social Risk Management System that includes risk classification, assessment, and monitoring processes.
- Enhance the capacity and knowledge of the implementation team on Environment and Social issues.
- Research and integrate appropriate objectives from the "National Green Growth Strategy for the period 2021-2030, 2050 vision" issued by the Government on October 1, 2021, into HDBank's strategic objectives. Support initiatives to reduce greenhouse gas emissions on GDP and greenify economic sectors. Aim to expand the climate finance portfolio to USD 800 million by 2025, reducing emissions by over 54,000 tons of carbon dioxide per year.
- Improve the awareness of HDBank employees on the mechanism of receiving and resolving complaints, feedback, and non-discrimination policies.
- Accompany the development of the community and society by promoting access to financial services for individual customers and SMEs, especially SMEs owned by women or business owners in rural and remote areas, via traditional banking and digital banking channels.
- Commit to not financing coal-related activities such as coal mining, coal transportation, or coal-fired power plants, as well as infrastructure services dedicated to supporting such activities.

Pioneer Bank promotes

GREEN FINANCE,

towards the goal

EMISSIONS reach 0 by 2050





Certificate of Merit awarded by the Prime Minister for outstanding achievements in the prevention and control of the Covid-19 epidemic; contribute to building socialism and defending the country.

Emulation flag of the State Bank for outstanding achievements, leading the emulation movement of the banking industry

Top 50 prestigious & effective public companies

Top 10 Famous Brands in Vietnam

Top businesses with sustainable development

Top 10 prestigious Vietnamese commercial banks



Vietnam Digital Awards 2022



5 consecutive years achieve "Best place to work in Asia" voted by HR Asia Awards



Top 5 Banks with the largest forex trading volume on FX Matching



Excellent international payment quality for MT 202 EUR - J.P Morgan

Outstanding Impressions and Awards



Large-cap listed companies have the best Annual Report in 2022



The most disruptive brand health growth bank in 2022



The bank with the highest customer loyalty index in 2022



Top 10 green brands in 2022



The best bank for sustainable development



Top 25 leading company brands in the field of finance and F&B



Top 50 best growth enterprises in Vietnam



The best customer service bank in Vietnam



Leading bank in card transaction volume growth in 2022



Leading bank in terms of credit card transaction volume growth in 2022



The bank that provides the best credit card service



The best bank providing loans for SMEs in Vietnam



The best customer service bank in Vietnam

TECHNOLOGY BREAKTHROUGHS POSITION ELEVATION

3 BUSINESS RESULTS IN 2022

68 | Overview of business results in 2022

90 | HDBank's market presence and reputation

92 | Subsdiary companies

OVERVIEW OF BUSINESS RESULTS IN 2022

1. Overview of business operations

HDBank reported a profit before tax of

VND **10,268** billion

- an increase of 27.2% YOY growth compared to 2021
- completing 105% of the shareholder's plan.

Service segment experienced high growth, with prudential ratios and performance indicators being the amongst the leading bank group.

Total assets reached VND 416,273 billion, an increase of 11.1% compared to 2021.

Shareholders' equity reached VND 38,995 billion. with charter capital increasing from VND 20,073 billion to VND 25,303 billion through the issuance of shares to pay 2021 dividends at a rate of 25%.

Total credits reached VND 268,157 billion, an increase of 25.6% compared to 2021, achieving 105% of the plan and in line with the State Bank of Vietnam's credit growth direction.

Total deposits reached VND 366,293 billion, an increase of 8.9% compared to 2021, achieving 93.3% of the plan, of which tier-1 capital (customer deposits and issuance of securities) reached VND 259,959 billion, an increase of 15.0% compared to 2021, achieving 93.8% of the plan. HDBank's funding is balanced and optimized with credit growth through various policies and promotion programs.

HDBank's profit before tax in 2022 reached VND 10,268 billion an increase of 27.2% compared to 2021, achieving 105% of the plan. Specifically, net interest income reached VND 18,012 billion, an increase of 29.7% compared to 2021, with net interest margin (NIM) increasing by 0.8 percentage points from 4.4% in 2021 to 5.2% in 2022. Non-interest income reached VND 3,956 billion, an increase of 37.9% compared to 2021. The growth in non-interest income was based on the foundation of increasing service fees and the potential of the bancassurance and card businesses. Credit cost was controlled at a low level thanks to the bank's asset quality being amongst the best in the industry..

The return on average asset ratio (ROAA) of HDBank reached 2.08% and the return on average equity ratio (ROAE) was 23.5%.

HDBank is one of the top banks in terms of profitability.

Throughout 2022, HDBank played a role in advancing the economy's growth and sustainability by offering a range of programs and solutions aimed at supporting customers in overcoming challenges. These initiatives were implemented in line with the government's policies and the State Bank of Vietnam's programs to enhance the efficacy of the socio-economic development program for 2022-2023. Among the notable programs were:

- TImplementing a 2% interest rate subsidy program from 40,000 billion VND State budget. Coordinating with the Vietnam General Confederation of Labor to implement a VND 10,000 billion credit package for lending to workers in industrial parks and export processing zones with preferential interest rates being 50% of the market interest rate.
- Implementing a VND1,000 billion credit package with preferential interest rates and lending limits for "salary payments for corporate customers" to provide timely support for employee salary payments.
- Implementing a program "Support for Contractors" with a comprehensive funding support policy including additional working capital, funding for contract packages, guarantees, and issuance of L/Cs with many outstanding advantages in lending interest rates and guarantee fees.

KEY PERFORMANCE INDICATORS

Unit: VND billion, %

Items	FY2020	FY2021	FY2022
1. Capital			
Chartered capital	16,088	20,073	25,303
Total assets	319,127	374,612	416,273
Capital Adequacy Ratio	12.1%	14.3%	13.4%
2. Business Results			
Total deposits (separate)	2,074,731	2,505,144	3,442,169
Total credit (separate)	144,737	238,279	282,799
Loan Collection (separate)	178,737	210,725	224,660
Overdue loan	4,616	8,698	11,791
Non-performing loan	2,357	3,360	4,404
Capital utilization ratio	3.8%	4.7%	4.9%
Overdue guarantees / total outstanding guarantees balance ratio	0.07%	0.01%	0.03%
Overdue loan/ total credit	2.59%	4.28%	4.47%
Non-performing loan / total credit	1.32%	1.65%	1.67%
3. Liquidity Ratios			
Current ratio	11.8%	14.0%	15.2%
Overall liquidity ratio	78.3%	74.3%	61.4%

2. Actuals vs. Plan

HDBank recorded business results with high growth indicators, achieving or exceeding the set targets.

KEY PERFORMANCE INDICATORS

Unit: Billion dong, %

Items (Consolidated)	31/12/2021	31/12/2022	2022 Shareholders' Meeting Plan	% completion / 2022 plan
Total asset	374,612	416,273	440,439	95%
Chartered Capital	20,073	25,303	25,503	99%
Total deposits (*)	336,311	366,293	392,683	93%
In which: Deposits from customers and valuable papers	*226,039*	*259,959*	*277,270*	*94%*
Total credit	213,424	268,157	256,060	105%
Non-performing loans (**)	1.02%	1.27%	≤ 2%	Achieved
Profit before tax	8,070	10,268	9,770	105%
Profit after tax	6,453	8,209	7,816	105%
ROE after tax	23.3%	23.5%	22.2%	106%
ROA after tax	1.86%	2.08%	1.9%	108%

(Source: FY2021 and FY2022 Audited consolidated financial statements)

(*) Total deposits includes: borrowings from government and state bank, customer deposits, valuable papers, trusted investment funds, deposit and lending from credit institutions.

(**) Non-performing loan ratio is calculated pursuant to Circular 02/2012/TT-NHNN and Circular 11/2021/TT-NHNN.



3. Project Investment

HDBank has implemented strategic investments based on suitable opportunities, with financial investment activities mainly focused on subsidiary companies.

In 2022, HDBank accelerated its digital transformation to enhance labor productivity, customer experience, and aiming to become a fully digitalized bank – a Happy Digital Bank. With a sense of urgency, a scientific and systematic approach, and high determination, HDBank has accomplished many achievements in its digital banking business:

- The number of customer transactions through digital channels exceeded 19 million, an increase of 96% compared to the same period last year.
- The value of transactions through digital channels exceeded 760 trillion VND, an increase of 547% compared to the same period last year.
- The number of new customers in 2022 increased by 97% (almost double) compared to 2021.
- Online services (such as opening savings accounts, applying for credit cards, loans, purchasing life insurance, etc.) achieved a growth rate of over 100%.

HDBank will continue the construction of its new headquarter at Hi-Tech Park - District 9 in 2022, with an eye on finishing and moving into in 2023. The spread of the Covid-19 has delayed completion of this project beyond 2022. HDBank's new headquarters in Ho Chi Minh City's High-Tech Park is being built with worldwide best practices, including but not limited to Tier-3 Data Center, Smart Building and innovation HT Park. The project is part of the plan to "transform the Industrial Park into a technological hub that drives the Ho Chi Minh City's economic growth and socio-economics".

In addition, HDBank has made significant improvements to the new headquarters to make it more suitable for the creation of an ideal and optimal working environment in the digital age, with the goal of transforming it into an Innovation Center. This is the location where large domestic and foreign technology firms and corporations from across the world will congregate to capitalize on the highest quality workspaces, research and product testing facilities and infrastructure to advance their technological innovations following global standards. Meanwhile, HDBank will also greatly benefit from the increased efficiency and adaptability afforded by the hub's location.

4. 2022 Business operation reports by Division

RETAIL BANKING DIVISION

In 2022, HDBank's retail segment grew significantly, exceeding the set target.

Retail customer deposits increased strongly by

50.1% **compared to the same period last year,**

fulfilling 112% of the annual plan.

Lending to retail customers and business households (excluding subsidiary companies) increased

27.7% **compared to the same period last year, fulfilling 108% of the annual plan.**

Transactions through HDBank's digital banking channels grew significantly in terms of revenue and the number of individual customers, setting the foundation for strong breakthroughs in 2023 and placing HDBank among the top banks with the highest digital growth in the market.

With a customer-centric approach, HDBank continuously expands its product and service portfolio, enhances customer experience, and progressively digitizes its entire business and operational activities. Several outstanding initiatives in the year have yielded positive results, including:

- **eKYC application to open accounts directly through the HDBank app:** As one of the first four banks in the market to apply modern technology to online customer identification (eKYC), HDBank continuously improves the registration process to simplify, enhance convenience, security, and enable customers to easily open online accounts regardless of geographic location and upgrade transaction limits of their accounts via video calls.
- **Development of HDBank Mobile App:** The online application developed and upgraded by HDBank on iOS, Android operating systems is committed to providing the most modern service experience and customer satisfaction in the digital transaction journey. It optimizes performance and helps enhance HDBank's competitive position in the digital financial service space. Many products with superior features are continually upgraded on the application, appealing to customers in terms of convenience, usability, time and cost savings, such as Online Cash Advance, Online Savings Pledge, Personalized Account Number service, online savings deposit, etc.
- **HDBank Sky-One product package:** In August 2022, HDBank launched the HDBank Sky-One package completely free of charge for individual customers using payment accounts. The product quickly attracted customers' attention with outstanding utilities such as: no average balance required, free account management, free ebanking maintenance, unlimited free money transfers, free deposit/withdrawal at counters, allowing optional account numbers... In addition, customers enjoyed attractive promotional programs such as *"Zero-Fee Account, Comfortable Life, Car Winning"*, *"Instant Transactions, Instant Car Winning"*...
- **Applying digital technology to connect the ecosystem and partners:** utilizing the advantages of owning a large and potential customers ecosystem, HDBank has implemented initiatives to connect with HD SAISON Finance Co., Ltd to open online accounts for consumer loan customers on the HD SAISON app; connect with Vietjet Aviation Joint Stock Company to provide financial and banking products for air passengers; connect with HD Securities Company to provide new securities trading account services for HDBank customers; connect with major telecommunications corporations to develop Mobile Money applications... These initiatives help HDBank rapidly increase the number of new customers, while diversifying the products and services provided to existing customers.
- **Building a comprehensive customer care application Customer360:** helping to automate processes, to increase sales opportunities, and to manage sales operations. Identifying retail banking as a key focus of its development strategy, HDBank continually diversifies and improves the quality of its products and services, develops its deposit customer base, supports household and small and medium-sized business capital, promotes production and consumption, creates comprehensive improvements, enhances social life, and contributes to local economic development. At the same time, the bank enhances the use of digital technology to carry out non-cash transactions, saving time and reducing operating costs, providing convenience and improving customer experience.





» *HDBank co-operates with Unilever Vietnam, aiming to enhance benefits for corporate and household business*

2023 Action Plan Direction:

In 2023, with the trend of cashless payments and financial transactions in the digital space increasingly developing, HDBank continues to promote the development of digital banking application products and to digitize traditional transactions and to integrate them into modern technology applications. At the same time, the bank keep improving its product and service offerings, implementing many attractive incentives, introducing new and useful features that help save costs and time for customers, and enhance accuracy and maximum security.

In parallel, HDBank will strengthen its policies to attract customers in target segments, maintain its Zero Fee policy to increase competition and attract non-term deposits. In credit activities, HDBank focuses on building specialized product packages by region, developing retail and chain customer networks, partner customers, referral customers, etc. Within the realm of services, the primary emphasis is placed on increasing the value of card business, insurance, and promoting foreign exchange trading services. These are areas that provide customers with diverse choices, embedding service chain in the banking ecosystem, and facilitate growth in line with assigned business targets.



COMMERCIAL BANKING DIVISION

In 2022, the Commercial Banking Division achieved many positive results, exceeding the plan set at the beginning of the year.

Lending to manufacturing businesses fulfilled

120% **annual target.**

Revenue from international transactions surpassed the set plan.

Other indicators also showed positive growth.

In addition to large solar power projects, rooftop solar power, and expanding sponsorship of wind power and waste-to-energy events with a total investment of nearly VND 2,000 billion, HDBank continues to affirm its position as one of the leading banks in Vietnam in green credit.

Supply chain financing continued to grow strongly. By December 31, 2022, the total number of enterprise customers in the entire chain reached over 3,600, an increase of more than 1,000 customers compared to the previous year, with a total credit limit of nearly VND23,000 billion, an increase of nearly 150% compared to 2021. Customers, who are retail points of supply chains, continue to expand throughout the country.

With the motto "Committed to the Best Returns", HDBank always strives to improve cash flow management products and services, thereby to provide better experiences and to help businesses save costs and improve business efficiency, especially in the post-pandemic period. One of the prominent improvements in 2022 is the new version of the Maximum Benefit Account (BeMax), which allows businesses of all scales to confidently perform domestic transfers on the eBanking platform with an unlimited number of transactions and no fees.

In recent years, HDBank has actively provided affordable capital to businesses, created conditions for enterprises to maintain and boost production, business, and ensured employment for workers. The highlights of Green Finance and Comprehensive Finance for Corporate customers are as follows:

- Expanding the scope of financing to wind power and projects on electricity generation from waste, helping to increase the proportion of renewable energy use, turning waste into useful energy to serve human life, and creating a better living environment.
- Introducing specialized lending applications for farmers in the supply chain: customers can perform banking transactions at home without having to go to the transaction counter (opening accounts, applying for loans, etc.). This opens up opportunities for millions of farmers to quickly access modern financial services at the lowest possible cost. These are groups of household and farm customers belonging to the micro-SME group that have been prioritized by the Business Customer Group for resource allocation, budget support, and bringing different financial and non-financial benefits. Based on that, it both increases business efficiency and contributes to nurturing strong corporate customers to develop within Vietnam's strategy of elevating and developing 1 million businesses.

In 2022, the Commercial Banking Division has been pushing for the implementation of digital transformation in business operations, supporting customers, and optimizing operating costs. Some notable technology applications include:

- H2H Application, Service Monitor system, and online meeting minutes signing system help accelerate the processing of loan applications.
- Ecard Application: a platform that allows corporate customers to report information and get their card limits extended from anywhere.
- The loan application for farmers who belong to the Loc Troi Group: customers can open bank accounts and apply for loans from home without having to go to a branch.
- Di-Payroll salary payment service through the *"Online Salary Payment, Full of Benefits"* program. Businesses will experience a completely new digital journey compared to traditional salary payment services, while enjoying many *"0 dong fee"* benefits for payroll, business owners, and employees.

The above digital transformation programs are seen as competitive and highly useful in the market, being enjoyed by many businesses, and expected to become one of the key drivers to help the bank increase the proportion of current account deposits.

2023 Action Plan Direction:

In 2023, the Commercial Banking Division will continue to focus on the bank's overall goal of increasing current account deposits (CASA) by combining digital and traditional solutions to maximize benefits for customers. The Commercial Banking Division will continue to expand green and sustainable lending to create economic value and positive impacts on the environment and society. Through supply chain financing, the Commercial Banking Division will enhance the provision of funding and financial utilities for businesses, farmers, and laborers. In addition, the Commercial Banking Division will continue to innovate and digitize operational processes and service products to bring new and creative experiences to customers when accessing products for enterprises.



CORPORATES AND INSTITUTIONAL BANKING DIVISION

Leveraging the results and achievements last year, in 2022, the Corporates and Institutional Banking Division continued to implement its 5-year strategic initiatives, including Sector Solutions and Customer Relationship Model, with the aim of achieving and surpassing set targets.

The Corporates and Institutional Banking Division will continue to prioritize customers as the center of its ecosystem development, while expanding its chain and strategic partnerships with large conglomerates, corporations, and financial institutions. In addition, the Division has developed new products and services aimed at sustainable digital banking. Some notable results of its activities as follows:

Implementing of the Cashless Payment Project, co-branded card with Vietnam National Petroleum Group (Petrolimex)

On September 16, 2022, the Vietnam National Petroleum Group (Petrolimex) and HDBank officially launched a cashless payment service with the co-branded HDBank-Petrolimex "4-in-1" card. This event marks an important milestone in the cooperation between Petrolimex and HDBank in promoting cashless payment as directed by the government's Decision No. 1813/QD-TTg dated October 28, 2021, approving the plan to develop cashless payment in Vietnam for the period 2021-2025.

The HDBank-Petrolimex 4-in-1 super card (National Card) continues to be a highlight in the cooperative relationship with Petrolimex. The super card is not only a new and convenient payment method, but also a tool for the two companies to better care for customers.

Deploying Mobile Money project with Vietnam Posts and Telecommunications Group (VNPT)

According to the agreement signed on April 15th, 2021, the Strategic Cooperation Agreement between HDBank and Vietnam Posts and Telecommunications Group (VNPT) has been successfully deployed in many fields. Among them, The Corporates and Institutional Banking Division plays a leading role in the bank's close coordination with VNPT to implement the Mobile Money project.

The Mobile Money project contributes significantly to promoting digital and cashless payments, creating a dynamic payment ecosystem. This is an important step in helping HDBank access, tap on the diverse service ecosystem of VNPT. The project also allows users to link their Mobile Money account with their payment account opened at HDBank, the bank's extended arm of traditional banking services, helping people in remote, border, and island areas access a wider range of digital financial services.

Implementing state budget collection and electronic bilateral payment services with the State Treasury and Etax-Mobile with the General Department of Taxation

After successfully piloting electronic bilateral payment with the State Treasury at the end of 2021 and Q12022, on August 1st, 2022, HDBank was approved by the State Treasury to expand its cooperation in collecting state budget and electronic bilateral payment nationwide. By the end of 2022, HDBank had opened specialized collection accounts for the Treasury in 32 provinces and cities nationwide. In 2023, The Corporates and Institutional Banking Division is expected to continue to open specialized collection accounts for the Treasury in the remaining provinces and cities.

In 2022, HDBank was one of the first six banks to connect account authentication with tax authorities through eTax-Mobile. The roll-out of the eTax-Mobile service allows HDBank to provide free tax-payment services to 11 million individual customers of HDBank and 60 million individuals who have been issued tax identification numbers on the eTax-Mobile application.

HDBank is strongly committed to implement the National Digital Transformation program and modernizing state budget collection in a way that simplifies procedures, reduces time and ensures safe and convenient tax payments for taxpayers, while also contributing to promotion of non-cash payment services. This creates opportunities for HDBank to increase new utility services, to attract customers, and to enhance its competitiveness and reputation in the market.

Strengthening cooperation with leading financial institutions in the world to enhance management capacity for HDBank

In May 2022, HDBank and IFC signed a Memorandum of Understanding (*"MOU"*) for strategic cooperation to promote support for Small and Medium Enterprises to access finance and participate in the global supply chain, including high-tech agricultural supply chain financing. The event took place during the visit to the United States by the Prime Minister of the Socialist Republic of Vietnam, Pham



» *Senior representatives of Ministries, Agencies and Petrolimex, HDBank perform the launching ceremony of cashless payment service*

Minh Chinh, leading the Vietnamese delegation to the Special ASEAN-United States Summit in Washington D.C. This cooperation is expected to help HDBank build a supply chain financing portfolio of up to $1 billion in the next 3 years; at the same time, IFC will help HDBank grow its SCF portfolio—currently active in construction materials, agribusinesses, fast moving consumer goods as well as supporting industries and downstream petroleum distribution.

In addition, in 2022, HDBank continued to strengthen its cooperation with partners and investors such as the International Finance Corporation (IFC), a member of the World Bank Group, DEG - Deutsche Investitions- und Entwicklungsgesellschaft, and the Leapfrog Investment Fund to carry out advisory and technical assistance aimed at improving the bank's policy effectiveness and enhancing its capacity in Environmental, Social and Governance (ESG) management. These are important steps that help HDBank contribute positively to the Net Zero goal by 2050 as committed by the government at the COP26 conference, and implement specific actions to realize sustainable development strategies, promote green economy, and collaborate with society and communities.

Continuously enhancing capital capability for HDBank

Representing the Bank, the Corporate and Institutional Banking Division continues to strengthen its capital mobilization activities from leading global development financial institutions such as IFC, ADB, Proparco, KfW DEG, JPMogan, etc. In 2022,more than USD 300 million in foreign loans were disbursed by lenders to HDBank and more than USD 500 million is still under negotiation process for later disbursement. These low-cost long-term funding resources have effectively supported borrowers while enhancing HDBank's reputation in the international financial market.

The above activities are evidence of HDBank's strong rise, as a reliable partner, a safe investment destination, and a reputable and potential player in line with the long-term and sustainable development strategies of international investors in the Vietnamese financial market.

2023 Action Plan Direction:

The Corporate and Institutional Banking Division continues to implement the 5-year transformation strategy for 2021-2025, particularly promoting industry-specific solutions for petroleum, construction, transportation, fast-moving consumer goods (FMCG), increasing revenue from international payment services, foreign currency business, and managing cash flows from the customer ecosystem built in previous years. The division continues to develop its customer base, including private economic groups and FDI customers, while developing new products and services to contribute to the overall strategy of building a happy digital bank and sustainable development.

HDBank will continue to expand its partner relationships and cooperation to optimize resources in capital and take advantage of the best international management practices from leading financial institutions and development financial institutions worldwide, with a direction to continue mobilizing hundreds of millions of USD from long-term foreign loans and convertible bond issuance programs.

TREASURY DIVISION

In 2022, the Treasury Division faced significant pressures and risks both domestically and internationally. HDBank's Treasury Division has implemented flexible and timely policies to maintain and develop efficient and safe management of capital, foreign exchange business, and investments, while minimizing risks. The divison has affirmed HDBank's position and reputation in the treasury and capital markets, playing an active and proactive role in capital sourcing, investment, and capital market transactions, while maintaining its position as one of the top banks in terms of transaction volume in the market.

In 2022, HDBank achieved several notable awards, including:

Top 8 in Government Bond trading on the Hanoi Stock Exchange;

Top 9 in Government Bond Repo trading on the Hanoi Stock Exchange;

Top 10 in Interbank FX trading (FX Matching);

Top 10 in foreign currency trading volume with customers;

Market maker for credit institution bonds and interbank capital market;

Over the past 2 years, the Treasury and Capital Market Division has implemented the Treasury System, a modern and flexible tool to process business transactions, manage risks, and ensure compliance with State Bank of Vietnam's regulations, market, and Basel standards. This system includes Front Office-Middle Office to Back Office and supports automatic transaction processing, business development, and helps minimize risks. Additionally, the Divison has also applied online trading technologies and products, enhancing customer experience and putting customers at the center, including services such as online foreign currency trading on Ebanking and online gold trading on Mobile App.

Regardless of lower-than-expected performance due to adverse impacts by the decline in interest rates and exchange rates in the capital market, currency market, and forex market, contribution by the Treasury Division remains essential to HDBank's overall profits in 2022.

Capital Management activities:

In 2022, in addition to focusing on business specialization, the Treasury Division will continue to coordinate and support the Financial Planning Division in managing liquidity and ensuring the prudential ratios of HDBank.

In addition, the Treasury Division always closely monitors market developments, advises and supports the entire process of issuing valuable papers to the domestic market, contributing to enhancing the bank's capital capacity and stability. Capital resourcing for credit programs supporting renewable energy and green energy sectors is prioritized.

Treasury activities in the interbank market:

In 2022, treasury business activities in the interbank market faced many challenges, including difficulties in corporate bond liquidity, high mobilization interest rates, and a significant difference between credit growth and mobilization. SBV's tightening monetary policy and global political factors continued to put pressure on the market, leading to continuously increasing interbank interest rates since the beginning of the third quarter of the year and reaching the highest level in the past 10 years.

Given the situation, the Treasury Division always closely monitors market developments, ensuring the safety and efficiency of HDBank's capital business, maintaining growth in scale and market share in the domestic and international markets. At the same time, the division's activities continued to maintain the position and reputation of HDBank, supporting partners, promoting healthy competition, and contributing to regulating the supply and demand of currency and stability in the interbank market in accordance with the State Bank of Vietnam's direction and policies.

Foreign Exchange Business:

2022 foreign exchange market, especially from Jan to Oct, recorded continuous interbank exchange rate fluctuations, impacting the interbank foreign exchange business activities at HDBank in 2022. Estimated foreign exchange trading volume reached $27 billion, a decrease of about 50% compared to 2021; however, the net profit from foreign exchange and derivative trading increased by nearly 18% compared to the same period.

HDBank continued to strengthen the development of its Treasury Sales model, while enhancing its business operations and supplying derivative products in the capital market, such as interest rate derivatives (CCS, IRS) and commodity price derivatives, to diversify its products, increase business activities, and enhance customer convenience.



» *HDBank achieved the award of "Top 5 Most Volume Traded 2021" from Refinitive*

The application of Industry 4.0 technology in business operations, adapting to new transaction situations has been actively implemented with solutions such as online foreign exchange trading, online gold trading, and marketing through digital channels. As a result, the foreign exchange trading volume with customers in 2022 positively contributed to enhancing HDBank's position in the foreign exchange market and meeting the trading needs of customers.

Investment and securities trading activities:

2022 witnessed a decline in investment and securities trading activities in the market due to high interest rates and inflation both domestically and internationally. Anticipating the unfavorable market developments in 2022, the Treasury Division took timely action in the early months of the year by proactively narrowing its investment and securities trading portfolios to maximize profits from the portfolio and minimize adverse interest rate risks to the securities portfolio, helping to achieve expected performance in securities trading activities of the division and the bank as a whole.

In addition, the Treasury Division continues to play an active role in the government bond market through proprietary trading activities, outright and repo transactions of government bonds, etc. Specifically, HDBank is always among the top 10 largest trading members on the Hanoi Stock Exchange (HNX).

2023 Action Plan Direction:

- Enhance business activities related to capital, foreign exchange, and securities trading, maintain a leading role in the overall business operations, leverage market influence through transaction volume, proactive reputation, and market reliability, and participate in supporting the market when necessary.
- Improve the capacity for managing funding and exchange rate and interest rate risk management, focus on collecting, analyzing information and forecasting the market to seize and maximize business opportunities.
- Continue to develop capital market products and expand the team of traders for capital market products and derivatives; develop customers who use interest rate and commodity price derivatives, with the goal of bringing HDBank from Top 8 to Top 7 in foreign exchange transaction volume in the entire market.
- Continue to improve and apply information technology, digital technology in Treasury operations effectively, research and innovate the application of online transaction products for customers, aiming at customer-centricity.
- Coordinate and support units to ensure balanced safety and effective use of capital across the system, fully and timely meet capital needs, and ensure liquidity and payment demands at all times. There is a particular emphasis on promoting green credit programs, specifically those related to renewable and solar energy sectors. The issuance of *"Green Bonds"* should also be expedited in accordance with international market standards, with the focus on *"Green Capital for Green Credit"*.

BANCASSURANCE DIVISION



» *Bancassuarance Division at Business Closing Ceremony 2022 and Business Orientation 2023*

Continuing from 2021, HDBank continued to assert its position by consistently being among the top commercial banks with the highest bancassurance revenue in 2022.

The bancassurance revenue increased by

180% **compared to 2021**

making HDBank a leader in terms of growth rate compared to other joint stock commercial banks in the Bancassurance market ranking.

Ensuring service quality of insurance products

In 2022, in addition to the strong growth target in bancassurance revenue, the Bancassurance Division paid special attention to service quality when introducing bancassurance products to customers through the distribution system. Customers are fully advised of their rights when participating in life insurance contracts with professional insurance advisory tools provided by HDBank employees on tablets. Customers were also carefully taken care of before, during, and after the sale by a team of advisors who hold insurance agent certificates issued by the Ministry of Finance and receive continuous training and retraining.

The quality of professional bancassurance services is reflected in the regular and consistent activities undertaken throughout the entire process, including contact, consultation, and implementation of insurance contracts, as well as support provided for customers' health check-ups (if required) and accompanying customers during insured events. HDBank and the insurance company have jointly organized seminars and insurance days to bring insurance closer to customers. These programs have helped customers to better understand the benefits and human aspect of insurance, leading them to purchase insurance contracts and maintain long-term premium payments.

Contribution to the community and society

Life insurance products offered by HDBank play an important role as a safe and effective investment method for customers, with reasonable interest rates for investments, while providing protection and maturity benefits. HDBank employees provide professional advice to offer the best solutions that are suitable for customers' financial abilities and future aspirations, including investment in business, buying a house, sending children abroad to study, or ensuring a peaceful and comfortable retirement financially.

These products also provide effective solutions to protect customers from unfortunate risks such as accidents, illness, disability, critical illnesses, disabilities, or death. In addition, insurance products also support timely payment for medical treatments and accidents, helping customers to receive insured amount from the value of the policy to support their financial needs in difficult situations. Insurance products are also coordinated with partners to provide temporary financial support when customers require.

Strengthening the quality of the workforce

HDBank's Bancassurance Division regularly trains and develops its workforce, focusing on enhancing professional knowledge, culture, and business to meet increasingly stringent business requirements. At the same time, the Bancassurance Division also continuously supplements its sales force, enhances its direct sales personnel at business locations, develops its network of collaborators, and expands its operations nationwide. Suitable personnel can become collaborators of HDBank through simple steps on the HDBank application and participate in online training courses, being screened, recruited, and continuously trained, updated in professional knowledge and business to ensure professional advice criteria and dedication to customers.

Application of digital transformation brings value to customers and optimizes operations

In 2022, along with the strong digitalization process of the bank, technology has gradually changed the face of insurance services through banks in a new, convenient, and fast way for customers. HDBank has deployed online insurance products with just a few clicks, and customers have completed their insurance contracts. Although the online product has only been launched since mid-2022, it has already achieved impressive results with the issuance of 5,000 insurance contracts. This demonstrates that customers have quickly accessed and positively responded to purchasing this product, opening up a potential business direction in the future.

» *One-click FWD Triple Protection Project:*

The project utilizes and reuses customer data from existing sources to help the bank save costs in finding customers, while also creating better conditions to serve customers and providing additional value to customers in the transaction process with HDBank. The project reduces operating costs in traditional marketing methods, while still ensuring effective customer engagement, increasing customer goodwill towards HDBank, and minimizing customer annoyance due to previous traditional pursuit methods.

» *Advisory tools on table for Advisor Project:*

The project supports advisors to serve customers in a more professional way, while also keeping track of the process of advising customers through stages, to understand and serve customers better, and to identify potential customer segments for the products currently being distributed and in the future. The tool also supports advisors in reviewing information on potential customers and providing more appropriate approaches after the first interaction. This will help advisors to be proactive in developing analysis, communication, and customer engagement skills in different situations, becoming more and more professional. This is also a proactive market research method from the Bancassurance Division, helping to reduce costs in finding trends in customer insurance consumption

2023 Action Plan Direction:

Based on the development direction of HDBank as a "Happy Digital Bank," the Bancassurance Division will continue to implement digital transformation projects, apply digital solutions to business, and continuously train and improve the sales and advisory capabilities of the staff to ensure that every customer coming to HDBank is satisfied with the financial solutions and the most superior health care protection packages in the market.

Especially, HDBank is currently the only bank leading in the sales volume of insurance but has not signed exclusive contracts with insurance partners. HDBank aims to collaborate with insurance companies that have superior products, technology, and quality in the market. The exclusive bancassurance agreement of HDBank with its partner will surely keep HDBank strong in the top banks for bancassurance operations, contributing to realizing the 2021-2025 development strategies of HDBank and providing customers with more financial and insurance solutions.

INFORMATION TECHNOLOGY AND DIGITAL BANK DIVISION

After a successful first year of the 5-year plan for 2021-2025, the Information Technology and Digital Bank Division has made even greater strides in advancing the bank's digital transformation journey. Throughout 2022, the division accomplished several notable achievements, surpassing its accomplishments from the previous year. The division's progress can be attributed in part to the strengthening of personnel and an increase in staffing levels throughout the year. The division's commendable efforts have resulted in the successful delivery of technology product systems in accordance with the plan.

The accomplishments of the Information Technology and Digital Bank Division in 2022 will undoubtedly be a significant motivation to support the division in accelerating its digital transformation in the banking industry.

2021 **2022** 2023 2024 2025



As the bank's digital transformation journey enters its second year in the 2021-2025 plan, the division has actively researched, tested, and applied modern service technologies to increase efficiency in reaching customers and the bank's current operating processes.

Some notable results include:

Developing digital financial service products to provide convenience for customers:

- Extending cashless payment services, adding new payment methods at Petrolimex gas stations, achieving a milestone of 10 million transactions at the end of 2022
- Officially launching the Petrolimex 4-in-1 credit card registration system on the digital platform, combining modern technologies and services such as eKYC, eContract, eRating, CIC H2H, to increase the ability to identify and provide suitable credit limits for customers.
- Introducing the optionallucky account numbers to attract the attention of hundreds of thousands of new registrants.
- Digitalizing the salary payment process to encourage customers to open utility product packages including credit cards, salary accounts, debit cards, prepaid cards, attracting businesses to participate and open accounts for thousands of employees.
- Launching a series of financial products with the concept of "One Click" to bring novelty, convenience, and attract customers to use HDBank's service products, including savings, salary payment, bill payment...
- Supporting and cooperating with Muadee by HDBank project team to implement the Buy Now Pay Later product and officially launching it in December 2022.

Collaborating to develop digital financial products and services with strategic partners:

- Successfully implementing online card registration platforms for key and potential card products such as the Vietjet Air co-branded card, BFF student card, etc.
- Collaborating with partner GalaxyJoy to deploy the SkyJoy loyalty customer solution in the Sovico group ecosystem, where the Information Technology Division developed functions to support customers to register for SkyJoy membership through HDBank's digital application and synchronize transactions of registered SkyJoy customers to serve the customer's point accumulation process.
- Collaborating with VNPT Corporation to implement account creation and overdraft limit allocation for VNPT MobileMoney customers.

Optimizing operational efficiency by digitizing current processes:

- Implementing a local website system, handing over and promoting 63 provincial websites to attract thousands of visits and registrations.
- Deploying new functions and utilities on the Customer 360 tool to support business units in their work processes, including managing customer service requests, identifying priority customers, fingerprint/face login, Di-payroll, deposit, withdrawal, etc.
- Successfully implementing a customer identification system to support business units in identifying priority customers when transacting at the bank, thereby providing timely advice and support to customers.

2023 Action Plan Direction:

Continuing the achievements in 2022, the Information Technology and Digital Bank Division, with the guidance of the Bank's leadership, was determined to maintain the excellent performance of the team and to successfully accomplish the set objectives in the 5-year plan (2021-2025).

In preparation for 2023 activities, the Division is discussing with the Headquarters Departments to develop a deployment plan for each unit. The plan will be closely linked to the bank's overall development strategy and digital transformation journey. The Division will focus on improving planning efficiency, project coordination & implementation, as well as enhancing recruitment efforts to ensure sufficient resources for key projects.

The major objectives for the Information Technology and Digital Bank Division in 2023 are as follows:

- Deploying sales management tools to provide effective business tools for the bank's sales team.
- Continuing to collaborate on the replacement of the Loan Origination System (LOS) (Corporate customers, Retail customers) in the digital transformation of credit business.
- Collaborating on the implementation and improvement of the NAPAS VietQR payment model for businesses and partner chains based on existing solutions.
- Officially implementing and developing new features of the SkyJoy loyalty customer solution to help customers register as SkyJoy members, earn transaction points, and redeem points in the Sovico ecosystem.
- Complete the implementation of key projects such as priority customers, customer asset management, and dashboard data...
- Promoting the digitization of Card products and services to attract customers, such as the buy-now-pay-later service (Muadee by HDBank), co-branded card products with major partners.
- Collaborating with the Digital Transformation Center to build, standardize, and enhance the customer journey across transaction channels, thus, achieving customer satisfaction and trust in HDBank's digital products and services.
- Collaborating with relevant units to implement new features on the Customer 360 tool to support reducing the turnaround time at business units.

CARD CENTER

After the pandemic, 2022 marked a new normal period of the country with new consumer and payment habits formed. Being sensitive to changes of consumer behavior in the digital age, HDBank's Card Center has implemented sound development strategies by quickly applying and continuously improving modern technology solutions, successfully launching a fully online card issuance process.

The Card Center of HDBank has effectively kept up with the evolution of cashless payments in Vietnam, and by the end of 2022, it achieved remarkable progress in meeting its challenging targets.

The total number of new cards issued by HDBank increased by

203% to 2021.

Total outstanding credit on cards showed outstanding growth, surpassing

99% to 2022 target.

Digitizing the card issuance process, anticipating user behavior in the new payment era

In 2022, HDBank's Card Center successfully applied advanced technologies such as Big Data, Open API, and AI in credit scoring, receiving & processing credit documentation, eKYC identification and face authentication, data authentication, fraud detection, etc., to provide a simplified credit card opening experience in just a few minutes for customers.

With the goal of ensuring a seamless customer experience journey, HDBank's Card Center has continuously boosted its innovation efforts, combining the application of electronic contracts, eSign, and video KYC into the online card application channel.

HDBank has achieved the target of 100% online card issuance directly on mobile devices for most credit card products: HDBank Petrolimex co-branded card, HDBank Vietjet Platinum co-branded card, HDBank BFF student credit card, and chain credit card.

Cashless payment unlocking limitless potential

On June 16, 2022, HDBank collaborated with Vietnam National Petroleum Group (Petrolimex) to officially launch the HDBank-Petrolimex co-branded "4-in-1" super card, which was the first 4-in-1 product in Vietnam integrating credit card, debit card, prepaid card, and Petrolimex ID - a means of identifying loyal customers of Petrolimex ().

The HDBank-Petrolimex co-branded "4-in-1" super card was an obvious advance in promoting cashless payment nationwide, while also accelerating the digital transformation of the two brands, bringing convenient financial experiences and a host of unique benefits to customers such as: earning points, cashback of up to 0.7% when making payment at Petrolimex; cashback of up to 0.3% for daily spending transactions both domestically and internationally; up to 50% off shopping, dining, travel, and booking transportation, etc.

The 4-in-1 super card has been considered as a "national card", in a compact size that can meet all demands and be suitable for the majority of users. Customers can easily carry the card and use it flexibly in digital financial transactions, as well as actively choose their funding sources when making transactions.

In addition to the HDBank Petrolimex 4-in-1 super card, HDBank also collaborated with many strategic partners to develop outstanding card products that meet the different payment needs of each customer group. HDBank has been the only bank that owns two Vietjet co-branded card products. The bank has also been trusted by major universities nationwide to cooperate in implementing Mastercard credit card products for students.

In November 2022, HDBank was one of the few commercial banks in Vietnam to be honored at the award ceremony held by the Visa international card organization with the awards *"Leading bank in transaction volume growth of 2022"* and *"Leading bank in credit card transaction volume growth of 2022"*. These awards recognized HDBank's success in credit card activities and the bank's creativity in pioneering smart payment solutions, special offers, and advanced technology for millions of customers.

2023 Action Plan Direction:

HDBank's Card Center aims to reinforce its strategy in 2023 by ensuring that credit cards become an essential part of every Vietnamese family's life, meeting their essential financial needs. This will be achieved through the following directions:

- Increasing innovation and creativity in the card opening and usage experience.
- Providing modern and comprehensive financial solutions that are diverse and cater to each customer's needs.
- Diversifying the card portfolio to suit different customer segments.
- Using technology as a core element to enhance the number of credit cards issued.
- Strategically collaborating with leading technology companies to improve data security and optimize card usage.
- Adhering to international norms and standards in risk management and complying with the management indicators of the State Bank of Vietnam.





DIGITAL TRANSFORMATION CENTER

HDBank's Digital Transformation Center was established in February 2021 based on strategic consultation by Boston Consulting Group. The center aims to promote HDBank's digitization and modernization process, focusing on customers as the core, building products and services, creating the best customer experience, and developing digital and data capabilities for HDBank. In 2022, the Digital Transformation Center developed and unified the plan for managing digital transformation projects according to the project life cycle, effectively supporting coordination with beneficiary units, related units, and efficient resource allocation and management in each phase.

In 2022, the Digital Transformation Center achieved some initial successes:

CUSTOMER JOURNEY OPTIMIZATION

Retail Banking Division (Opening bank account, saving account, credit card, loans, etc.).

Commercial Banking Division and Corporate & Institutional Banking Division (account and corporate credit services, trade finance and international payment utilities), FX and derivatives, Payroll – Employee banking services.

Card center: Customer care services.

DIGITAL SERVICE PRODUCTS DEVELOPMENT

Developed mobile banking – internet banking system integrated to VNPT's application.

Developed electronic eKYC for retail banking customers.

Operational procedures for deposits, safe deposit box at the Bank.

Comprehensive customer analysis system: Customer360.

One Click Banking application (one-touch banking service) aiming to develop and improve customer's journey.

DIGITAL TRANSFORMATION OF INTERNAL PROCESSES

Enhanced human resource management system of the whole Bank.

Updated organization structure of certain Divisions, Departments with technology system to support measuring performance and reports.

Researched and applied data management system, dashboard, automatic management report.

The number of customer transactions through digital channels increased

96%

compared to 2021.

The value of transactions through digital channels increased

547%

compared to 2021.

The number of new customers in 2022 increased

97%

compared to 2021.

Online services (such as opening savings accounts, applying for credit cards, loans, purchasing life insurance, etc.) achieved a growth rate of

over 100%

2023 Action Plan Direction:

In 2023, the Digital Transformation Center will focus on completing business initiatives such as personal loans, the NEOBank digital banking platform, MLOPS, digital innovation with One Click Banking and Journey Planner. In line with the Bank's overall development direction, the Digital Transformation Center will continue to prioritize the implementation of business initiatives in parallel with improving the already released functions on the HDBank digital banking system.



HDBANK'S MARKET PRESENCE AND REPUTATION



» *Environmental protection program with Harvard University*
The meeting between Mdm. Nguyen Thi Phuong Thao - Permanent Vice Chairwoman of HDBank and Sir John Kerry - Special envoy of the US President Joe Biden.

There are 24 prestigious titles and awards

that HDBank has rightfully received in 2022 - a year marked by many variables in both the domestic and international economies. The 33-year journey of building the HDBank brand and the 5-year breakthrough growth after the IPO has brought HDBank to a new and proud position: a leading bank.

For HDBank, sustainable development and pioneering leadership have been the guiding principles in business activities and operations. HDBank has long applied the E.S.G. standards that leading organizations around the world use in their business activities.

Regarding the "E"

Environment

HDBank always considers creating environmentally friendly assets as an important goal. From that goal, HDBank implements the task of providing green capital for businesses, developing economic projects in rural areas, developing clean energy and renewable energy sources, etc.

Regarding the "S"

Social

For the "S", for the community, HDBank has carried out meaningful tasks in the context of the country's economy facing many difficulties. In 2022, HDBank opened 18 more business locations, bringing its nationwide network to 347 locations, continuing to create jobs for local people in the context of post-pandemic and economic-social fluctuations that have had a significant impact on people's lives. Not only that, for the "S" - HDBank is making a determined digital transformation, developing a diverse range of products and services to help people access financial services. Recently, HDBank has collaborated with HD SAISON Consumer Finance Company to implement a VND 10,000 billion loan package with attractive interest rates for workers nationwide.

For employees, HDBank has brought superior benefits and experiences to employees through building a happy working environment, promoting the level of bonding between employees and the bank, and regularly reforming attractive personnel remuneration policies.

Regarding the "G"

Governance

Basel III is a challenge that HDBank has pioneered in applying. HDBank understands that only by continuously improving the corporate governance capacity in accordance with the best international legal regulations and standards, with clear responsibility and independence between the Board of Directors and the Executive Board, effective risk management, etc., can HDBank achieve the best capital safety indicators in the market, helping HDB shares become a good asset that brings the best value to investors and the HDBank brand a reliable destination for every customer.

As of the end of 2022, HDBank's total assets were VND 416,273 billion, with a leading asset quality, low non-performing loan ratio, and high capital adequacy ratio, achieved through the Bank's efforts to build a sustainable banking system. The proportion of profitable assets was up to 90% of total assets, with ROAE reaching 23.5% and ROAA reaching 2.1%, higher than the average of the banking industry, helping HDBank achieve its highest business results ever in 2022. For the first time, HDBank made its mark in the "VND 10,000 billion club" with profit before tax of VND 10,268 billion, up 27.2% over the same period and exceeding 105% the shareholder meeting's plan.

In 2022, HDBank accumulated an additional 24 certificates of merit and prestigious awards, including a certificate of merit from the Prime Minister for the HDBank team's outstanding achievements in COVID-19 prevention and control, contributing to the cause of building socialism and protecting the country. Additionally, HDBank was also recognized for:

- Winning the "Best Companies to Work for in Asia" award for 5 consecutive years as voted by HR Asia.
- Being the first bank to use Swift Go service in the Vietnamese market.
- Continuing to be voted by Forbes as one of the "Top Financial Brands" and the most effective USD billion enterprises in Vietnam.
- Being listed for the 4th consecutive year in the Top "Sustainable Development Enterprises 2022" by the Vietnam Chamber of Commerce and Industry (VCCI).
- Being honored by Visa International for two categories: Leading bank in card transaction volume growth in 2022 and leading bank in credit card transaction volume growth in 2022.

HDBank is one of the few banks trusted by the State Bank of Vietnam to participate in the restructuring weak credit institutions program. Earlier, HDBank actively supported three People's Credit Funds. HDBank will continue to synergize the employees' strength and resources to transform existing capacity and position into a strength to support the sustainable development of the financial industry.





» *In 2022, HDBank won 4 international awards for the quality of their services.*

SUBSIDIARY COMPANIES

HD SAISON Finance Co., Ltd

1. RESULTS OF 2022 OPERATIONS

Despite facing numerous challenges in 2022, including the prolonged impact of the Covid-19 pandemic, high inflation, and unfavorable economic developments both domestically and globally, through effort and determination, HD SAISON has achieved certain achievements in 2022. As of December 31, 2022, HD SAISON's total assets reached VND 17,871 billion, an increase of 26.6% compared to the beginning of the year, of which customer loans reached VND 16,839 billion, a growth of 25.9% compared to the end of 2021, total deposits increased by 28.2% compared to the same period, and owner's equity increased by 16.2%.

To ensure the source of funds to meet the borrowing needs of customers and optimize funding costs, HD SAISON always diversifies its sources of funding by borrowing from domestic credit institutions, raising funds from foreign financial institutions, and issuing securities...

After the pandemic, the demand for loans for both personal and business purposes has increased. In response to market demand, HD SAISON continues to diversify its products and services to better serve the needs of customers. This has helped HD SAISON achieve a credit growth rate of 25.9% by the end of 2022. The credit structure remains stable, with 26% for vehicle loans, 24% for consumer loans for household goods and equipment, and 50% for cash loans.

The goal of safe operation is always maintained in parallel with the goal of achieving growth in scale. HD SAISON always ensures safe and effective operations, adhering to regulations on the safety ratio of State Bank. In which, the Capital Adequacy Ratio is always maintained at a high level of 23.1% at the end of 2022, which is 14.1% higher than the minimum requirement of 9.0% by the State Bank. In 2022, HD SAISON increased its charter capital to VND 2,350 billion, a 17.5% increase compared to 2021, helping to strengthen a solid capital foundation for growth.







Thanks to the accelerated lending activities, diversified funding structure, and optimized operating costs, the profit before tax in 2022 reached VND 1,152 billion, up 15.1% compared to 2021. Of which, total operating income reached VND 5,701 billion, up 21.8% compared to 2021. The cost-to-income ratio decreased to 38.2% from 44.0% in 2021, reflecting a higher revenue growth rate (+21.8%) compared to the cost growth rate (+5.9%).



To mitigate risks, HD SAISON prioritizes diversifying its customer base and expanding loan growth by onboarding new customers while increasing the loan value for loyal customers who have a history of timely payments. Maintaining a healthy balance of customers and adjusting the average loan value for each customer segment will enable HD SAISON to minimize risks.

Furthermore, HD SAISON prioritizes small, short-term loans with a majority of loans being less than VND 30 million and a duration of less than one year. This strategy helps to manage credit risk for each customer and minimize concentration risk in the loan portfolio. To increase profitability and diversify the loan portfolio, HD SAISON provides cash loans exclusively to existing customers with a good payment history.

2. CORPORATE GOVERNANCE IN 2022

2.1. CHANGES IN MEMBERS OF THE COUNCIL IN 2022

On July 12, 2022, the Council of HD SAISON appointed new Council members for the new term. On the same day, the Members of the Council elected the Chairman and the Permanent Vice Chairwoman of the Council. Accordingly, the Council of HD SAISON consists of the following 5 members:

No.	Full Name	Title	Date appointed	Note
1	Mr. Kosuke Mori	Chairman	Appointed on 12/07/2022	New member
2	Mdm. Nguyen Thi Phuong Thao	Permanent Vice Chairwoman	Re-appointed on 12/07/2022	
3	Mr. Pham Quoc Thanh	Member	Appointed on 12/07/2022	New member
4	Mr. Nguyen Huu Nhan	Member	Re-appointed on 12/07/2022	
5	Mr. Koji Sugahara	Member	Appointed on 12/07/2022	New member

The Council of Members has received high trust from the shareholders, with experience and expertise in many financial organizations and institutions, having held important leadership positions in various companies and units. Mdm. Nguyen Thi Phuong Thao is a leader with many years of experience in important positions in credit institutions such as Permanent Vice Chairwoman of the Board of Directors of the Ho Chi Minh City Development Commercial Joint Stock Bank and Vice Chairwoman of the Board of Members of HD SAISON. Mr. Kosuke Mori is a financial expert with many years of experience in foreign finance and investment management at Credit Saison Co., Ltd. Therefore, the Council of HD SAISON is managed by a combination of leaders who have a deep understanding of HD SAISON's business operations and financial management experience both domestically and internationally. With the right guidance and direction from the Board Members, along with the determination and efforts of the Executive Board and all employees, HD SAISON achieved high business results in 2022.

2.2. DEVELOPMENT DIRECTION

The Board of Directors and Executive Board of HD SAISON consistently pursue a long-term and sustainable development strategy for the company. Under this strategy, HD SAISON continues to pursue its primary goals, including:

- Constantly improving the quality of products and services in order to gain more and more customer trust, thereby realizing the vision of "Becoming the most trusted consumer finance company in Vietnam".
- Building a Digital Transformation Plan until 2025 and a vision towards 2030, according to Decision No. 810/QD-NHNN dated May 11, 2021, of the State Bank of Vietnam. With this plan, the Chief Executive Officer of the company has established a Steering Committee for the digital transformation of HD SAISON and assigned specific tasks to related departments within the company. The entire company is determined to succeed in the digital transformation plan by improving customer convenience and experience, saving costs, and improving operational efficiency.

With its reputation and quality services, HD SAISON continues to collaborate with political and social organizations to implement large credit packages. One typical example is the preferential credit package worth VND 10,000 billion for workers in provinces and cities nationwide, which is contributing step by step to eradicating the problem of loan sharks in industrial parks and workers' dormitories, as directed by the Government, the State Bank of Vietnam, and the Vietnam General Confederation of Labor; another example is the credit package for members of the Vietnam Women's Union.

3. INITIATIVES AND RESULTS OF DIGITAL TRANSFORMATION IN OPERATION AND PRODUCTS FOR CUSTOMERS

In 2022, HD SAISON gradually introduced and perfected digital products, thereby increasing customers convenience, shortening processing time, and optimizing operating costs.



HD SAISON developed and launched a Mobile App that allows customers to operate 100% online from the loan application to monthly payments. Customers receive disbursement within 2 hours of submitting the application. The Mobile App uses automatic technologies such as e-KYC and electronic signatures to facilitate quick and safe transactions. With the Mobile App, HD SAISON designed flexible loan packages to serve diverse customer needs, including packages for students paying tuition fees, workers, loyal customers, credit card holders, and other products with simple procedures. From the beginning of 2022 to November 2022, the Mobile App successfully disbursed more than 59,000 loans totaling VND 955 billion and issued more than 3,000 credit cards.

HD SAISON also developed and implemented a loan application processing platform for the sales team. The platform uses e-KYC technology, allowing salespeople to advise customers on loans online. The new platform digitizes all loan documents, reducing advisory and data entry time to under 5 minutes and providing convenience for salespeople and customers.

The technology team also advocated for the use of cutting-edge technologies such as cloud computing and machine learning to automate the management and infrastructure of application. This helps meet a large number of customers accessing HD SAISON's application platforms while optimizing costs during times of low traffic.

4. HD SAISON'S APPROACH TO SUSTAINABILITY: DRIVING POSITIVE IMPACT ON THE ECONOMY, ENVIRONMENT, AND SOCIETY

HD SAISON AND SOCIAL RESPONSIBILITY

In addition to focusing on business expansion to bring financial services to consumers nationwide, HD SAISON is always concerned with the community and fulfills its social responsibility commitments through meaningful programs for those in need.

Since 2017, *"Wings of Dreams"* has been one of the community activities associated with the HD SAISON brand. Together with the Ho Chi Minh City Police Newspaper, HD SAISON has provided many households with a means of overcoming poverty and has supported many families in difficult circumstances with additional funds to build new and luxurious houses. At the beginning of 2022, HD SAISON continued to donate houses to households in Dak Nong province. Through timely support, HD SAISON wants to support families in overcoming difficulties, quickly improving their economy, and stabilizing their lives.

Also in 2022, HD SAISON supported 60 students studying at Duc Tri Middle School in Ho Chi Minh City to continue their studies through a scholarship fund worth 60 million VND. This activity has been annually maintained by HD SAISON since 2016, in which HD SAISON accompanies the school to help 50-60 students feel confident in pursuing their studies.

Through meaningful programs, HD SAISON wants to spread the spirit of *"Love means Actions"*. Many families in difficult circumstances have been timely supported by HD SAISON. Through many activities that demonstrate meaningful community responsibilities, sharing, and human spirit, HD SAISON's contribution will continue to spread, contributing to helping society improve and people's lives improve.



» *HD SAISON awarded scholarships to students of Duc Tri Secondary School*

SUSTAINABLE DEVELOPMENT

Entering its 15th year of operation in Vietnam, HD SAISON has consistently maintained sustainable development and constantly innovated to maintain its position as a top 3 consumer finance company in the market. HD SAISON has developed services based on its quick and thorough understanding of consumer needs to maximize benefits for customers.

Support package for workers nationwide

With the trust and guidance of the Government and the State Bank, HD SAISON, together with HDBank, implemented a VND 10,000 billion loan package for workers nationwide with a 50% interest rate reduction compared to the current interest rate.

As soon as this low-interest rate preferential loan package was committed to implementation, HD SAISON quickly reached over 1 million customers in 9 provinces and cities including Dong Nai, Nghe An, Binh Duong, Long An, Bac Giang, Bac Ninh, Quang Nam, Da Nang, and Ho Chi Minh City. In the future, HD SAISON will continue to expand the coverage of this preferential loan package to workers in other provinces and cities.

This was the largest loan package ever dedicated to workers, and by supporting workers to register for the loan package completely automatically through the App, HD SAISON also helped first-time workers access a comprehensive consumer loan service with many conveniences.

A safe lending channel for the community

In the context of the economy gradually recovering after a long period of "freeze" due to the Covid-19 pandemic, people still face difficulties that need to be overcome. HD SAISON's consumer financial services are an effective and safe lending channel.

In addition to always offering the most competitive interest rate packages in the market, HD SAISON is a pioneer in providing support solutions for existing customers. Specifically, during the time customers faced difficulties in repaying their loans due to the impact of the pandemic, HD SAISON quickly implemented debt rescheduling and restructuring. This program was implemented by HD SAISON since September 2021 and continued until June 30, 2022.

After 9 months of implementation, more than 129,500 customers had their debt rescheduled and restructured by HD SAISON, with the company waiving more than VND 103 billion in interest. Through this support, HD SAISON wants to accompany consumers not only in realizing their dreams but also in sharing their difficulties.

To date, HD SAISON has satisfied the consumer finance needs of over 11 million customers in all 63 provinces and cities through a network of more than 24,000 service introduction points. HD SAISON's consumer financial services are ready to support customers through a variety of direct and online channels 24/7. HD SAISON wants to support all Vietnamese people by providing a safe, modern and legitimate lending source in order to help them build a better future.

With continuous efforts, HD SAISON has been honored with prestigious and reputable awards in the Vietnamese business community. Specifically, HD SAISON received the Top 100 Vietnam Gold Star Award, and HD SAISON's consumer financial services were in the 2022 Top 10 Trusted Services in Vietnam. Moreover, with contributions to the economy and increasing benefits for the people, HD SAISON was honored for the seventh consecutive year in the Top 500 largest enterprises in Vietnam - VNR500. These achievements are worth acknowledging, contributing to the success of HD SAISON in the Vietnamese market.



» *HD SAISON achieved the award of "Golder Star of Vietnam 2021"*

5. DIRECTIONS IN 2023

HD SAISON will continue to promote growth through safe and efficient operations with the following financial objectives:

No.	Targets	2023 Plan	2023 Plan vs 2022
1	Loans to customers	21,050	25.0%
2	Mobilization	15,272	25.4%
3	Net profit before tax	1,350	17.2%

BUSINESS CONNECTION
PARTNERSHIP FOR GROWTH



4 REPORT FROM THE BOARD OF MANAGEMENT

100 | Report and Assessment of the Board of Management
106 | Goals and Business Orientation
111 | Explanation of the Board of Management to the audit opinion

REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT



» *The members of the Board of Directors and the Board of Management of HDBank attended the 2022 Annual Performance conference.*

In 2022, after the Covid-19 pandemic, the world is facing many challenges, including global economic recession, high inflation, strategic competition and geopolitical tensions among major countries, military conflicts between Russia and Ukraine, and many risks related to natural disasters, pandemics, climate change, storms, floods and droughts that affect global financial markets, currency, energy security and food security. Vietnam's economy, which has a high level of openness, cannot avoid the impact of global fluctuations, with pressures of inflation, exchange rates, interest rates, and abnormal weather patterns affecting the lives and production and business activities of enterprises and people. However, with the determination to maintain stability for economic and social development, the Government and the Prime Minister have directed the ministries and localities to actively implement tasks and solutions. As a result, the country's economy and society have maintained stability, macroeconomic balances have been ensured, and inflation has been kept under control.

In 2022, the banking industry faced challenges due to tightened monetary and fiscal policies and high inflation. The State Bank of Vietnam responded by increasing the base interest rate for short-term deposits twice in order to stabilize the macroeconomy and control inflation. However, this placed additional pressure on banks, resulting in higher funding costs and lower net interest margin (NIM). To attract more customers and offset the reduction in fee income, banks have been racing to exempt or lower service fees. Additionally, the State Bank has launched a Plan for Digital Transformation of the Banking Sector that outlines a roadmap for enhancing the sustainability of the banking system through digitalization by 2025, with a vision to 2030. This is part of the national effort to drive digital transformation across industries and sectors.

Overall assessment of HDBank's operations

HDBank exhibited resilience to changes in the global and Vietnamese economies thanks to strategic direction from the Board of Directors and timely guidance from the Board of Management. The bank adeptly implemented solutions and initiatives to meet evolving customer needs and help them overcome challenges. Consequently, HDBank successfully achieved its 2022 targets and experienced growth in both size and quality, while ensuring secure and efficient operations.

Notable achievements in 2022

- Accomplished 105% profit target. Financial indicators exceeded announced strategies and commitments to investors.
- HDBank is one of a few banks trusted by the State Bank to participate in the proposal to reconstruct the commercial banking system through receiving compulsory transfer of a weaker bank. At the same time, HDBank assisted in the restructuring of 03 People's Credit Funds.
- HDBank is the first bank in Vietnam to cooperate with AWS (belonging to a global corporation - Amazon.com) - a company that provides cloud computing services to put the Amazon Elastic Kubernetes service into use at HDBank, serving the goal of comprehensive digital transformation.
- Initiatives for digital transformation and developing a digital bank have achieved positive results, increased operational efficiency, and improved customer experience. HDBank pioneered localizing online business with website channels for the 63 provinces and cities in the country.
- HDBank was the first bank to use Swift Go in the Vietnamese market, affirming an important step forward for the bank in international payments.
- IFC and HDB signed a MOU to become strategic partners to help SMEs expand their financial capabilities and join the global supply chain, including the hi-tech agricultural chain.
- HDBank was chosen by the Ministry of Industry and Trade to participate in the Vietnam Scaling Up Energy Efficiency for Industrial Enterprises Project (VSUEE) as a Guarantee Issuing Bank.



» *IFC and HDBank Trade Agreement (GTFP) signing ceremony*

Financial Performance

TOTAL ASSETS

VND 416,273 billion

An increase of 11.1% to 2021.

HDBank continues to increase the proportion of earning assets to 90% of total assets. HDBank assets' quality remains superior with a well-controlled low non-performing loan ratio and a higher capital adequacy ratio than State Bank requirements. It remains one of the banks with the highest CAR with most efficient funding use.

CHARTER CAPITAL

VND 25,303 billion

An increase from VND 20,073 billion through the issuance of share dividends at a rate of 25%.

Increasing its charter capital has provided HDBank with several benefits, including improving prudential ratios and increasing the collateral available for customer loans. These advantages have enabled the bank to better support the expansion of production and business for retail customers and corporates.

TOTAL CREDIT

VND 268,157 billion

An increase of 25.6% to 2021.

Total credit recorded a YOY growth of 25.6%, in line with credit quota granted by the State Bank. The bank prioritizes lending to economy-driving sectors such as rural agriculture, green credit, SMEs, local traders, supply chain and distribution.

HDBank demonstrated its commitment to support customers during challenging times by quickly implementing several programs to ease their financial burdens. The bank was among the first to implement a 2% interest subsidy program from the VND 40,000 billion state-funded budget, as well as a VND 10,000 billion preferential interest package for workers at an interest rate equal to 50% of the market rate. Additionally, HDBank provided a VND 1,000 billion funding package and preferential lending limits to support business clients in their payroll, along with other tailored solutions to address the unique needs of its customers.

TOTAL DEPOSITS

VND 366,293 billion

An increase of 15% to 2021, securing capital demand and liquidity requirements.

Customer deposits increased to VND 259,959 billion, a 15.0% increase compared to 2021, continuously standing as the main driver for the total deposits of HDBank. HDBank continuously introduced special deposit products with competitive interest rates, diversified distribution channels, implemented many incentive programs for customers, and offered zero-fee lifetime e-SkyOne account package for individual customers and Bemax package for business customers, which are the main factors contributing to reduce funding costs and increase net interest margin.

PROFIT BEFORE TAX

VND 10,268 billion

An increase of 27.2% to 2021.

In 2022, HDBank achieved a profit before tax of VND 10,268 billion, which represents a 27.2% increase compared to the previous year. This result also exceeded the target set by shareholders, reaching 105% completion.

TOTAL OPERATING INCOME

VND 21,967 billion

An increase of 31.1% to 2021.

Total operating income reached VND 21,967 billion in 2022, a YOY increase of 31.1%. In which: net interest income increased 29.7%, non-interest income increased 53.4%. Operational expense and credit cost met planned targets.

HDBank has seen significant growth in its service segments, card products, and digital banking channels. The bancassurance business has doubled since the same period last year, positioning HDBank as the leader among other banks. The number of newly activated credit cards has quadrupled, while card transactions have tripled. Additionally, e-banking transaction volume has increased by 96%, and e-banking transaction value has surged by 547% compared to 2021.

NON-PERFORMING LOAN RATIO

(pursuant to Circular 11/2021/TT-NHNN)

Consolidated NPL ratio **1.27%**

Separated NPL ratio **0.96%**

Controlled at a low level compared to the sector

HDBank aims to achieve credit growth while also maintaining strict control over credit quality.

CAPITAL ADEQUACY RATIO (CAR – BASEL II)

13.40%

Among the banks with the highest CAR.

HDBank's CAR (Basel II) is among one of the highest in the sector. HDBank is one of the pioneering banks in complying with international standards, completing Basel II and currently implementing Basel III standards in its management.



Implementation and performance of digital transformation strategy

1. Launched tech-based products and enhanced products features

HDBank's customer-centric approach means constantly expanding diverse technological service products and improving customer experience:

- Launched many omni card products to fulfill customers' diverse payment needs. In particular, HDBank has deployed 3 newly-developed, best-in-class products: HDBank Vietjet Platinum, HDBank Petrolimex co-branded card, 4-in-1 super card, and credit cards bundled with insurance.
- Implemented 0%-interest installments for credit card transaction on the Mobile App from VND 3 million, HDBank international credit card owners can freely buy now and pay later without being obsessed with interest.
- Implemented the free HDB Sky One package for individual customers with payment accounts, including many attractive promotions.
- Implemented 1-Click financial products, which brought a breath of fresh air, convenience, and attracted customers to HDBank's services: savings, payroll, bill payment, etc.
- Implemented digital products: online loans, lowered interest rates, online passbook loan, and account number selection through mobile banking.
- HDBank pioneered localizing online business with website channels for 63 provinces and cities. They provide localized financial solutions suitable for each region's characteristics.



- The improved HDBank mobile app helps customers feel more comfortable in their transactions with optimized features and promotions: HDBank Loyalty program, online deposits with higher interest rates than offline at branches, etc. help set HDBank apart from other domestic banks.
- The eCMB suite for corporate customers are constantly being improved, consisting of: i.Doc - Online document transfer; eAccount - Opening corporate account online; eCredit - 24/7 online credit extension; eLC - Online issuance of line of credit; eTT - Online international money transfers; eFX - Online foreign currency exchanges; eFactoring - Online factoring and eDrawdown – Online drawdown.

2. Comprehensive restructuring of operations

HDBank is continuing to invest heavily into digital transformation. It pays particular attention to the technological infrastructure and payment platform alongside preparing two other important factors: human and processes. The establishment of the Digital Transformation Center in 2020 marked a strong step forward on the bank's 2021-2025 digital transformation journey. Today, the majority of HDBank's operations are automated.

- The improved tablet-based account opening process at counter have tripled the number of accounts opened on tablets compared to 2021.
- The enhanced online payment account opening process through the HDBank app helped increase convenience and improve customer experience.
- 100% digitization of the passbooks pledging process on the mobile app
- Automated operational process: automatic loan approval notification and credit card payment reminders have minimized customers' waiting time and increased productivity in handling their requests. As a result, the customer satisfaction rate is raised to over 80%, and 70% of resources were saved.



Improvements of Human resources management policies

Number of personnel

16,326 employees,
among which 8,655 are HDBank staff
An increase of 8% to 2021

HDBANK EMPLOYEES WITH OVER 5 YEARS OF EXPERIENCE

Accounted for 36% of total staff
An increase of 21% to 2021

AVERAGE INCOME OF HDBANK STAFF

VND 26.67 million/month
An increase of 37.76% to 2021

HR ASIA HAS RECOGNIZED HDBANK AS THE ONLY BANK TO BE AWARDED THE TITLE OF

"BEST COMPANY TO WORK FOR IN ASIA"
for five consecutive years

HDBank's vision of the Happy Digital Bank is centered on creating a second home for its employees. The bank places great emphasis on policies that promote career growth and well-being, such as performance-based bonuses, preferential loan interest rates, unsecured loans, periodical medical care, international health insurance, and life insurance for senior employees. HDBank also conducts hundreds of training and reskilling courses every year, with a total of 570 soft skills courses offered to staff as of December 31, 2022.

HDBank's strong internal culture is reinforced through various emulation programs and personnel rewards, which encourage collective contribution towards the achievement of common goals. HDBank employees are actively engaged in contests such as "The HDBank in me" writing competition, "The Charming HDBank" photo competition, "Our work narrative" film competition, and "My favorite book" review competition, which have become hallmark events. These contests reflect the passion and satisfaction of each employee and serve as a platform for promoting dynamism, creativity, and fostering connections among thousands of employees.

HR management has been comprehensively digitized, helping the whole bank to connect and develop human resources. HDBank has implemented the "People World" technology solutions and the "People HDBank" app for timekeeping, KPIs assessment, and staff information management; applying "Workplace" and "Workplace Chat" for professional communications; bringing "E-Learning" into training, converting paper payroll to electronic salary statement.



GOALS AND BUSINESS ORIENTATION

The global economic context in 2023 continues to face many challenges, with forecasts of slower growth, increasing inflation, short-term recession possibilities, and issues related to armed conflict, natural disasters, and pandemics. However, due to Vietnam's high level of openness, it cannot avoid the impact of global fluctuations, but with a determination to maintain stability for economic and social development, the Government will direct ministries and localities to actively implement tasks and solutions. Therefore, the country's economy and society are still positively assessed by many international organizations, and optimistic growth forecasts are expected for 2023.

The banking sector in 2023 still has promising prospects, although some challenges remain. These include the global economic recession, the possibility that the State Bank may continue to tighten monetary policy flexibly to control inflation and macroeconomic stability, and close supervision of credit provided to the real estate sector. Additionally, the trend of rising funding costs will create difficulties in mobilizing capital for credit institutions, and the race to waive or reduce service fees is becoming a strong trend to attract CASA among banks, reducing fee income.

In order to make breakthroughs in its activities, in addition to the platforms already achieved in 2022, HDBank will be consistent with its strategic objectives and continue to maintain its development momentum on the digital platform, promote the implementation and completion of strategic initiatives, and strongly overcome the common difficulties of the banking sector, soon becoming one of the top banks in Vietnam and reaching international levels.

For HDBank, the outstanding achievements of 2022 are a solid foundation to continue on the new journey of discovery and challenges in 2023, with specific financial goals and action plans:

2023 Business Plan

Unit: billion VND

Items	2022	2023 Target	Growth compared to 2022
Total Assets	416,273	520,024	25%
Charter capital	25,303	29,276	16%
Owner's Equity	38,995	47,300	21%
Total deposits (*)	366,293	459,398	25%
Of which: Deposit from customers + Issuance of Valuable papers	*259,959*	*330,459*	*27%*
Total credit (**)	268,157	333,553	24%
Profit before tax	10,268	13,197	29%
Profit after tax	8,209	10,558	29%
ROE	23.5%	24.5%	4%
ROA	2.08%	2.3%	9%
NPL (***)	1.27%	≤ 2%	

(*) Total deposits include: borrowings from the Government and the State Bank, deposits from customers, issuance of valuable papers, trusted investment, deposits and lending from credit institutions.

(**) Maximum credit balance does not exceed the credit growth limit approved by the State Bank.

(***) Non-performing loan ratio is calculated pursuant to Circular 02/2012/TT-NHNN and Circular 11/2021/TT-NHNN.





Strategic 2023 initiatives

1 Operational efficiency linked to the 5-year development strategy

Boost funding activities to ensure sufficient capital sources meet credit growth and LDR ratio demands. Vigorously improve the CASA ratio and reduce funding costs.

Implement credit leverage policy by offering credit as a "leverage" tool in Combo packages to further penetrate the customer base and provide complete financial service packages, enhancing the efficiency of customer exploration and retention rates.

Strive to deliver the 2023 annual targets, while concurrently implementing strategic initiatives to expand the Bank's scale and profits, and attaining financial indicators, towards the target becoming a Top 3 profitable bank by 2025.

2 Customers and distribution channels

Develop new customer networks while also discovering the potential of existing customers through activation programs, cross-selling programs, and the SkyJoy loyalty platform. Additionally, connect with partners who own ecosystems in the approach of Open Banking.

Deploy various sales channels, including mobile applications, HDBank's website, and personalized websites for 63 provinces, in the mindset of E-commerce. Promote sales partnerships via the Agency Banking method and progressively implement the kiosk bank business model in line with promoting the bank's brand reputation.

Position the development of strategic customer chains based on sector initiatives and accompany them with HUB/RMs for high-specialization product/service lines.

Reorganize and optimize the branch and transaction office network, efficiently implement SME centers in various provinces, and implement the Priority Banking model to engage middle to high-income customers.

3 Products and Services

Improve the delivery of products and services via mobile/internet banking channels with a focus on providing a "one-click" approach for individual customers and ensuring "seamless" business customer journeys through the One-CMB toolkit.

Encourage cross-selling and payment collection for retail products, including life and non-life insurance, bonds, cards, real estate, automobiles, payroll (under the Employee Banking initiative), and petrol cards for corporate customers.

Strengthen HDBank's position among the top 5 private banks in terms of sales volume for life insurance products.

Position HDBank credit cards among the top 3 in the market and continue promoting two primary credit cards: National 4in1 and Vietjet Air. Launch the Muadee by HDBank buy-now-pay-later service.

4 Brand associated with products and services

Enhance multichannel marketing campaigns, with digital channels as the core, to attract more customers to open accounts and use financial services via online channels.

Continue to strengthen OneCredit, OneUpas, and OnePayroll across all units as HDBank's branded product line.

Improve HDBank's brand recognition at branches and transaction offices, including Kiosk Bank, to become a bank with top brand recognition and health among private commercial banks.

5 Culture

Strengthening operational discipline, compliance awareness, and responsibility of leaders.

Building an "Execution" culture with high commitments linked to results and appropriate rewards;

Fostering an open, friendly, cohesive, and supportive working environment across all levels, embracing constructive feedback, and building a collective intelligence.

6 HDB Stock

Enhance HDB's stock position, achieve a growth rate and valuation higher than the industry average.

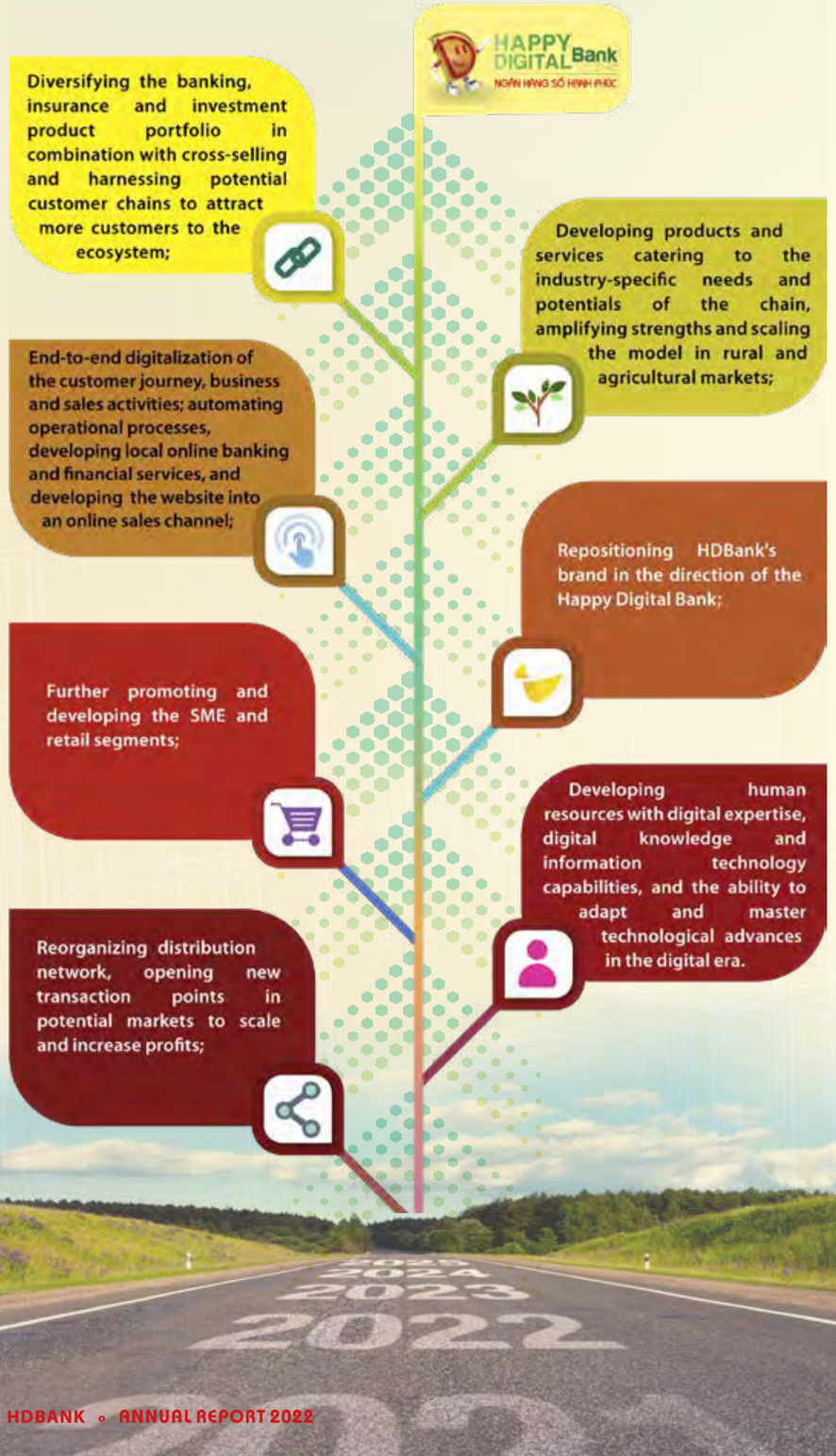
Maintain HDBank's position in the VN30 basket.

Strengthen proactive IR activities, closely connect with the securities companies, analysts, and investors community.



Medium and long term business goals and orientation

The year 2023 is the third year that HDBank implements the 5-year strategy (2021-2025), with the goal of becoming one of the Top 3 profitable banks by 2025, and the Happy Digital Bank brand becomes a national brand and reaches the international level. HDBank's strategies focus on the following goals:



EXPLANATION OF THE BOARD OF MANAGEMENT TO THE AUDIT OPINION

PricewaterhouseCoopers (Vietnam) Ltd gives no qualified opinion, emphasis of matter or other matter on the 2022 financial statements of Ho Chi Minh City Development Joint Stock Commercial Bank.



TRUST

SOLIDARITY TEAMWORK
FLEXIBLE ADAPTATION

THE FUTURE
OF BANKING

UNITY

RISK
MANAGEMENT

INNOVATION

5 CORPORATE GOVERNANCE

114 | Corporate governance overview

116 | Board of Directors' Assessment of the Bank's Performance

118 | Structure of the Board of Directors

122 | Report on activities of the Board of Directors and Independent Board Members in 2022

124 | Report on activities of committees under the BOD

134 | Legal and Compliance

136 | Remuneration for each Member of the Board of Directors and Board of Management

142 | Independent Board Member's Assessment on Board Of Directors Performance In 2022

143 | Evaluation of the Bank's operations by the Board of Directors

168 | Governance orientation and executive direction of the Board of Directors in 2023

170 | Investor and shareholder relations

174 | Information on Shareholding Structure

CORPORATE GOVERNANCE OVERVIEW



» *HDBank's Board of Directors for the term 2022 - 2027*

Ensuring compliance with the provisions of the Laws related to the operation of a Credit Institution as well as the regulations on governance for a listed company, HDBank has been building an internal management system according to the best corporate governance principles and standards in the country and in the world, which include:

- Decree 155/2020/ND-CP detailing the implementation of a number of articles of the Law on Securities
- Circular No. 13/2018/TT-NHNN on the internal control system of commercial banks, foreign bank branches, and amendments and supplements
- "Corporate Governance Code in accordance with Best Practices" issued by the State Securities Commission and IFC
- The OECD Principles of Corporate Governance
- ASEAN Corporate Governance Scorecard.

With a well-defined and well-planned mid- and long-term development strategy to affirm the brand value and bring the highest benefits to customers, investors, employees and the social community, in 2023 and the following years, HDBank will focus on the following tasks:

- Renovating the corporate governance method, promoting empowerment and decentralization, further improving the quality of human resources, and building a high-performance working culture.
- Strengthening the roles and responsibilities of the Committees under the Board of Directors in advising and supervising related fields.
- Increasing investment in technology, digitizing internal processes and customer journeys to optimize operational efficiency, improve governance capacity, and increase market competitiveness.
- Improving the risk management system in a modern and effective way; improving forecasting capacity and preparing plans to minimize impacts from macro risks.
- Implementing the Bank's restructuring plans when the opportunities arise.

THE BOARD OF DIRECTORS' ASSESSMENT OF THE BANK'S PERFORMANCE

The year 2022 was marked by disruption and instability, with the ongoing pandemic, Russo-Ukrainian conflict, and China's Zero-Covid policy disrupting the global supply chain and causing a worldwide increase in the prices of essential goods. Escalating inflation and rising interest rates also hindered global economic growth. In Vietnam, the financial-banking market faced numerous challenges that impacted the economy negatively.

Despite these circumstances, HDBank achieved positive results by the end of 2022, thanks to the joint efforts of the bank in implementing effective, drastic solutions and action plans. The bank was able to maintain its growth momentum in terms of scale and efficiency, ensuring the operational quality and safety, and reaffirming its position and brand name.

BUSINESS PERFORMANCE

Consistent to the strategy approved by the General Meeting of Shareholders, with the direction and active support of the Board of Directors, sound management of the Board of Management, and the outstanding efforts of business units and functional departments across HDBank, the Bank successfully completed the plan submitted at the Annual General Meeting of Shareholders in 2022, in which consolidated profit before tax reached VND 10,268 billion, increased 27.2% from 2021. Given the complexities of the economy, operational efficiency increased significantly while operating expenses were effectively controlled, increasing slightly by only 3.1%.



MANAGEMENT AND GOVERNANCE

Based on the General Meeting of Shareholders' Resolutions authorizing the Board of Directors to make decisions on issues related to HDBank's development strategy, the Board of Directors has carefully researched, considered, issued appropriate directions for the Board of Management to carry out tasks and programs to develop and improve the bank's position, and expand partner network. The outcomes are as follows:

The scale and market position of HDBank:

- HDBank's Charter Capital increased from VND 20,073 billion to VND 25,303 billion in 2022 through ESOP and stock dividends.
- Total assets reached VND 416,273 billion from VND 374,612 billion in 2021, up 11.12%.
- As approved by the State Bank of Vietnam, HDBank has established 05 new branches and 13 transaction offices, bringing the total number of transaction points to 347 as of December 31, 2022, with a total consolidated 16,326 employees. In 2022, HDBank has onboarded several senior and key personnel, improving the quality of human resources and laying the groundwork for the bank's rapid growth plan.
- In 2022, HDBank was among the Top 50 prestigious and effective public companies in 2022, as well as one of the Top 10 prestigious Vietnamese commercial banks in 2022, as announced by Vietnam Report.

Risk Management:

- Despite the numerous challenges HDBank faced due to market pressures, the capital adequacy ratio reached 13.4% (according to Basel II standards), among the banks with the highest capital adequacy. The bank is implementing the full application of Basel III governance standards.

Digital transformation:

- As one of the leading banks in Vietnam and a pioneer in digital trend, HDBank has comprehensively invested in application platforms and digital transformation infrastructure in recent years, which helped transform its operating method and respond quickly and efficiently to the new business context. In 2022, HDBank's digital transformation and digital banking development strategy produced positive signals. The number of customer transactions through digital channels increased 96% compared to 2021. The value of transactions through digital channels increased 547% compared to 2021. The number of new customers in 2022 increased by 97% (almost double) compared to 2021. Recently, HDBank was awarded the Vietnam Digital Awards 2022 under the "Outstanding Products, Solutions, Technology" category.

Sustainable development:

- With a sustainable development strategy, business growth in tandem with corporate responsibility for environmental and social protection, as well as a positive impact on the community, HDBank is one of Vietnam's pioneer banks in the field of green credit, offering the best financial solutions to customers in the fields of high-tech agriculture, renewable energy, and environmentally friendly products, thereby promoting socio-economic development while minimizing environmental impacts.
- As a bank that always fulfills its social responsibilities, HDBank continues to actively participate in annual social security activities such as: lonely elderly care, policy families, war invalids and martyrs, the poor, and children; provide scholarships to students in need; health insurance donation; surgery costs sponsor; charitable houses; Social Protection Centers sponsor, and so on.

Ensuring the rights of shareholders and stakeholders:

- HDBank places great emphasis on protecting the rights of its shareholders and stakeholders. The bank has implemented various measures to facilitate digital transformation, including holding online Annual General Meetings, conducting digital voting, and providing timely and transparent information disclosure. HDBank also has an established Investor Relations Department that is always available to receive and address shareholder and investor inquiries and feedback. The Bank distributed profits to shareholders in accordance with the General Meeting's resolution, with a dividend payout ratio of 25% in shares in November 2022, demonstrating its commitment to shareholders' interests.

STRUCTURE OF THE BOARD OF DIRECTORS

The Board of Directors of HDBank

No.	Member	Position in the Board of Directors	Date of Appointment/ Dismissal from the Board of Directors		Ownership ratio	Positions held at other organizations
			Date of Appointment	Date of Dismissal		
1	**Kim Byoungho**	Chairman, Independent member	April 29, 2022		0%	Board Member - SK Inc., South Korea
2	**Nguyen Thi Phuong Thao**	Permanent Vice Chairwoman	June 30, 2005		3.69%	Chairwoman of the Board of Directors, Chief Executive Officer – Sovico Group JSC Chief Executive Officer – VietJet Aviation Joint Stock Company Permanent Vice Chairwoman of the Council of Members – HD SAISON Finance Co., Ltd Chairwoman of Council of Members – GalaxyOne Company Limited
3	**Nguyen Huu Dang**	Vice Chairman	December 31, 2010		2.75%	Chief Executive Officer – GalaxyOne Company Limited
4	**Nguyen Thanh Do**	Vice Chairman	April 21, 2017		0%	School Council Member – Hoa Binh University
5	**Luu Duc Khanh**	Vice Chairman	July 03, 2009		0.29%	Board Member – VietJet Aviation Joint Stock Company
6	**Nguyen Thi Tam**	Member	April 26, 2013		0%	No
7	**Le Manh Dung**	Independent member	April 29, 2022		0%	Vietnam Representative – DEG – Deutsche Investitions-und Entwicklungsgesellschaft mbH
8	**Le Thi Bang Tam**	Chairwoman	October 22, 2010	April 29, 2022	0.01%	
9	**Lim Peng Khoon**	Member	April 25, 2014	April 29, 2022	0.01%	
10	**Chu Viet Cuong**	Member	April 25, 2014	April 29, 2022	0.01%	

In 2022, HDBank elected members to its Board of Directors for the new term of 2022-2027. Board of Directors nomination process has been methodically carried out with the assistance of an international strategic consulting firm. On April 26, 2022, at the 2022 Annual General Meeting of Shareholders (fiscal year 2021), HDBank shareholders decided upon 07 members of the HDBank Board of Directors for the term 2022-2027 with a very high approval rate of over 93% (including 05 former members and 02 new independent members). On April 29, 2022, the appointment of members of HDBank's Board of Directors and Board of Supervisors for the term 2022-2027 was officially completed. The recently appointed the Board of Directors members bring a wealth of experience, a strong sense of responsibility, a willingness to take bold actions, and a high level of recognition within the industry. The Chairman of the Board of Directors is an independent member of the Board of Directors, and all 07 members of the Board of Directors are non-executive members.

Immediately after being elected, the Board of Directors issued organizational and operational regulations, as well as established specialized committees with clearly defined responsibilities. This demonstrates HDBank's dedication to upholding the highest governance standards, including the development and implementation of a transparent governance structure; delineating responsibilities between the Board of Directors and the Board of Management; as well as ensuring operational efficiency, the Bank's sustainable development, and the highest benefits for its stakeholders.

Assignment of duties of the Board of Directors

To perform its rights and obligations as prescribed in the Law on Credit Institutions, the Law on Enterprises, the Bank's Charter, and other relevant legal documents. HDBank's Board of Directors approved the assignment of its members' duties as follows:

Member of the Board of Directors	Duties
Mr. Kim Byoungho Chairman, Independent Member	» Providing overall leadership, direction, and supervision of the Board of Directors' operations. » Taking responsibility for the development strategy and restructuring plan of HDBank. » Managing external affairs and relationships with both domestic and international strategic partners. » Supporting financial investment and shareholder relations activities. » Serving as the Head of the Strategy and Investment Committee and the Head of the Technology Committee.
Mdm. Nguyen Thi Phuong Thao Permanent Vice Chairwoman	» Resolving issues as authorized by the Chairman and on behalf of the Board of Directors » Addressing daily issues within the authority of the Board of Directors » Serving as the Head of the Credit Supervision Committee, Member of the Strategy and Investment Committee
Mr. Nguyen Huu Dang Vice Chairman	» Managing network expansion activities and bank-wide personnel. » Serving as the Head of Human Resources Committee, Member of the Credit Supervision Committee, Member of the Strategy and Investment Committee, Member of the Technology Committee.
Mr. Nguyen Thanh Do Vice Chairman	» Managing the Board of Directors Office » Managing the operation in the Northern Region on behalf of the Board of Directors » Supporting external affairs of the Board of Directors » Serving as the Member of the Human Resources Committee and Member of the Risk Management Committee
Mr. Luu Duc Khanh Vice Chairman	» Assisting the Board of Directors in directing the execution of strategic plans » Being responsible for the restructuring of the Bank and the enhancement of its competitiveness, and selecting foreign strategic partners » Serving as the Member of the Risk Management Committee, Member of the Credit Supervision Committee, Member of the Strategy and Investment Committee
Mdm. Nguyen Thi Tam Member	» Monitoring the Balance sheet, performance indicators, and prudential ratios of the Bank » Serving as the Head of the Risk Management Committee, Member of the Credit Supervision Committee
Mr. Le Manh Dung Independent Member	» Serving as the Member of the Human Resources Committee, Member of the Risk Management Committee, Member of the Strategy and Investment Committee

REPORT ON ACTIVITIES OF THE BOARD OF DIRECTORS AND INDEPENDENT BOARD MEMBERS IN 2022

To fulfill the roles of orienting, monitoring and evaluating the bank's operations, the Board of Directors regularly discussed with and consulted Board members under the principle of democratic centralism, thereby reaching a consensus and making final decisions related to different areas of banking operations.

» Besides successfully organizing the General Meeting of Shareholders in 2022, the BOD conducted the collection of shareholders' written opinions twice for approval of issues within the authority of the General Meeting of Shareholders such as: participation in the restructuring of a commercial bank; international bond issuance plan; plan of private placement of convertible bonds to the international market, amending and supplementing HDBank's charter, etc., reaching a high approval rate on all issues.

» In 2022, the BOD held 05 meetings. The conclusions reached by the BOD at the meetings are critical to orient the Board of Management to perform its business function effectively. In addition, all BOD meetings included representatives of the Board of Supervisors as observants.

The attendance at regular meetings of the Board members in 2022 is as follows:

No.	Member	Number of meetings attended	Attendance rate	Note
1	**Mr. Kim Byoungho**	03/03	100%	
2	**Mdm. Nguyen Thi Phuong Thao**	05/05	100%	
3	**Mr. Luu Duc Khanh**	05/05	100%	
4	**Mr. Nguyen Thanh Do**	05/05	100%	
5	**Mr. Nguyen Huu Dang**	05/05	100%	2 meetings of the BOD for the term 2017-2022
6	**Mdm. Nguyen Thi Tam**	05/05	100%	3 meetings of the BOD for the term 2022-2027
7	**Mr. Le Manh Dung**	03/03	100%	
8	**Mdm. Le Thi Bang Tam**	02/02	100%	
9	**Mr. Lim Peng Khoon**	02/02	100%	
10	**Mr. Chu Viet Cuong**	02/02	100%	

The Standing Board of Directors also conducted regular face-to-face discussions, making decisions related to many urgent and important issues of the Bank. Activities of the Board of Management were closely monitored by the BOD to ensure quality, efficiency and safety in banking operations. Board Members were appointed to attend the Board of Management's briefings, thereby keeping the BOD informed to provide proper and timely directions and effective support for the Board of Management in business administration.

» The BOD also collected its members' written opinions more than 100 times to address specific matters under the authority of the BOD such as: major issues on corporate governance, completion and issuance of internal governance regulations, human resource development, consolidation of the leadership, strict supervision of the Board of Management in implementing Resolutions and Decisions of the General Meeting of Shareholders and the BOD.

» The BOD effectively promoted its roles and responsibilities in developing and issuing a system of internal management statutes, with the goal of establishing a unified and transparent governance mechanism, effectively controlling, operating, and monitoring the governance model, contribute to ensuring the interests of shareholders, and harmonizing the interests of stakeholders such as customers, employees, and the community. As a result, HDBank has performed exceptionally well in corporate governance, ensuring that its organizational structure and operation comply with the regulations of the Law on Enterprises, the Law on Credit Institutions and the Bank's Charter.



REPORT ON ACTIVITIES OF COMMITTEES UNDER THE BOD

There are 5 specialized committees under the BOD: Risk Management Committee, Human Resources Committee, Credit Supervision Committee, Strategy & Investment Committee, and Technology Committee. Each member of the Board of Directors is assigned to be in charge of one or several domains and participate in the operations of the Committees according to their expertise.

Through monthly/quarterly meetings and regular discussions, the specialized committees play an important role in advising the Board of Directors in making decisions on specific domains, greatly contributing to improving the Bank's operational efficiency. With considerable experience in the assigned domains, the Board members have put every effort into performing their assigned duties and proactively provided in-depth assessments and analysis on professional matters, creating a transparent and effective environment of the activities of the BOD.

Activities of the specialized Committees in 2022 are summarized as follows:

Risk Management Committee

A. ROLES AND RESPONSIBILITIES

The Risk Management Committee has the main function of advising the Board of Directors on the development, issuance, revision, as well as the execution of risk management policies in banking activities as stipulated by laws and the Bank's Charter; advising the Board of Directors on issues related to risk management for approval decisions; issuing warnings about the Bank's solvency against any potential risks and providing preventive measures, advising the Board of Directors on dealing with and overcoming risk management shortcomings.

B. MEMBERS OF THE COMMITTEE

Mdm. Nguyen Thi Tam

Board Member - Chairperson of the Committee

Mr. Nguyen Thanh Do

Vice Chairman - Member

Mr. Luu Duc Khanh

Vice Chairman - Member

Mr. Le Manh Dung

Independent Board Member - Member

Mr. Giang Thien Kim

Deputy Director of Risk Management Division
- Committee Secretary

C. ACTIVITY HIGHLIGHTS

In 2022, the Risk Management Committee held four (04) quarterly meetings with the participation of the Committee members, the Deputy Chief Executive Officer in charge of Risk Management, Deputy Director of Risk Management Division and leaders of other relevant Departments. Furthermore, the Chairwoman of the Committee also directly monitored the execution of projects in the Basel II and Basel III implementation roadmap and risk management initiatives in the Bank's strategy.

The Risk Management Committee advised the BOD on the completion of Risk Management policies; closely reviewed and monitored high-risk and overheating business operations to provide warnings to the Board of Management, ensuring effective and safe operations; provided recommendations for the Board of Management on proper measures to ensure asset quality, liquidity, compliance of prudential ratios in accordance with regulations and international practices, etc. in such a complicated market scenario which directly affects the Bank's operations.

D. DIRECTIONS

The Risk Management Committee will focus on monitoring the compliance with Risk Management policies in the bank's operations, assessing the suitability and effectiveness of these policies; tracking the progress of projects to enhance the application of Technology in risk management and the implementation of the BASEL roadmap according to the consultation. The Committee can then make recommendations to the Board of Management and advise them on timely direction and decisions, ensure proper risk management, and optimize business efficiency.

Human Resources Committee

A. ROLES AND RESPONSIBILITIES

The Human Resources Committee advises the Board of Directors in: promulgating internal policies and regulations on human resources of the Bank within its competence; recruiting/appointing/reappointing senior management positions; assessing the suitability of current human resource policies in order to make adjustments in accordance with legalprovisions and the actual situation.

B. MEMBERS OF THE COMMITTEE

Mr. Nguyen Huu Dang

Vice Chairman – Chairperson of the Committee

Mr. Nguyen Thanh Do

Vice Chairman – Member

Mr. Le Manh Dung

Independent Board Member – Member

Ms. Nguyen Thi Thanh Thuy

Deputy Director of Human Resources Division
– Committee Secretary

C. ACTIVITY HIGHLIGHTS

In 2022, the Human Resources Committee held four regular meetings and attended one human resources workshop with the permanent members of the BOD, Chief of the Board of Supervisors, Chief Executive Officer and the Human Resources Committee Leaders.

To better advise the BOD on Human Resources, the Human Resources Committee has improved its working method by issuing the Human Resources Committee Appraisal Report after reviewing the Chief Executive Officer's Human Resources Proposals. The Report includes the conclusion and recommendations of three members of the Human Resources Committee on each issue, providing the BOD with multidimensional insights for HR decision–making.

Furthermore, the Human Resources Committee contributed to enhancing the human resources quality of the Bank through directions and advice on: refining HR–related processes and regulations, developing a scientific, clear, effective and measurable way of working, developing long–term orientation and vision, setting specific training targets, focusing on training core personnel; improving the quality of HR reports and proposals, etc.

D. DIRECTIONS

To advise the Board of Directors on the continuous improvement of HR policies for effective human resource management.

To advise the Board of Directors on issues related to training, recruitment and human resource development in order to create a professional and conducive working environment with competitive compensation, motivating all employees, and enhancing HDBank's employer brand.

Credit Supervision Committee

A. ROLES AND RESPONSIBILITIES

The Credit Supervision Committee advises the Board of Directors on: approval of credit policies; approval of the credit facilities within the authority of the Board of Directors; supervision of the Chief Executive Officer/ the Board of Management in their approval of credit facilities with value of 5% or more of HDBank's charter capital approved by the Board of Directors to grant for Customers or Customers and related parties.

B. MEMBERS OF THE COMMITTEE

Mdm. Nguyen Thi Phuong Thao

Permanent Vice Chairwoman
– Chairperson of the Committee

Mr. Luu Duc Khanh

Vice Chairman – Member

Mr. Nguyen Huu Dang

Vice Chairman – Member

Mdm. Nguyen Thi Tam

Member of the Board – Member

Mr. Thai Minh Tu

Director of Corporate Credit Center
– Committee Secretary

Ms. Nguyen Thi Thu Hang

Head of the Retail Banking Reappraisal Department – Committee Secretary

C. ACTIVITY HIGHLIGHTS

The Credit Supervision Committee held 4 quarterly meetings and... collections of written opinions for::

- Advising the Board of Directors on credit policy, products and services diversification, and customer base expansion (small/micro enterprise financing, rural customers, credit and card services for customers in the ecosystem, etc.) in order to ensure growth rate and credit quality
- Advising the Board of Directors on credit applications that falls under the approval authority of the Board of Directors.

In addition, the Committee assigned its members to participate in supervising the Head Office Credit Council in approving the Renewal of Interbank Transaction Limits with Financial Institutions, renewing and granting credit, and changing credit-granting requirements for corporate and individual customers, which fall under the supervision authority of the Board of Directors

D. DIRECTIONS

For any credit applications within the approval authority of the Board of Directors submitted by the Credit Approval Body under the Board of Management, the Credit Re-appraisal Department will be the point of contact, and the Credit Committee will review, study and offer its recommendations before submitting to the Board of Directors for consideration.

Strategy and Investment Committee

A. ROLES AND RESPONSIBILITIES

In the following areas, the Board of Directors may consult the Strategy and Investment Committee: directing and monitoring the formulation and execution of medium to long-term strategic goals; issuing, within its authority, policies relating to the strategy; offering orientations, criteria and issuing investment banking policies in compliance with the legal regulations and the bank's charter.

B. MEMBERS OF THE COMMITTEE

Mr. Kim Byoungho

Chairman of the Board of Director cum
Chairperson of the Committee

Mdm. Nguyen Thi Phuong Thao

Permanent Vice Chairwoman of the Board of Directors – Member

Mr. Nguyen Huu Dang

Vice Chairman of the Board of Directors – Member

Mr. Luu Duc Khanh

Vice Chairman of the Board of Directors – Member

Mr. Le Manh Dung

Independent Member of the Board of Directors – Member

Mdm. Le Thi Bang Tam

Advisor to the Board of Directors – Member

Mr. Chu Viet Cuong

Advisor to the Board of Directors – Member

Mr. Pham Van Dau

Chief Financial Officer – Committee Secretary

C. ACTIVITY HIGHLIGHTS

Issues concerning the implementation of strategic initiatives under the 5-year strategy 2021-2025; participation in the restructuring of a commercial bank in accordance with the decision of the State Bank of Vietnam; investor relations activities and strategic investor selection for HDBank were all discussed at four meetings of the Strategy and Investment Committee in 2022.

D. DIRECTIONS

- Advising the Board of Directors on the supervision of the Board of Management to execute the 5-year development plan of HDBank (2021 - 2025)
- Advising the Board of Directors on cooperation with strategic partners, and monitoring the investment portfolio.
- Advising the Board of Directors on the implementation of the Bank's restructuring, merger and acquisition plans.

Technology Committee

A. ROLES AND RESPONSIBILITIES

The Technology Committee is the advisor of the Board of Directors in: making decision on investments in cutting-edge technology in banking operations; setting policies and strategies for IT development under its purview.

B. MEMBERS OF THE COMMITTEE

Mr. Kim Byoungho

Chairman of the Board of Directors,
Chairperson of the Committee

Mr. Nguyen Huu Dang

Vice Chairman of the Board of Directors – Member

Mr. Lim Peng Khoon

Advisor to the Board of Directors – Member

Mr. Nguyen Phuc Duong

Director of IT and E-Banking Division
– Committee Secretary

C. ACTIVITY HIGHLIGHTS

In 2022, the Technology Committee held seven meetings along with discussions, assessment reports, and research. The Technology Committee is crucial in setting the direction and coordinating the execution of key strategic initiatives such as: Strategy to simplify, upgrade, or replace the Core Banking system (IT&DTC Roadmap) for the period 2022 - 2025; technology initiatives to support business growth; restructuring plans for optimal use of technology resources; etc.

Additionally, the Technology Committee collaborates swith the IT and e-Banking Division, Digital Transformation Center, and Digital Banking Division to develop a shared vision for the future of the bank's IT and e-banking systems and to ensure that all three departments work cohesively and support one another.

D. DIRECTIONS

Within the scope of the predefined strategic goals, whereby digital transformation is regarded as a pillar, the Technology Committee will advise the Board of Directors in expediting the implementation of technology projects to create breakthroughs, optimize information technology resources, invest in upgrading systems to improve customer experience, apply technology to internal management for improved productivity, income, and business development.



Report of the Board of Supervisors

A. ROLES AND RESPONSIBILITIES

In accordance with its responsibilities under the legal regulation, regulations of the State Bank of Vietnam, HDBank's charter, and the Regulation of the Board of Supervisors, the Board has successfully accomplished the followings:

Supervising the compliance of the Board of Directors and the Board of Management with the law and the Bank's Charter in the management and governance;

Issuing the Board of Supervisors' operating norms approved by the Shareholders' Meeting;

Evaluating the Bank's semiannual and annual financial statements for the appropriateness, legality and prudence in accounting, statistical reports, and financial statements;

Engaging in the audit of Units according to the annual Internal Audit plan; monitoring operational safety indicators,particularly the Bank's capital adequacy and credit quality; supervising the post-listing information disclosure and shareholder relations.

Based on findings, the Board of Supervisors proposed warnings against risky decisions and advised the Board of Directors and the Board of Management on measures to further strengthen operational safety.

B. MEMBERS OF THE COMMITTEE

HDBank's Board of Supervisors has four permanent members as of the end of 2022, all of whom fulfill the minimum qualifications set out by law and HDBank.

Below is a complete rundown of the Board of Supervisors and the quantity of HDBank shares held by each member as of the 31st of December, 2022:

No.	Full name	Position	Ownership ratio
1	**Mr. Dao Duy Tuong**	Chief of the Board of Supervisors	2.74%
2	**Ms. Duong Thi Thu**	Member of the Board of Supervisors	0.001%
3	**Ms. Bui Thi Kieu Oanh**	Member of the Board of Supervisors	0.00%
4	**Mr. Nguyen Le Hieu**	Member of the Board of Supervisors	0.024%

C. OPERATIONS IN 2022

Internal audit practices

The Board of Supervisors has organized the Internal Audit with special focus on enhancing the integrity and efficacy of the Bank's internal control system by overseeing the Bank's operations in 2022 to ensure adherence to legal requirements and further improving supervising measures.

Internal auditors are tasked with administering the implementation of Basel II and Basel III alongside the internal control system as required by Circular 13/2018/TT-NHNN.

Internal Auditors monitor not only the digital transformation of the Bank, but also the information security system, to ensure that digital transformation products are always safe, secure, and efficient.

The Board of Supervisors, together with Internal Auditors cooperate in the making of recommendations/ suggestions for the Board of Management with regards to systematic solutions, process, regulation and operational quality enhancement as well as risk governance.

Monitor the management and governance roles of the Board of Directors and the Board of Management

As per Circular 13/2018/TT-NHNN dated May 18, 2018 (Circular 13), HDBank further bolstered its internal control system as evidenced by the organization of the 3 independent lines of defense.

Under the concept of conformity with the requirements of the Law, the State Bank, and HDBank's Charter, the Board of Directors in 2022 has directed and monitored the execution of the 2022 business plan by the Board of Management as approved by the General Meeting of Shareholders.

The Board of Directors enacted Resolutions and Directives promptly to ensure compliance with prudential ratios and other standards set out by law and the direction of the State Bank on management and control of banking operations.

Oversee the execution of 2022's Annual General Meeting of Shareholders resolutions

The Bank strove for the achievement of the business targets as well as action plan set forth by the General Meeting of Shareholders. Since its first being listed on January 5, 2018, the Bank's stock transactions have remained steady over the years.

Monitor listed companies

Listed firms are subject to oversight by the Board of Supervisors, which is also responsible for keeping information related to these firms updated and monitoring the disclosure of information.

Analyze and evaluate financial statements and performance reports

PwC Vietnam is HDBank's partner chosen for auditing its annual consolidated financial statements to ensure adherence to Vietnamese financial and accounting standards as well as any applicable regulation.

The Board of Supervisors verified HDBank's 2022 consolidated financial statements and aligned on the following:

The consolidated financial statements of HDBank for the year 2022 present fairly, in all relevant respects, the consolidated financial position of HDBank as of December 31, 2022 and the consolidated results of its business operations and consolidated cash flows of HDBank and its subsidiaries for the year ended that date, prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System applicable to Credit Institutions published by the State Bank of Vietnam, and relevant law.

Meetings of the Board of Supervisors

All members of the Board of Supervisors were present for all four meeting sessions of the Board in 2022, which covered the following topics and conclusions:

No.	Agenda	Outcome/matters approved
1	» Review the Board of Supervisors operations in 2021 and its plans for 2022; » Internal Audit's revised organizational structure and action plan for 2022.	» Review the Board of Directors' and Internal Audit's progress throughout the year 2021 and provide an assessment of the outcome. » Provide operational orientations for 2022; » Approve Internal Audit's 2022 implementation plan and the reorganization of department's structure accordingly.
2	» Define responsibilities of the Board of Supervisors members for the next term.	» Articulate the supervision and internal audit duties of the Board of Supervisors members for the entire system. » Take charge of the tasks assigned and report the progress to the Chief of the Board of Supervisors.
3	» Evaluate the operation of the Board of Supervisors in the first half and put plans into action in the second half of 2022.	» Continue to oversee HDBank's operations as per their responsibilities, and update the Chief of the Board of Supervisors on the outcome.
4	» Report on the operations of HDBank.	» Each member of the Board of Supervisors and the Chief or Deputy Chief Internal Auditor has a complete understanding of their obligations under the Law and works together to fulfill those responsibilities in a manner consistent with the law and the tasks allocated to them.

The Board of Supervisors' collaboration with the Board of Directors and the Board of Management

The Board of Directors, the Board of Management and the Board of Supervisors developed an appropriate framework for coordinating supervision, inspection, and control. This coordination is in place to safeguard the Bank's shared interests and to guarantee that all activities are conducted in accordance with the law and HDBank's policies.

The Board of Supervisors and Internal Audit make recommendations and proposals for the Board of Directors and the Board of Management to consider for decision-making with regard to relevant units on additions and adjustments.

D. THE BOARD OF SUPERVISORS' DIRECTIONS IN THE YEAR 2023

The Board of Supervisors' roles in 2023 will primarily include the following activities, all of which are aimed at enhancing supervision quality within the constraints of available resources:

- Watch over the Bank's top authority to ensure coherent operations within the bounds of their scope and authority as per the law and the focused action plans of the Board of Directors and the Board of Management; identify problems within the internal control system and offer solutions; monitor top executives in charge of internal control system and risk management;
- Conduct internal audit on the bank's pillar functions including credit, accounting, and treasury; focuson measuring the efficacy of the bank's digital banking, as well as its other functional departments and subsidiaries, etc.
- Facilitate remote monitoring and risk zoning in internal audits via automated data reporting.
- Assess and monitor the efficacy of the Internal Control System in accordance with Circular TT13/2018/TT-NHNN, with an emphasis on frequent and periodic reporting to ensure the constant provision of information about bank's activities to stakeholders;
- Assess the logic, legality, truthfulness, and prudence of accounting, statistic reports, and financial statements;
- Monitor HDBank's post-listing information disclosure and shareholder relations in line with the regulation;

Internal Audit System

HDBank's internal audit, which was formed in compliance with the State Bank regulation, is a unit responsible for internal auditing operations and reports to HDBank's Board of Supervisors. Internal audit is organized according to a strict framework based on the three principles of independence, objectivity, and professionalism.

The Chief Internal Auditor, with the assistance of the Deputy Chiefs of Internal Audit and the Regional Chiefs of Internal Audit, manages the operations of the Internal Audit..

AUDITING PROCESS

Internal audit is conducted at unit, region and function levels, methods may include cross-audit, expanded audit and coordinated audit. Auditing may follow different forms, including but not limited to: Audit delegations on the professional operations of the system's units/cluster of units; Thematic audit for risk-based evaluation business processes with non-compliance on prevention/control of operational errors, or for systematic operations; Unscheduled audit of vaults, cash, records of collateral, management of key records, ATM keys, etc. to identify/control time-sensitive infractions; remote monitoring to detect operational mistake and pinpoint material risks in a timely manner. Perform audits throughout the year in accordance with the plan or at the request of the Board of Supervisors, or when discovering information concerning violations or the potential for hazards to arise.

Annually, with reference to the previous year's audit results to determine the scope of risk based on the operational orientation of the bank, the governance objectives of the leadership, and at the request of the Board of Directors, develop and approve the Board of Supervisors' audit plans for the following year.

LEGAL AND COMPLIANCE

SUMMARY OF 2022 LEGAL ACTIVITIES

Having a clear understanding of the fundamental role and backbone of regulatory compliance and adherence in the operations of a business in general, and specifically in the banking industry, with the collective strength and unity of the team, HDBank's regulatory compliance activities have been carried out and achieved the set goals, specifically as follows:

Ensuring legal certainty across HDBank's banking operations

In 2022, there were many changes to specialized legal regulations and banking-related laws, such as regulations on bank guarantee activities, foreign exchange management, borrowing and repayment of foreign debts, and interest rates applicable in cases of premature withdrawal of savings deposits.

The review, adjustment, and control of internal regulations, business processes, product offerings, and transaction form templates, as well as operational activities, have been continuously carried out and well-improved, in line with the actual situation and the general legal system. In addition, legal control measures have been taken to ensure the safety, protection, and enhancement of HDBank's rights and interests in transactions, contracts, and agreements with partners and customers, which are carefully and strictly implemented to meet the needs of business development and system safety.

Enhancing Digital transformation

In the past year, in line with the digital transformation trend in the banking industry, HDBank's legal affairs department actively participated in supporting partnerships and collaborations with partners to develop digital products and services, providing positive customer experiences. Additionally, HDBank also participated in exchanging and contributing to legal regulations on electronic transactions at the State Bank of Vietnam and the Banking Association.

Representing the Bank in legal procedures

The Legal Department provided support and advice, participated in resolving legal disputes, complaints, and rectifying the risks of employee misconducts to protect the legal rights and interests of the Bank and to minimize the related damages.

Participating in the Bank'sCouncils and Committees

The legal and compliance team actively participates in the Council of Product Sessions to provide legal consultation for emerging issues related to new policies, products, and business programs of HDBank. This enhances the quality and effectiveness of the bank's overall operations.

In particular, the legal and compliance activities play a crucial role in major projects such as restructuring weak credit organizations and collaborating on developing digital products for individual and corporate customers.

Supporting the Debt Collection and collateral disposal processes

In the past year, Late-stage collection and collateral disposal was strengthened. The Legal Department supported to speed up the process of debt collection and helped minimize the risk of non-performing loans. Due to the impact of the Covid-19, the Legal Department has assessed and worked on debt settlements for cases with high risk since 2021, thus fulfilling clients' expectations and ensuring the Bank's capital adequacy.

Conducting legal information seminars

HDBank organized training sessions and briefings on the latest regulations through different channels and methods, such as the Legal newsletter and monthly reports on newly-issued legal provisions, to ensure that all staff members are aware of and compliant with the legal requirements.

Contributing to the drafting and amendment of relevant regulations

HDBank actively participates in providing feedback and suggestions to draft legal regulations, contributing to the improvement of a transparent and business-friendly legal system for commercial banks. In particular, HDBank collaborates closely with the Vietnam Banks Association to propose and advise on the amendment and supplementation of legal regulations.

Legal orientations in 2023

To continue the achieved results and to align with HDBank's operation policies, the regulatory and compliance activities aim for even higher goals in the near future. Specifically, the following goals have been set:

Legal framework development and dissemination in the HDBank system

will continue to focus on contributing to and building legal documents in the field of finance and banking as well as related fields. At the same time, HDBank will closely coordinate with the Banking Association, the State Bank, and relevant agencies to propose and improve legal regulations in a timely manner.



Legal compliance and adherence are particularly aimed at achieving the dual objectives of ensuring compliance with legal regulations while also creating advantages for HDBank's business activities.

egal activities will continue to advise and participate in legal tasks for the Bank's development strategy, for the overall development of the HDBank system.

For digital transformation activities, legal activities will continue to focus on advising and consulting to ensure that the digital transformation strategy is implemented in accordance with current legal corridors. In addition, HDBank will continue to closely monitor developments in the world and domestically, ensuring that appropriate and safe solutions are proposed for the Bank, especially in international payment activities and cooperation with foreign investors.

For the Bank's business operations, legal work will continue to be continuously deployed, adapted to new situations to create flexibility and achieve the highest efficiency for the entire system's business operations. Anti-money laundering and anti-corruption work will be monitored and strictly enforced in accordance with regulations, the State Bank, and relevant agencies. In addition, legal work will always follow the actual situation, promptly proposing preventive measures and handling legal disputes and risks to protect the Bank's legal rights and interests.

Compliance with existing regulations

Ensuring that the Bank's operations comply with regulations regarding information disclosure and transparency in listed company activities, implementing risk management policies, always complying with the requirements and criteria of Basel II and following the Basel III criteria.

REMUNERATION FOR EACH MEMBER OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT

DETAILS OF REMUNERATION/INCOME PAID TO MEMBERS OF THE BOARD OF DIRECTORS DURING THE YEAR WERE AS FOLLOWS:

Name	Position	2022 VND million	2021 VND million
Mr. Kim Byoungho	Chairman, Independent member *(from 29 April 2022)*	1,350	-
Mdm. Le Thi Bang Tam	Chairwoman *(to 29 April 2022)*	474	2,329
Mdm. Nguyen Thi Phuong Thao	Permanent Vice Chairwoman	1,879	2,438
Mr. Luu Duc Khanh	Vice Chairman	3	501
Mr. Nguyen Thanh Do	Vice Chairman	1,346	1,284
Mr. Nguyen Huu Dang	Vice Chairman	1,579	1,873
Mdm. Nguyen Thi Tam	Member	855	1,074
Mr. Le Manh Dung	Independent member *(from 29 April 2022)*	646	-
Mr. Chu Viet Cuong	Member *(to 29 April 2022)*	205	853
Mr. Lim Peng Khoon	Member *(to 29 April 2022)*	71	550
		8,408	**10,902**

The above remunerations/income are presented on the basis of actual receipt of withholding personal income tax in accordance with current regulations.

DETAILS OF REMUNERATION/INCOME PAID TO MEMBERS OF THE BOARD OF MANAGEMENT, CHIEF FINANCIAL OFFICER AND CHIEF ACCOUNTANT DURING THE YEAR WERE AS FOLLOWS:

Name	Position	2022 VND million	2021 VND million
Mr. Pham Quoc Thanh	Chief Executive Officer	6.060	5.248
Ms. Nguyen Doan Duy Ai	Deputy Chief Executive Officer (to 20 June 2022)	2.502	3.174
Mr. Nguyen Minh Duc	Deputy Chief Executive Officer	3.940	3.764
Mr. Le Thanh Tung	Deputy Chief Executive Officer	1.702	2.033
Mr. Nguyen Van Hao	Deputy Chief Executive Officer	3.223	2.476
Mr. Nguyen Dang Thanh	Deputy Chief Executive Officer	3.004	2.412
Mr. Le Thanh Trung	Deputy Chief Executive Officer	1.309	2.792
Mr. Tran Hoai Nam	Deputy Chief Executive Officer	2.145	2.298
Mr. Tran Thai Hoa	Deputy Chief Executive Officer	2.067	2.137
Mr. Nguyen Canh Vinh	Deputy Chief Executive Officer (from 1 November 2022)	323	-
Mr. Pham Van Dau	Chief Financial Officer	1.631	1.866
Ms. Ho Dang Hoang Quyen	Chief Accountant	1.411	1.298
		29.317	**29.498**

The above remunerations/income are presented on the basis of actual receipt of withholding personal income tax in accordance with current regulations.

The detailed information about transactions with related parties of the Bank (members of the Board of Directors, the Board of Supervisors, the Board of Management, and related parties) is presented in detail in the audited Consolidated Financial Statements for the year 2022.

Share transactions of internal persons and related parties

Details of HDBank share transactions by the internal persons and related parties in 2022 were as follows:

No.	Transaction executed by	Relationship with HDBank	Number of shares at the beginning of the period		Number of shares at the end of the period		Reasons for increase or decrease
			Number of shares	Ownership rate (%)	Number of shares	Ownership rate (%)	
1	SOVICO Joint Stock Company	Major shareholder	290,604,774	14.477%	363,255,967	14.356%	Received dividends by shares (25% rate)
2	Pham Khac Dung	Chairman of the Board of Directors, legal representative of Sovico Joint Stock Company	24,335,055	1.212%	30,418,818	1.202%	Received dividends by shares (25% rate)
3	Nguyen Thi Phuong Thao	Permanent Vice Chairwoman	74,894,730	3.694%	93,618,412	3.700%	Received dividends by shares (25% rate)
4	Nguyen Huu Dang	Vice Chairman	55,672,129	2.746%	69,740,160	2.756%	Received dividends by shares (25% rate) Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
5	Luu Duc Khanh	Vice Chairman	5,801,297	0.286%	7,251,620	0.287%	Received dividends by shares (25% rate)
6	Dao Duy Tuong	Chief of the Board of Supervisor	55,050,428	2.715%	69,313,034	2.739%	Received dividends by shares (25% rate) Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
7	Duong Thi Thu	Member of the Board of Supervisors	21,450	0.001%	26,812	0.001%	Received dividends by shares (25% rate)
8	Nguyen Le Hieu	Member of the Board of Supervisors	545,001	0.027%	618,751	0.024%	Purchase transaction Received dividends by shares (25% rate)
9	Pham Quoc Thanh	Chief Executive Officer	-	0.000%	1,909,700	0.075%	Received dividends by shares (25% rate) Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
10	Le Thanh Tung	Deputy Chief Executive Officer	214,500	0.011%	268,125	0.011%	Received dividends by shares (25% rate)
11	Nguyen Minh Duc	Deputy Chief Executive Officer	160,875	0.008%	231,093	0.009%	Received dividends by shares (25% rate) Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
12	Tran Hoai Nam	Deputy Chief Executive Officer	1,443,750	0.071%	1,830,687	0.072%	Received dividends by shares (25% rate) Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
13	Pham Van Dau	Chief Financial Officer	87,322,748	4.307%	109,153,434	4.314%	Received dividends by shares (25% rate)
14	Ho Dang Hoang Quyen	Chief accountant	94,875	0.005%	118,593	0.005%	Received dividends by shares (25% rate)

No.	Transaction executed by	Relationship with HDBank	Number of shares at the beginning of the period		Number of shares at the end of the period		Reasons for increase or decrease
			Number of shares	Ownership rate (%)	Number of shares	Ownership rate (%)	
15	Nguyen Canh Son	Related party of internal person	618,750	0.031%	773,437	0.031%	Received dividends by shares (25% rate)
16	Nguyen Huu Long	Related party of internal person	-	0.000%	1,000	0.000%	Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
17	Nguyen Thi Phuong Thao	Related party of internal person	-	0.000%	3,000	0.000%	Purchase transaction
18	Tran Tu Thi	Related party of internal person	3,612,942	0.178%	4,516,176	0.178%	Received dividends by shares (25% rate)
19	DC Dynamic Securities Fund	Related party of internal person	600,000	0.030%	-	-	Sale transaction
20	Dao Anh Minh	Related party of internal person	412,500	0.020%	515,625	0.020%	Received dividends by shares (25% rate)
21	Doan Thi Thu Huong	Related party of internal person	-	-	3,690,168	0.146%	Purchase transaction
22	Pham Thi Truyen	Related party of internal person	206,250	0.010%	257,812	0.010%	Received dividends by shares (25% rate)
23	Nguyen Minh Tri	Related party of internal person	-	-	4,100	0.000%	Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
24	Tran Xuan Viet	Related party of internal person	-	-	6,125	0.000%	Received dividends by shares (25% rate) Transactions are conducted in accordance with the provisions of Article 33 of Circular 96
25	Nguyen Hoan	Related party of internal person	-	-	-	-	Purchase and sale transaction

Related party transactions

No.	Partner	Relationship with HDBank	Content
1	HD SAISON Finance Company Limited	Subsidiary	Regranting of transaction limit for HD SAISON
2	Vietjetair Cargo Joint Stock Company	Related party of internal person (as of December 31, 2022, the internal person no longer holds the position at related party)	Granting credit for Vietjetair Cargo Joint Stock Company
3	HDBank Securities Joint Stock Company	Related party of internal person (as of December 31, 2022, the internal person resigned)	Regranting of transaction limit for HD SAISON for HDBank Securities Joint Stock Company
4	HD SAISON Finance Company Limited	Subsidiary	Cooperate to open HDBank's online payment account on HD SAISON App
5	Vietjet Aviation Joint Stock Company	Related party of internal person	Regranting and increase of credit limit for Vietjet Aviation Joint Stock Company
6	HD SAISON Finance Company Limited	Subsidiary	Granting an increase of transaction limit for HD SAISON Finance Company Limited
7	HD SAISON Finance Company Limited	Subsidiary	Granting an increase of transaction limit for HD SAISON Finance Company Limited
8	Nguyen Canh Son	Related party of internal person	Issuing credit card to customers Nguyen Canh Son

INDEPENDENT BOARD MEMBER'S ASSESSMENT ON BOARD OF DIRECTORS PERFORMANCE IN 2022

In 2022, the Bank's Board of Directors (the BOD) directly oriented and supervised the Board of Management in implementation of the business plan as ratified by the General Meeting of Shareholders. This helped HDBank achieve a high growth rate and ensure safe operations given domestic and international market fluctuations.

On performing core initiatives

In the spirit of resilience, proactivity, and unity across the system, HDBank completed and overachieved most business targets, e.g. record high VND10.268 billion of profit before tax, or 105% of the planned target, making a 27.2% YOY increase. Equity reached VND 38,995 billion, thus improving capital scale and preparing for the upcoming business development and expansion plans. Risk management was effectively implemented, safeguarding operations and getting closer to international standards on risk management as recommended by the Basel Committee. Digital transformation, technological application in governance, operations, and development of digital banking products and services have achieved positive initial results. The number of customer transactions through digital channels exceeded 19 million, an increase of 96% compared to the same period last year. The value of transactions through digital channels exceeded 760 trillion VND, an increase of 547% compared to the same period last year.. The value of digital channels increased by many folds. Other strategic initiatives have been under development with strong determination. HDBank's position and reputation in the market were affirmed, evidenced by prestigious domestic and international awards. HDBank continued to fulfill its responsibilities to the society and communities, thus creating a positive ripple effect.



On Corporate Governance practices

HDBank has always maintained strict compliance with the provisions of the law as well as the regulations issued by the State Bank of Vietnam and those of the Charter in every aspect of operations. This is evidenced in its effective governance, operations, and control systems, which clearly delineate the responsibilities between the Board of Directors, the Board of Supervisors and the Board of Management.

The Board of Directors defines specific assessment criteria for responsibility fulfillment by each member of the Board and each specialized committee. The BOD consists of 7 members, of which 2 are independent, with a diverse range of experience and expertise in accordance with the requirements of the law. One of the independent members is the Chairman Kim Byoungho. Independent members of the Board have always proactively participated in the Board's orientation works. HDBank's BOD has established a full set of affiliated specialized committees with a clear delineation of responsibility and authorization. The BOD and the specialized committees hosted quarterly meetings at their own initiative or at the request of the chairpersons of the committees.

One of the primary priorities of HDBank is information disclosure, providing equal treatment and the best conditions for stakeholders to exercise their rights. The 2022 Annual General Meeting of Shareholders (the fiscal year of 2021) was hosted successfully. The Meeting ratified several important matters, including the election of new members to the Board of Directors, the Board of Supervisors for the term 2022 - 2027, and the ratification of the Bank's business plans and orientations. In addition, HDBank has collected shareholders' written opinions online in accordance with the law, distributed dividend as announced and safeguarded the interests of its shareholders, investors and stakeholders.



HDBank has always placed a sharp focus on human resources with clear policies in recruitment, appointment and career promotion. Corporate culture programs were comprehensively implemented, thus strengthening the bonds between the staff and the Bank's leaders, and in turn creating a strong foundation for a rapid growth in scale. HDBank's salary policy was also adjusted in a transparent, fair, progressive, professional and competitive manner.

Based on the positive results in 2022, we strongly believe that in 2023 and the years to come, HDBank will achieve high, sustainable growth, and meet its strategic goals.

Independent Board Member



Le Manh Dung

EVALUATION OF THE BANK'S OPERATIONS BY THE BOARD OF DIRECTORS

No.	Criteria	HDBank compliance status	Assessment basis
1	Holding the General Meeting of Shareholders within 6 months of the fiscal year's conclusion, in accordance with Clause 2, Article 139 of the Law on Enterprises 2020.	Complied	Conducting the annual General Meeting of Shareholders for 2023 on April 26, 2023, in a combination of offline and online formats.
2	Releasing the annual shareholders' meeting documents at least 21 days prior to their scheduled opening date, as stated in Clause 3, Article 10 of Circular 96/2020/TT-BTC.	Complied	Releasing the General Meeting of Shareholders' documents on April 1, 2023
3	Amending the Company Regulations in line with the regulations of Law on Enterprises No. 59/2020/QH14 (as provided in Clause 20, Article 310 of Decree 155/2020/ND-CP).	Complied	
4	Promulgating the internal Regimes on corporate governance, according to the regulations of Clause 2, Article 270 and Clause 20, Article 310 of Decree 155/2020/ND-CP	Complied	
5	Appointing a person in charge of corporate governance according to the regulations of Clause 1, Article 281 of Decree 155/2020/ND-CP	Complied	
6	Carrying out the internal audit according to the regulations of Clause 1, Article 10, Article 30 of Decree 05/2019/ND-CP	Complied	
7	Promulgating the Regimes on the operation of the Board of Directors according to the regulations of Clause 4, Article 278 and Clause 20, Article 310 of Decree 155/2020/ND-CP	Complied	
8	Ensuring the number of independent Members of the Board of Directors according to the regulations of Clause 4, Article 276 of Decree 155/2020/ND-CP	Complied	
9	Ensuring the number of non-executive members of the Board of Directors according to the regulations of Clause 2, Article 276 of Decree 155/2020/ND-CP	Complied	
10	The Chairman of the Board of Directors does not hold the role of General Director at the same time.	Complied	
11	A member of the Board of Directors may serve concurrently on the Boards of Directors of up to five additional firms according to the regulations of Clause 3 of Article 275 of Decree 155/2020/ND-CP	Complied	
12	Meetings of the Board of Directors must take place at least once a quarter, according to the regulations of Article 157 of the Law on Enterprises 2020; Point c, Clause 3, Article 41 of the Securities Law; and Clause 1, Article 279 of Decree 155/2020/ND-CP.	Complied	
13	The General Director is a person who has no family relationship with the enterprise's manager, the company, or the parent company's controller; the representative of the state capital portion, the representative of the enterprise's shares in the company, or the parent company, according to the regulations of Point b Clause 5 Article 162 of the Law on Enterprises 2020.	Complied	
14	Remuneration of members of the Board of Directors, as well as the salary of the General Director and other managers, must follow the regulations of Clause 3, Article 163 of the Law on Enterprises 2020.	Complied	
15	Promulgating the Regime on the operation of the Board of Supervisors according to the regulations of Clause 6, Article 288 and Clause 20, Article 310 of Decree 155/2020/ND-CP	Complied	
16	Ensuring that the minimum number of the Board of Supervisors members is three, according to the regulations of Clause 1 of Article 286 of Decree 155/2020/ND-CP	Complied	
17	Ensuring the the minimum number of the Board of Supervisors meetings is twice a year, according to regulations of Clause 1, Article 289 of Decree 155/2020/ND-CP	Complied	
18	Controllers do not hold managerial positions in the company, according to the regulations of Point d, Clause 1, Article 169 of the Law on Enterprises 2020 and Clause 2, Article 286 of Decree 155/2020/ND-CP	Complied	
19	The controller is a person with no family relationship with the Board of Directors, the Board of Management and other managers, according to the regulations of Point c Clause 1 Article 169 of the Law on Enterprises 2020 and Clause 2 Article 286 of Decree 155/2020/ ND-CP	Complied	
20	Controllers who have not worked in a company's finance and accounting department or an independent auditing firm in the preceding three years, according to the regulations of Article 286 of Decree 155/2020/ND-CP, Point a, Clause 2	Complied	
21	The Board of Supervisors's salary and operational expenses comply with the regulations of Clause 3 of Article 172 of the Law on Enterprises 2020.	Complied	
22	Conducting transactions with related parties according to the regulations of Article 167 of the Law on Enterprises 2020 and Articles 292, 293 of Decree 155/2020/ND-CP	Complied	
23	Disclose the General Meeting of Shareholders/Board of Directors' Resolution of related parties' transaction and publish these transactions in the Financial Statements and Corporate Governance Report	Complied	

Assessment of corporate governance under the light of the Asean corporate governance scorecard

For optimal business performance, HDBank's Board of Directors paid special attention to the promotion of business activities to increase revenue, reduce costs and raise profits while improving corporate governance capacity in accordance with international practices. Improving corporate governance capacity is to uphold the efficient exploitation of all corporate resources, creation of long-term sustainable values, proper attraction and use of investment capital, human resources, knowledge, and talents of the business.

Accordingly, the Bank assessed the effectiveness of its corporate governance with reference to the ASEAN Corporate Governance Scorecard based on 5 key areas: Rights of Shareholders, Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, Roles and Responsibilities of the Board of Directors.

Compared to 2021, the evaluation of HDBank's corporate governance through the ASEAN corporate governance scorecard has improved in terms of the diversity of members in the Board of Directors. Specifically, HDBank has increased the number of independent members and appointed the Chairman of the Board of Directors as an independent member.

✓ Complied

◐ Partially Complied

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
A	**Rights of shareholders**			
A.1	**Basic shareholder rights**			
A.1.1	Dividend pay-out (interim and final dividends) in an equal and prompt manner within 30 days of (1) its announcement for interim dividend and (2) its ratification at the General Meeting of Shareholders for final dividend. In the event of dividend payment by means of "Script dividend - debit note", such payment shall be made payments within 60 days.	✓	✓	In 2022, HDBank has completed the dividend payment at the rate of 25% in accordance with the resolution of the General Meeting of Shareholders.
A.2	**Right to participate in decisions relating to fundamental corporate changes**			
	Shareholders have the right to participate in:			
A.2.1	Shareholders have the right to participate in amending the Company's Charter or equivalent administrative documents	✓	✓	Specified in the Charter and Internal Regulations on Bank governance.
A.2.2	Shareholders have the right to vote to issue more shares	✓	✓	Specified in the Charter and the documents of the General Meeting of Shareholders, collecting shareholders' opinions in writing.
A.2.3	Shareholders have the right to participate in the transfer of all or most of the Company's assets resulting in the transfer of the Company	✓	✓	Specified in the Charter.
A.3	**Right to participate effectively in and vote at the General Meeting of Shareholders, and should be informed of the rules, including voting procedures that govern general shareholder meetings.**			
A.3.1	Shareholders have the opportunity, evidenced by an agenda item, to approve remuneration or any increases in remuneration for non-executive Board Members	✓	✓	Presented in the documents of 2022 Annual General Meeting of Shareholders published on the website and sent to each shareholder attending the meeting.
A.3.2	The company provides non-controlling shareholders a right to nominate candidates Members of the Board of Directors	✓	✓	Specified in the Charter and Internal Regulations on Bank governance
A.3.3	Shareholders have the right to vote each member of the Board of Directors	✓	✓	Specified in the Charter.
A.3.4	The company discloses the nomination and voting procedures used before the start of meeting	✓	✓	Specified on the Bank's website before the start of meeting
A.3.5	The minutes of the General Meeting of Shareholders records that shareholders were given the opportunity to ask questions or propose issues	✓	✓	Presented in the Minutes of 2022 Annual General Meeting of Shareholders
A.3.6	The resolutions/minutes discloses the voting results including approving, dissenting, and abstaining votes for each item	✓	✓	Presented in the latest Minutes of counting vote and collecting shareholders' opinions in writing
A.3.7	The company discloses the list of members of the Board of Directors who attends the latest Annual General Meeting of Shareholders	✓	✓	Presented in the Minutes of 2022 Annual General Meeting of Shareholders.
A.3.8	The company discloses that all members of the Board of Directors and Chief Executive Officer attend the latest Annual General Meeting of Shareholders	✓	✓	Members of the Board of Directors and Chief Executive Officer fully attend the latest Annual General Meeting of Shareholders. Presented in the Minutes of 2021 Annual General Meeting of Shareholders.
A.3.9	The company allows for voting in absentia	✓	✓	Specified in the Charter.
A.3.10	The company votes by poll for all resolutions at the latest General Meeting of Shareholders.	✓	✓	Presented in the latest Minutes of counting vote and collecting shareholders' opinions in writing.

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
A.3.11	The company discloses that it has appointed an independent party to count or verify votes at the Annual General Meeting of Shareholders	✓	✓	Presented in the Minutes of 2022 Annual General Meeting of Shareholders.
A.3.12	The company makes publicly available by the next working day the result of the votes taken during the latest General Meeting of Shareholders	✓	✓	Minutes and Resolution of 2022 Annual General Meeting of Shareholders were published on the Bank's website in accordance with regulations.
A.3.13	The company provides at least 21-day notice for the Annual/Extraordinary General Meeting of Shareholders	✓	✓	Notice of invitation and documents of the 2022 Annual General Meeting of Shareholders published on the Website on April 1, 2022
A.3.14	The company provides the rationale, information and explanation for each agenda item in the draft Resolution which requires shareholders' approval in the notice of the General Meeting of Shareholders/documents of the General Meeting of Shareholders/Draft or the reports attached	✓	✓	Presented in documents of 2022 Annual General Meeting of Shareholders and documents on collecting shareholders' opinions in writing.
A.3.15	The company enables shareholders to propose issues on the agenda of the Annual General Meeting of Shareholders	✓	✓	Specified in the Charter and Internal Regulations on Bank governance, whereby Shareholders give questions to the Board of Directors and propose contents to be included in the agenda of the Annual General Meeting of Shareholders. The proposals are recorded in the Minutes of the 2022 Annual General Meeting of Shareholders.
A.4	**Efficient and transparent corporate management**			
A.4.1	In cases of mergers, acquisitions that require the shareholders' approval, the Board of Directors appoints an independent party to evaluate the fairness of the transaction	✓	✓	Specified in the Charter.
A.5	**The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated**			
A.5.1	Does the company publicly disclose its policies/practices to encourage the participation of shareholders outside the General Meeting of Shareholders.	✓	✓	HDBank's Investor Relations activities always focus on promoting exchange between investors, shareholders and the Bank on a quarterly basis and based on actual annual operations.

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
B	**Equitable treatment of shareholders**			
B.1	**Shares and voting rights**			
B.1.1	The company's ordinary shares have one vote for one share	✓	✓	Stated in the Regulation on organizing the General Meeting of Shareholders at the annual meeting.
B.1.2	Where the company has more than one class of shares, the company publicizes the voting rights associated with each class of shares	✓	✓	Specified in the Charter.
B.2	**Notice of Annual General Meeting of Shareholders**			
B.2.1	Each approved resolution deals with only one item, that is, not to include many contents in the same Resolution.	✓	✓	Presented in the documents of 2022 Annual General Meeting of Shareholders.
B.2.2	The company's notices and documents of the latest Annual General Meeting of Shareholders are fully translated into English and published on the same date as the Vietnamese version?	✓	✓	Documents of 2022 Annual General Meeting of Shareholders are disclosed in two languages (Vietnamese - English)
B.2.3	The profiles of the candidates to the Board of Directors for election/re-election?	✓	✓	HDBank publishes profiles of the candidates to be elected/re-elected on the Bank's website.
B.2.4	The list of auditors for selection	✓	✓	Presented in the documents of 2022 Annual General Meeting of Shareholders.
B.2.5	The proxy documents made easily available	✓	✓	The proxy documents to attend 2022 Annual General Meeting of Shareholders is publicly available on the Bank's website and sent to Shareholders.
B.3	**Insider trading and abusive self-dealing should be prohibited**			
B.3.1	The company has policies and/or rules prohibiting Board Members and employees to benefit from knowledge that is not generally available to the market	✓	✓	Specified in the Charter, Internal Regulations on Bank governance and other relevant documents.
B.3.2	Members of the Board of Directors are required to report transactions of the Company stock within 03 business days	✓	✓	HDBank commits to comply with the current information disclosure regulations on the market.

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
B.4	**Related party transactions by the Board of Directors and the Board of Management**			
B.4.1	The company has a policy requiring Board Members to disclose their interests in transactions and any conflicts of interest	✓	✓	Specified in the Charter, Internal Regulations on Bank governance and other relevant documents. HDBank commits to comply with the current information disclosure regulations on the market.
B.4.2	The company has a policy requiring a committee of Independent Board Members to review material/significant related party transactions to determine whether such transactions are in the best interests of the company and shareholders	✓	✓	The Board of Supervisors perform the governance supervision of the Board of Directors and the Board of Management.
B.4.3	The company has a policy requiring Board Members to abstain from participating in the board discussion on a particular agenda when they are conflicted.	✓	✓	Specified in the Charter and Internal Regulations on Bank governance.
B.4.4	The company has policies on loans to Board Members either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates.	✓	✓	Specified in the Charter, Internal Regulations on Bank governance and other relevant documents in terms of credit extension.
B.5	**Protecting minority shareholders from abusive actions**			
B.5.1	The company discloses that related party transactions are conducted at arm's length basis and at market rates	✓	✓	Specified in the Charter and in compliance with legal regulations.
B.5.2	The related party transactions approved by the General Meeting of Shareholders are obtained the consent by non-interesting shareholders	✓	✓	Specified in the Charter.

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
C	**Roles of stakeholders**			
C.1	**The rights of stakeholders that are established by law or through mutual agreements are to be respected.**			
C.1.1	Issue regulations and execute specific activities to protect customers' interests	✓	✓	HDBank issues internal regulations and focuses on implementing activities to protect the customers' interests.
C.1.2	Provides specific criteria for selection of suppliers.	✓	✓	Presented in the Sustainable Development of the Annual Report
C.1.3	Describe the company's efforts to ensure its value chain is environmentally friendly or in line with the promotion of sustainable development.	✓	✓	HDBank always focuses on integrating the Sustainable Development goals with the Bank's development goals, presented in the Sustainable
C.1.4	Describe the company's efforts to interact with the communities in which the company operates	✓	✓	For many years, HDBank has implemented the Bank's responsibilities to the society and the community through a variety of programs, presented in the Annual Report and on the Bank's website.
C.1.5	Publish the company's anti-corruption program and procedures	✓	✓	Presented in the Legal compliance of the Sustainable Development of the Annual Report. The company has established a steering committee for anti-corruption and crime with the operating regulations set by the Board of Directors. The Steering committee issues an anti-corruption program with specific contents for each year. The Chief Executive Officer promulgates specific regulations on anti-corruption and crime.
C.1.6	Describe how creditors' rights are safe-guarded.	✓	✓	HDBank always commits to fully comply with legal regulations in all activities, including regulations on capital safety, liquidity and risk management. The Bank fully fulfills its disclosure obligations, including financial statements, annual reports, and periodical disclosures before and after each bond issue. Investor relations is always focused and is a useful channel for interaction with creditors.

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
C.1.7	The company has a separate section/Report on its efforts related to environmental, economic and social issues	✓	✓	Presented in the Sustainable Development of the Annual Report
C.2	**Stakeholders' interests are protected by law and stakeholders should have opportunity to obtain effective redress for violation of their rights**			
C.2.1	The company provides contact details via the website or the Annual Report that stakeholders can use to raise their concerns or complaints for possible violations of their rights.	✓	✓	The contact method and hotline are widely available on the media.
C.3	**Performance–enhancing mechanisms for employee participation should be permitted to develop**			
C.3.1	The company explicitly discloses the health, safety, and welfare policy for its employees.	✓	✓	Shown in the Annual Report and employee policies
C3.2	The company publishes data on development and training policies and programs for its employees.	✓	✓	Presented in the Annual Report and employee training programs.
C3.3	The company has a reward policy to boost the performance of the company in long term.	✓	✓	HDBank has developed and submitted to the General Meeting of Shareholders for approval and is implementing a share issuance program under the Employee Selection Program in 2022. The Bank established a bonus program in accordance with the number of working year at HDBank.
C.4	**Stakeholders including individuals and organizations are encouraged to raise their concerns about illegal or unethical practices to the Board.**			
C.4.1	The company has has procedures for complaints by employees and stakeholders concerning illegal conduct, unethical behavior and detailed information provided on the website and in the Annual Report	✓	✓	Presented in the Annual Report, the professional ethics, internal labor regulations, regulations on anti-corruption and crime, and other relevant documents.
C.4.2	The company has policies or procedures to protect employees who reveals illegal/ unethical behavior from retaliation.	✓	✓	Presented in the professional ethics, internal labor regulations, regulations on anti-corruption and crime, and other relevant documents.

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
D	**Disclosure and transparency**			
D.1	**Transparent ownership structure**			
D.1.1	The information on shareholdings holding 5% shareholding or more.	✓	✓	Presented in the Annual Report and Report on Corporate governance.
D.1.2	The company discloses the direct and indirect shareholdings of major shareholders.	✓	✓	Presented in the Annual Report and Report on Corporate governance.
D.1.3	The company discloses direct and indirect shareholdings of Board Members.	✓	✓	Presented in the Annual Report and Report on Corporate governance.
D.1.4	The company discloses direct and indirect shareholdings of the Board of Management.	✓	✓	Presented in the Annual Report and Report on Corporate governance.
D.1.5	The company discloses details of Parent, Subsidiaries, Affiliated, Joint ventures and Special Purpose Entity (SPE)/(SPV).	✓	✓	Presented in the Annual Report and Report on Corporate governance.
D.2	**Quality of Annual Report**			
D.2.1	Corporate objectives	✓	✓	Presented in full in the General Information of the Annual Report.
D.2.2	Financial performance indicators	✓	✓	Presented in full in the Operation Status of the Annual Report
D.2.3	Non-financial performance indicators	✓	✓	Presented in full in the Sustainable Development of the Annual Report.
D.2.4	Dividend policy	✓	✓	Presented in full in the Corporate Governance of the Annual Report.
D.2.5	Biographical details of members of the Board of Directors	✓	✓	Presented in full in the Corporate Governance of the Annual Report.
D.2.6	Attendance details of each members of the Board of Directors in respect of meetings held.	✓	✓	Presented in full in the Corporate Governance of the Annual Report.
D.2.7	Details of remuneration of each member of the Board of Directors	✓	✓	Presented in full in the Corporate Governance and Financial statements of the Annual Report

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
D.2.8	There is a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identifying and explaining reasons for each such issue.	✓	✓	Presented in full in the Corporate Governance of the Annual Report.
D.3	**Disclosure of related party transactions (RPTs)**			
D.3.1	The company discloses its policy covering the review and approval of RPTs	✓	✓	Specified in the Charter and Internal Regulations on Bank governance
D.3.2	The company discloses the name of the related party, relationship, nature, and value for each RPT	✓	✓	Presented in written information disclosure of related party transactions on the Bank's website
D.4	**Members of the Board of Directors dealings in shares of the company**			
D.4.1	The company discloses trading in the company's shares by insiders	✓	✓	Presented at the information disclosure of the trading in the company's shares by insiders on the Bank's website
D.5	**External auditor and Auditor Report**			
D.5.1	The audit/non-audit fees are publicly available			
D.5.2	The non-audit service fee is higher than the audit service fee?	✓	✓	
D.6	**Communication media**			
	The company uses the following modes of communication:			
D.6.1	Quarterly reporting	✓	✓	HDBank provides periodical updates of its business results and quarterly operations on the Bank's website in two languages (Vietnamese - English) Including: Update of business results, financial statements, press releases and presentation materials
D.6.2	The company's website	✓	✓	Information about the Bank's operations is regularly posted on the Website in two languages (Vietnamese - English) and some important information is shown in Japanese.
D.6.3	Analyst's briefing	✓	✓	HDBank actively works and provides information for domestic and foreign bank analytics reports.
D.6.4	Media briefings/press conferences	✓	✓	HDBank conducts activities with investors and analysts and provides periodic press releases to the media, ensuring transparent, timely and complete information
D.7	**Timely release of the annual Financial statements.**			
D.7.1	The audited annual Financial statements are released within 120 days from the end of the fiscal year.	✓	✓	Fully comply with applicable regulations
D.7.2	The Annual Report is released within 120 days from the end of the fiscal year.	✓	✓	Fully comply with applicable regulations
D.7.3	The true and fair representation of the annual Financial statements is affirmed by the Board of Directors and the relevant officers of the company	✓	✓	Fully comply with applicable regulations
D.8	**The company's website**			
D.8.1	Financial statements (Last updated quarter)	✓	✓	Presented in full in the Investor on the Bank's website
D.8.2	Materials provided in briefings to analysts and media	✓	✓	Presented in full in the Investor on the Bank's website
D.8.3	Annual Report can be downloaded	✓	✓	Presented in full in the Investor on the Bank's website
D.8.4	Notice of the Annual or Extraordinary General Meeting	✓	✓	Presented in full in the Investor on the Bank's website
D.8.5	Minutes of the Annual or Extraordinary General Meeting	✓	✓	Presented in full in the Investor on the Bank's website
D.8.6	The company's Charter	✓	✓	Presented in full in the Investor on the Bank's website
D.9	**Investor Relations**			
D.9.1	The company discloses the contact details of the officer responsible for investor relations	✓	✓	Presented in full in the Annual Report and the Investor on the Bank's website

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
E	**Responsibilities of the board of directors**			
E.1	**Duties of the Board of Directors**			
	Clearly define responsibilities of the Board of Directors and corporate governance policy			
E.1.1	The company publishes the corporate governance policy/clear roles and responsibilities of the Board of Directors	✓	✓	Presented in full in the Corporate Governance of the Annual Report
E.1.2	The types of decisions requiring the approval of Board Members are disclosed.	✓	✓	Disclosed in full on the Bank's website
E.1.3	The roles and responsibilities of Board Members are clearly stated	✓	✓	Presented in full in the Charter and the Corporate Governance of the Annual Report
E.1.4	The company discloses its latest vision and missions	✓	✓	Presented in full in the Annual Report and on the Bank's website
E.1.5	The Board of Directors plays an important role in developing and reviewing the company's strategies each year	✓	✓	The roles and activities of the Board of Directors are fully presented in the Corporate Governance section of the Annual Report
E.1.6	The Board Members supervise/monitor the implementation of the company's strategies	✓	✓	The roles and activities of the Board of Directors are fully presented in the Corporate Governance of the Annual Report
E.2	**Structure of the Board of Directors**			
E.2.1	The details of the code of ethics or conduct are disclosed	✓	✓	The Internal Governance Regulations and the Information Disclosure Regulations are available on the company's website
E.2.2	The company discloses that all Members of the Board of Directors, the Board of Management and employees are required to comply with the Regulations	✓	✓	Presented in the Internal Governance Regulations and the Information Disclosure Regulations are available on the company's website
E.2.3	The company discloses how it implements and monitors compliance with the Code of Ethics or Conduct	✓	✓	Presented in the Internal Governance Regulations and the Information Disclosure Regulations are available on the company's website
E.2.4	The Independent Board Members make up at least 50% of the Board Members	◉	◉	The Board of Directors currently has 02 Independent Board Member in compliance with the Law on Credit Institutions and applicable regulations
E.2.5	The company has a term limit of 9 years or less or two 5 year terms for Independent Board Members	✓	✓	Specified in the Charter and Internal Regulations on Bank governance.
E.2.6	The company sets a maximum of 5 Board positions that an independent/ non-executive Board Member can simultaneously hold in other companies	✓	✓	Specified in the Charter and Internal Regulations on Bank governance.
E.2.7	The company has any executive member of the Board of Directors who serve on more than two boards of listed companies outside of the group	✓	✓	Not incurred
E.2.8	The company has Human Resources Committee	✓	✓	The Human Resources Committee was established under the Board of Directors
E.2.9	The Human Resources Committee comprises of a majority of Independent Board Members		◉	An independent member of the Board of Directors serves on the Human Resources Committee and is responsible for offering valuable feedback on the Bank's human resources and remuneration policies.
E.2.10	The Chairman of the Human Resources Committee is an Independent Board Member			
E.2.11	The company announces the operating regulations/governance structure/charter of the Human Resources Committee	✓	✓	Presented in the Annual Report
E.2.12	The Human Resources Committee meets at least twice a year and discloses the meetings	✓	✓	Presented in the Annual Report
E.2.13	The company has a Remuneration Committee	✓	✓	HDBank established a Remuneration Committee under the Human Resources Committee.
E.2.14	The Remuneration Committee comprises of a majority of the Independent Board Members		◉	Member of the Board of Directors is in the Human Resources Committee and gives constructive comments on the Bank's HR policy, salary and remuneration.
E.2.15	The Chairman of the Remuneration Committee is an Independent Board Member			
E.2.16	The company announces the operating regulations/governance structure/charter of the Remuneration Committee	✓	✓	Presented in the Annual Report
E.2.17	The Remuneration Committee meets at least twice a year and discloses the meetings	✓	✓	Presented in the Annual Report
E.2.18	The company has an Audit Committee	✓	✓	HDBank operates under the model of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the General Director

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
E.2.19	The Audit Committee comprises entirely of non-executive members of the Board of Directors With a majority of Independent Board Members	✓	✓	The Board of Supervisors operates independently, supervises the activities of the Board of Directors and the Board of Management. Members of the Board of Supervisors do not hold managerial positions at HDBank.
E.2.20	The Chairman of the Audit Committee is an Independent Board Member	✓	✓	The Head of the Board of Supervisors operates independently from the Board of Directors
E.2.21	The company announces the operating regulations/governance structure/ charter of the Audit Committee	✓	✓	Presented in the Annual Report
E.2.22	At least one Independent Board Member in the Committee has accounting expertise (accounting qualifications or experience)	✓	✓	4/4 Members with accounting expertise and experience
E.2.23	The Audit Committee meets at least 4 times a year and discloses the meetings	✓	✓	Presented in the Annual Report
E.2.24	The Audit Committee has primary responsibility for recommendation on the appointment and dismissal of the external auditor	✓	✓	Presented in the Annual Report
E.3	**Procedures of the Board of Directors**			
E.3.1	The meetings of the Board are scheduled before or at the beginning of the year	✓	✓	Presented in the Annual Report
E.3.2	The Board Members meet at least 6 times a year	✓	✓	The Board of Directors conducted 5 meetings and 1 human resources session in 2022
E.3.3	Each Board Member has attended at least 75% of all the Board meetings held during the year	✓	✓	Each Board Member has attended 100% of the Board meetings during the year
E.3.4	At least two-third of the Board Members attend the meetings to approve of the Resolutions of the Board of Directors	✓	✓	Specified in the Charter.
E.3.5	Without the participation of the executive members of the Board of Directors, the non-executive members of the Board of Directors meet at least once during the evaluation year	✓	✓	7/7 Members of HDBank' Board of Directors are non-executive members of the Board of Directors
E.3.6	Materials of the Board of Directors meeting are sent to the members at least 05 working days before the meeting date	✓	✓	Materials are sent to the members at least 05 working days before the meeting date
E.3.7	The person in charge of Corporate governance has an important role in supporting the Board of Directors to fulfill their responsibilities	✓	✓	Specified in the Charter and Internal Regulations on Bank governance
E.3.8	The person in charge of Corporate governance is trained in legal, accounting or secretary and accompanies the relevant departments	✓	✓	The person in charge of Corporate governance has sufficient relevant knowledge and experience
E.3.9	The company discloses the criteria used in the selection of new Board Members	✓	✓	Presented in the Charter and regulations on nomination and candidacy to be members of the Board of Directors.
E.3.10	The company discloses the process for appointing new Board Members	✓	✓	Presented in the Charter and regulations on nomination and candidacy to be members of the Board of Directors.
E.3.11	All Board Members must be re-elected at least every 3 years or 5 years for listed companies operating in a country whose law regulates the 5 year term	✓	✓	Presented in the Charter
E.3.12	The company discloses remuneration policies/practices for executive member of the Board of Directors and the Chief Executive Officer?	✓	✓	Presented in the Charter, Internal Governance Regulations, documents of the Annual General Meeting of Shareholders, and the Annual Report
E.3.13	The company discloses the remuneration structure for non-executive members of the Board of Directors	✓	✓	Specified in the Charter and disclosed in accordance with the financial statements
E.3.14	Shareholders or the Board of Directors approve the remuneration of the executive member of the Board of Directors?	✓	✓	The General Meeting of Shareholders approves the remuneration and the Board of Directors specifies in detail
E.3.15	The company uses metrics to determine the performance-based remuneration of the executive member of the Board of Directors and the Board of Management in relation to the long-term interests of the Company	✓	✓	Presented in the Charter
E.3.16	The company has an independent internal audit division.	✓	✓	HDBank's Internal Audit Division was established in accordance with the State Bank's regulations
E.3.17	The company discloses the name of Head of Internal Audit Division, or in case of hiring external services, name of independent service company	✓	✓	Presented in the Annual Report

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
E.3.18	The appointment and dismissal of Internal Auditors is subject to the Audit Committee	✓	✓	The Board of Supervisors manages and directly steers the Internal Audit Division
E.3.19	The company publishes appropriate internal control procedures and risk management systems	✓	✓	Presented in the Corporate Governance of the Annual Report
E.3.20	The Annual Report disclosed that the Board Members have reviewed the company's material control points and its risk management system	✓	✓	Presented in the Corporate Governance of the Annual Report
E.3.21	The company discloses main risks	✓	✓	Presented in the Annual Report
E.3.22	The company's Annual Report has confirmation from the Board Members or the Audit Committee about the adequacy of the company's internal control points/risk management system	✓	✓	Presented in the Corporate Governance of the Annual Report
E.4	**Personnel of the Board of Directors**			
E.4.1	Different persons assume the roles of the Chairwoman of the Board of Directors and Chief Executive Officer	✓	✓	The title of Chairwoman of the Board of Directors is not concurrently the title of Chief Executive Officer
E.4.2	The Chairwoman is an Independent Board Member	✓	✓	The Chairwoman of the Board of Directors is a non-executive member of the Board of Directors
E.4.3	The Board Member served as Chief Executive Officer of the company in the last 2 years	✓	✓	Mr. Nguyen Huu Dang - Vice Chairman of the Board of Directors
E.4.4	The roles and responsibilities of the Chairwoman of the Board of Directors are disclosed	✓	✓	Specified in the Charter and presented in the Annual Report
E.4.5	At least one non-executive member of the Board of Directors has prior working experience in the major industry the company is operating in	✓	✓	All members of the Board of Directors have experience in finance and banking
E.4.6	The company discloses a diversity policy for composition of the Board of Directors	✓	✓	Presented in the Annual Report

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
E.5	**Performance of the Board of Directors**			
E.5.1	The company has an orientation program for new members of the Board of Directors	✓	✓	The Board Members are fully updated and disseminated about the functions, duties, powers and activities of the Board of Directors.
E.5.2	The company has a policy that encourages the Board Members to participate in continuing education or professional training programs	✓	✓	Professional capacity building and training programs are always provided by HDBank and members of the Board of Directors are encouraged to attend
E.5.3	The company discloses how the Board Members develop the plan for the succession of future leadership, including Chairman of the Board of Directors, Chief Executive Officer and key personnel	✓	✓	Presented in the Internal Regulations on Bank governance and Internal Personnel Policy
E.5.4	The Board of Directors conducts an annual performance assessment of the Chairwoman of the Board of Directors/Chief Executive Officer	✓	✓	HDBank conducts annual performance assessment of the Board of Directors, Chief Executive Officer and the Board of Management
E.5.5	The annual performance assessment is conducted for the Board of Directors and the company discloses the process followed in conducting the assessment	✓	✓	HDBank conducts annual performance assessment of the Board of Directors, Chief Executive Officer and the Board of Management, presented in the Annual Report and the Report on Corporate Governance
E.5.6	The annual performance assessment is conducted for each Board Member and the company discloses the process followed in conducting the assessment	✓	✓	HDBank conducts annual performance assessment of the Board of Directors, presented in the Annual Report and the Report on Corporate Governance
E.5.7	The annual performance assessment is conducted for Committees and the company discloses the process followed in conducting the assessment	✓	✓	Presented in the Corporate Governance of the Annual Report

REWARD SCORECARD

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
(B) A	**Rights of shareholders**			
(B) A.1	**Basic shareholder rights**			
(B) A.1.1	The company uses electronic absentee voting at the General Meeting of Shareholders	✓	✓	HDBank has submitted to the General Meeting of Shareholders for the approval of the Regulations on organizing the online General Meeting of Shareholders and electronic voting.
(B) B	**Equitable treatment of shareholders**			
(B) B.1	**Notice of Annual General Meeting of Shareholders**			
(B) B.1.1	The company gives a notice of the Annual General Meeting of Shareholders, such as a notice to the Stock Exchange, at least 28 days prior to the meeting date	✓	✓	Notice of invitation to the General Meeting of Shareholders published on March 4, 2022
(B) C	**Roles of stakeholders**			
(B) C.1	**The rights of stakeholders that are established by law or through mutual agreements are to be respected.**			
(B) C.1.1	The company applies international standards to make a Sustainability Report?	◎	◎	Sustainability Report is based on international standards (GRI, 17 United Nations Sustainable Development Goals) for implementation
(B) D	**Disclosure and transparency**			
(B) D.1	**Quality of Annual Report**			
(B) D.1.1	The audited annual Financial statements are released within 60 days from the end of the fiscal year	✓	✓	Audited Financial statements are released in accordance with regulations
(B) D.1.2	The company discloses the remuneration of the Chief Executive Officer	✓	✓	Presented in the Annual Report and Financial statements
(B) E	**Responsibilities of the Board of Directors**			
(B) E.1	**Capacity and diversity of the Board of Directors**			
(B) E.1.1	The company has at least one female Independent Board Member			
(B) E.1.2	The company has a policy publishing measurement requirements for the diversity of the Board Members and supervises the implementation progress as well as results	✓	✓	Standards of the Board Members are specified in the Charter and Internal Regulations on Bank governance
(B) E.2	**Structure of the Board of Directors**			
(B) E.2.1	The Human Resources Committee comprises of all the Independent Board Members			
(B) E.2.2	The Human Resources Committee implements the process to determine quality of the Board Members in accordance with the company's strategic guidance	✓	✓	The Human Resources Committee consults the Board of Directors on human resources
(B) E.3	**Appointment and re-election of the Board of Directors**			
(B) E.3.1	The company outsources or uses other independent sources of candidates when seeking candidates for Board Members	✓	✓	Get consult from BCG in finding suitable candidates for the position of Independent Board Member
(B) E.4	**Structure and composition of the Board of Directors**			
(B) E.4.1	The independent non-executive member of the Board of Directors accounts for more than 50% of the Board Members with the Chairwoman being Independent Board Member	◎	◎	The Chairman of the Board of Directors is an independent and non-executive member of the Board of Directors
(B) E.5	**Risk management**			
(B) E.5.1	The Board of Directors describes the management related to IT issues to identify, manage and report all major risks to the Board of Directors	✓	✓	Presented in the Annual Report
(B) E.6	**Performance of the Board of Directors**			
(B) E.6.1	The company has a separate Risk Management Committee?	✓	✓	The Risk Management Committee was established under the Board of Directors

PENALTY SCORECARD

No.	Criteria	HDBank compliance status 2021	HDBank compliance status 2022	Assessment basis for 2022
(P) A	**Rights of shareholders**			
(P) A.1	**Basic shareholder rights**			
(P) A.1.1	The company fails or negligently fails to treat all shareholders in terms of share repurchases in a fair manner	✓	✓	No event incurred in 2022
(P) A.2	**Right to participate in decisions relating to fundamental corporate changes**			
(P) A.2.1	Evidence of barrier to shareholders not being able to exchange information or consult other shareholders	✓	✓	No event incurred in 2022
(P) A.3	**Right to participate effectively in and vote at the General Meeting of Shareholders, and should be informed of the rules, including voting procedures that govern general shareholder meetings.**			
(P) A.3.1	The Company has included additional and unannounced contents on the agenda in the notice of the Annual/ Extraordinary General Meeting	✓	✓	Information is always available and notified to shareholders
(P) A.3.2	The Chairwoman of the Board of Directors, Head of the Internal Audit Committee and Chief Executive Officer have attended the latest General Meeting of Shareholders	✓	✓	Full attendance
(P)A.4	**Capital structure and agreements allow certain shareholders to hold control that are not proportional to the disclosed ownership percentage**			
(P) A.4.1	The company announces the existence of the shareholder agreements	✓	✓	Not incurred
(P) A.4.2	The company announces the existence of the voting limits	✓	✓	Not incurred
(P) A.4.3	The company announces the existence of the share with many voting rights	✓	✓	Not incurred
(P)A.5	**Capital structure and agreements allow certain shareholders to hold control that are not proportional to the disclosed ownership percentage**			
(P) A.5.1	The pyramid ownership or cross-shareholding structure exists	✓	✓	Not incurred
(P) B	**Equitable treatment of shareholders**			
(P) B.1	**Insider trading and abusive self-dealing should be prohibited**			
(P) B.1.1	The company was concluded to violate insider trading of the Board of Directors, the Board of Management and employees in the last three years	✓	✓	Not incurred
(P) B.2	**Protecting minority shareholders from abusive actions**			
(P) B.2.1	The significant or material non-compliance with laws, rules and regulations regarding related party transactions has been available over the past 3 years	✓	✓	Not incurred
(P) B.2.2	The related party transactions are financial assistance to entities other than Subsidiaries	✓	✓	Not incurred
(P) C	**Roles of stakeholders**			
(P) C.1	**The rights of stakeholders that are established by law or through mutual agreements are to be respected.**			
(P) C.1.1	Any violations to the law on labor/employment/consumers/ bankruptcy/trading/competition or environmental issues are available	✓	✓	Not incurred
(P) C.2	**Stakeholders' interests are protected by law and stakeholders should have opportunity to obtain effective redress for violation of their rights**			
(P) C.2.1	The company is subject to any regulatory penalties related to the undue information disclosure for essential requests	✓	✓	Not incurred
(P) D	**Disclosure and transparency**			
(P) D.1	**Regulators' penalties related to Financial statements**			
(P) D.1.1	The company receives any "qualified opinion" in the Independent Auditor's Report	✓	✓	Unqualified opinion
(P) D.1.2	The company receives any "adverse opinion" in the Independent Auditor's Report	✓	✓	Unqualified opinion

No.	Criteria	HDBank compliance status		Assessment basis for 2022
		2021	2022	
(P) D.1.3	The company receives any "disclaimer opinion" in the Independent Auditor's Report	✓	✓	Unqualified opinion
(P) D.1.4	The company revises its Financial statements for reasons other than the changes in the accounting policies	✓	✓	Not incurred
(P) E	**Responsibilities of the board of directors**			
(P) E.1	**Compliance with applicable rules and regulations on listing**			
(P) E.1.1	Any evidences show that the Company failed to comply with any rules and regulations on listing in the past year other than those on information disclosure	✓	✓	Completely complied
(P) E.1.2	A non-executive member of the Board of Directors resigned and raised any governance-related concerns	✓	✓	Not incurred
(P) E.2	**Structure of the Board of Directors**			
(P) E.2.1	The company has any Independent Board Member who has served for more than 9 years or two 5-year terms with the same responsibilities	✓	✓	Not incurred
(P) E.2.2	The company fails to identity clearly who is the Independent Board Member	✓	✓	Not incurred
(P) E.2.3	The company has any non-executive/ Independent Board Member who has served for more than 5 Boards of Directors of Listed companies	✓	✓	Not incurred
(P) E.3	**External auditor**			
(P) E.3.1	Any Board Member or senior executives was an employee or a joint-venture member of the current external auditing company in the last two years	✓	✓	Not incurred
(P) E.4	**Composition and structure of the Board of Directors**			
(P) E.4.1	The Chairwoman served as the Chief Executive Officer of the company in the last three years	✓	✓	Not incurred
(P) E.4.2	The Independent and non-executive Board Members reserve the right to buy shares and bonus shares	✓	✓	Not incurred

Participation in corporate governance programs during the year

The BOD of HDBank always encourages and creates opportunities for the Bank's leaders to participate in courses and discussions related to banking governance activities according to domestic and international standards. The members of the BOD of HDBank have attended a number of seminars on corporate governance and have extensive experience in managing various economic and credit institutions.

In 2022, Mr. Kim Byoungho - Chairman of the Board of Directors cum independent member participated in 05 training courses on Corporate Governance and 01 High-Level Workshop on Corporate Governance for members of the BOD, organized by SK Group - Korea.

GOVERNANCE ORIENTATION AND EXECUTIVE DIRECTION OF THE BOARD OF DIRECTORS IN 2023

BUSINESS OPERATIONS

Directing and supervising the implementation of specific action programs for the Bank's operations in order to successfully implement the business plan in 2023, which focuses on key objectives:



GOVERNANCE AND ADMINISTRATION

- Directing the improvement of the system of mechanisms and policies, ensuring the creation of a solid legal framework, complying with the provisions of the law on governance towards the application of regional and international governance practices, and enhancing transparency and publicity in banking operations.
- Directing the implementation of initiatives under the 05-year Strategy (2021-2025) and the Digital Transformation Strategy according to the approved schedule in order to improve operational efficiency and increase HDBank's competitiveness in the market.
- Directing and supervising the promotion of training, improving the quality of human resources and labor productivity to match development goals, and building a professional and creative working environment.
- Directing and supervising the continued implementation of restructuring plans (M&A), consolidating and developing relationships with domestic and international partners in order to expand the bank's scale.
- Directing and supervising the implementation of Investor Relations activities: timely and transparently in disclosing information to all relevant parties; diversifying and improving the quality of information exchange channels, promoting the organization of exchanges and meetings, and creating favorable conditions for Shareholders/Investors to update information about the Bank's operations quickly and accurately, ensuring the best returns for Shareholders/ Investors, and increasing the credibility of the brand as well as the position of HDBank shares on the stock market.
- Directing and supervising the implementation of HDBanks' corporate responsibility programs: promoting the implementation of green credit programs through financing renewable energy and high-tech agriculture projects, aiming towards sustainable development and environmental protection; continuing to implement corporate and social responsibility programs to demonstrate HDBank's responsibility to the community.

OPERATIONS OF THE BOARD OF DIRECTORS

- Strengthening the roles and responsibilities of members of the BOD and Committees under the BOD in advising and supervising the Bank's areas of operations.
- Working closely with the Chief Executive Officer and the BOARD OF MANAGEMENT, in order to promptly solve problems arising during the implementation of business tasks.
- Organizing the Annual General Meeting of Shareholders, and the periodical BoOD's meetings.



INVESTOR AND SHAREHOLDER RELATIONS

IMPRESSIVE FIGURES ON HDBANK STOCKS AND INVESTOR RELATIONSHIP IN 2022

25%

The dividend ratio which HDBank shareholders received in 2022

With the tradition of regularly paying dividends at high rate, in 2022 HDBank continued to pay stock dividends at the rate of 25% according to the resolution approved by the General Meeting of Shareholders. In the last 3 years, HDBank shareholders have continuously received dividends and bonus shares with high rates, 65% in 2020, 25% in 2021 and 25% in 2022, respectively.

20%

The growth rate of the total number of HDBank shareholders in 2022

As of December 30, 2022, HDBank had over 27,500 shareholders, an increase of about 20% from 22,900 shareholders at the end of 2021. In the context of volatile international and Vietnamese markets, the above figure partly showed the trust of shareholders and investors in HDBank's solid foundation, quality of operations and high growth prospects in the near future.

20.3 million

HDB shares was net bought by foreign investors in 2022

Despite the fluctuations of the market, HDB shares of HDBank are still trusted by foreign investors with a net buying volume of 20.3 million shares in 2022. HDB is one of the top stocks in the portfolio of many large investment funds.

#846

Number of meetings with investors and partners in 2022

In 2022, the Bank has strengthened investor contact. The number of meetings with investors has doubled compared to 2021. Along with regular contact activities, the bank also organized face-to-face investor meetings in Thailand, Korea and The UK to strengthen information exchange and review proposals from investors. After the meetings, the percentage of investors who were satisfied with the quality of the meetings was always high, with the rating of "Good" and "Very good" reaching 92%.

#4 years

that the Bank has been honored as Large-Cap Listed Enterprise with Best Annual Report

Within the framework of the 2022 Listed Enterprise Voting, which the Ho Chi Minh City Stock Exchange (HOSE), Hanoi Stock Exchange (HNX), and Investment Newspaper jointly organized, HDBank was the leading bank in the category of Large-cap enterprises with the best Annual Report for 4 consecutive years. This prestigious award is a testament to HDBank's commitment to transparent information disclosure, corporate governance according to the best international standards and commitment to bringing the highest value to investors.



» *9 Months of 2022 Earnings Call for Domestic and International Retail and Institutional Investors*

Investor relations activities

Under the motto "Committed to the Best Returns" to shareholders, investors, customers, and partners, investor relations (IR) has always been a central focus of HDBank, gradually professionalizing and moving towards best international standards. HDBank enforces compliance responsibilities of a public company, and also accompanies and supports investors in receiving timely information about the bank's operations to exercise shareholders' rights and contribute to the development of the bank. In 2022, HDBank successfully organized the Annual General Meeting of Shareholders online, and electronic voting with the participation of hundreds of shareholders, owners and representatives of more than 83.3% of total shares with voting rights. All reports and submissions were approved with an approval rate of over 90% - 99%. Moreover, shareholders conducted online elections, elected the BOD for the term 2022-2027 with an approval rate of over 93%. The Bank also used technology in collecting shareholders' written opinions on issues under the authority of the General Meeting of Shareholders, helping shareholders to easily exercise their rights.

Shareholders and investors contacts have been done regularly and professionally. Quarterly, right after the announcement of financial statements, the Bank actively invited shareholders and investors to attend an online investor conference to share operational information and listen to questions and comments. HDBank also conducted domestic and international business trips, directly contacting investors, analysts, regulators, capital market members for information exchange, gaining market insights, clarifying banking-related information, as well as new requirements to be followed, and good practice in investor relations. Communication programs on digital channels were being promoted gradually.

With the positive performance and efficiency of IR activities, HDBank continues to receive increasing attention and companionship from domestic and international investors. As of December 31, 2022, the bank had more than 27,000 shareholders, a sharp increase from 22,900 shareholders at the end of 2021, of which many new shareholders are famous international investment funds from Asia, Europe and the US. As a result, despite the volatility of the stock market, the capitalization value of HDBank was more positive than that of many banks in the industry. HDB continued to be selected in the VN30 index, ranking in terms of market capitalization increased 2 ranks compared to 2021. HDBank was honored with Top 50 prestigious and effective public companies in 2022, Top 10 prestigious Vietnamese commercial banks in 2022; honored in the Top 10 large-cap companies with the best Annual Report for the fourth consecutive year within the framework of the 2022 Listed Enterprise Voting, which the HOSE, HNX, and Investment Newspaper jointly organized.

In 2023, while the market is forecast to have many fluctuations and changes, IR work will continue to be enhanced with innovation, standardized processes, active research and application of international best practices in operations, timely responses to shareholders and investors, and contributing to enhancing HDBank's position and reputation.

Investor Relations Event Timeline

Time	Event	Descriptions
February 10, 2022	Investor Conference: Announcement of 4Q2021 business results organized by HDBank	Event to update business results in 2021 and plan for 2022 for domestic and international individual investors, investment funds and financial institutions.
March 3-4, 2022	The 5th online investor conference organized by EFG HERMES	Event connecting leading prestigious investment institutions in Europe, the Middle East, Asia, America and listed companies.
March 15, 2022	Vietnam Access Day Investment Conference 2022	Investment conference organized by Viet Capital Securities to connect international investment funds and listed companies in Vietnam.
April 28, 2022	Annual General Meeting of Shareholders 2022	HDBank's AGM approved the business plan for 2022 with high growth targets in both scale and quality. In addition, the AGM completed the election of the BOD for the term 2022 - 2027 with new members who are experienced leaders from prestigious international financial institutions.
May 4, 2022	Investor Seminar: Announcement of 1Q 2022 business results organized by HDBank	Event to update business results in the 1Q2022 for domestic and international individual investors, investment funds and financial institutions.
May 30 – June 1, 2022	HDBank investor conference in Thailand	Event to update 1Q2022 business results for shareholders and investors in Bangkok - Thailand.
June 5-6, 2022	Investor conference jointly organized by HSC and Goldman Sachs	Event connecting international investors with listed companies in Vietnam.
June 18, 2022	UBS OneASEAN Virtual Conference 2022 organized by UBS	The event connected investors from the UK, Europe and the region with listed companies in ASEAN countries.
June 15, 2022	HSC Investor Conference - Emerging Vietnam 2022	Emerging Vietnam is an annual event organized by HSC with the goal of bridging leading Vietnamese companies and the international investment community from the United States, Europe, Japan, Singapore, Hong Kong, South Korea, and Thailand.
August 12, 2022	Investor Seminar: Announcement of 2Q2022 business results	Event to update business results of 2Q2022 for domestic and international individual investors, investment funds and financial institutions.
August 26, 2022	Credit Suisse Vietnam Tour August 2022	The event connected Asian and American investment institutions and listed companies in Vietnam.
September 28, 2022	[SSI x CITI] VIETNAM C-SUITE FORUM 2022	Investment conference organized by Citi Group in collaboration with SSI Securities Company to connect senior leaders of Vietnamese listed companies and large international investment funds.
October 26, 2022	Investor Conference: Announcement of 3Q2022 business results	Event to update business results of 3Q2022 for domestic and international individual investors, investment funds and financial institutions.
November 1-4, 2022	LEAP22 Conference organized by Leapfrog Investments	Conference to meet international investors within the framework of the General Meeting of Shareholders of Leapfrog Investments - a strategic investor of HDBank in London - UK.

INFORMATION ON SHAREHOLDING STRUCTURE

Share

A total of 2,530,342,922 ordinary shares as of December 31, 2022 equivalent to the charter capital of VND 25,303,429,220,000 of HDBank, including:

- Outstanding shares: 2,515,261,400 shares
- Treasury shares: 15,081,522 shares
- Unrestricted shares: 2,284,232,008 shares
- Restricted share: 246,110,914 shares

HDBank shares are not traded in foreign countries and territories.

In 2022, the Bank did not repurchase shares issued as Treasury shares.

Shareholder structure as of December 31, 2022

HDBank's shareholder structure in accordance with ownership percentage (major shareholders - holding 5% of shares or more, Minor shareholders):

No.	Content	Number of Shareholders	Number of Shares	Ownership Percentage
1	Major shareholder(*)	1	363,255,967	14.36%
2	Minor shareholder	27,525	2,167,086,955	85.64%
	Total	27,526	2,530,342,922	100.00%

(*) HDBank has only one major shareholder which is Sovico Holdings with the ownership of more than 5% of the Bank's shares. No other shareholder owns up to 5% of the Bank's shares.

Ownership structure by type of shareholders

No.	Subject	Number of shares	Ownership rate (%)	Number of shareholders	Shareholder structure (*)	
					Organization	Individual
1	State Shareholder	77,860,364	3.08%	6	6	0
2	Major shareholder	363,255,967	14.36%	1	1	-
3	Labor Union	623,344	0.02%	1	1	-
4	Treasury shares	15,081,522	0.60%	1	1	-
5	Other shareholders	2,073,521,725	81.95%	27,517	232	27,285
	» Domestic	1,618,409,552	63.96%	26,869	112	26,757
	» Foreign	455,112,173	17.99%	647	119	528
	TOTAL	**2,530,342,922**	**100%**	**27,526**	**241**	**27,285**
	In which:					
	» Domestic	2,075,230,749	82.01%	26,879	122	26,757
	» Foreign	455,112,173	17.99%	647	119	528

History of dividend payouts over the years

Real payment time	2017	2018	2019	2020	2021	2022
1. Ratio of dividend payout /Charter capital	7.00%	13.0%	10%	50%	25%	25%
2. Bonus share issuance rate/Charter capital	2.00%	-	20%	15%	-	-
Total	9.0%	13.0%	30%	65%	25%	25%
Form of payment	Shares	Cash	Shares	Shares	Shares	Shares

(*) The issuance of shares to pay dividends and bonus shares in 2019 is carried out in 2020 according to the resolution of the General Meeting of Shareholders No. 09/2020/NQ-ĐHĐCD dated June 13, 2020.

History of capital increase

Time of capital increase	Value after increase (VND billion)	Value increased during the period (VND billion)	Note
02/1989	3	0	Initial charter capital
06/1992	5	2	Additional issuance for existing shareholders
10/1993	10	5	Additional issuance for existing shareholders
04/1994	22	12	Additional issuance for existing shareholders
01/1998	42	20	Additional issuance for existing shareholders
08/1998	50	8	Additional issuance for existing shareholders
02/1999	60	10	Additional issuance for existing shareholders
06/2002	70	10	Private issuance
12/2004	150	80	Additional issuance for existing shareholders
08/2005	200	50	Additional issuance for existing shareholders
12/2005	300	100	Additional issuance for existing shareholders
12/2006	500	200	Additional issuance for existing shareholders
11/2007	1,000	500	Additional issuance for existing shareholders and employees
10/2008	1,550	550	Additional issuance for existing shareholders and employees
08/2010	2,000	450	Additional issuance for existing shareholders and employees
01/2011	3,000	1,000	Additional issuance for existing shareholders and employees
06/2012	5,000	2,000	Additional issuance for existing shareholders and employees
12/2013	8,100	3,100	Merger of Dai A Commercial Joint Stock Bank increases charter capital
10/2017	8,829	729	Issuance of shares to pay dividends and issuance of shares to increase capital from equity
12/2017	9,810	981	Private issuance
10/2020	12,708	2,898	Issuance of shares to pay dividends and issuance of bonus shares from equity
12/2020	16,089	3,381	Issuance of shares to pay dividends
10/2021	20,073	3,984	Issuance of shares to pay dividends
06/2022	20,273	200	Additional issuance for employees
11/2022	25,303	5,030	Issuance of shares to pay dividends

SUSTAINABLE DEVELOPMENT
PIONEERING SPIRIT

6 SUSTAINABLE DEVELOPMENT

180 | Sustainable Development Message of the Chairman of the Board of Directors

182 | Accreditation from reputable organizations

184 | Scope, period of information disclosure - Applied standard - Information

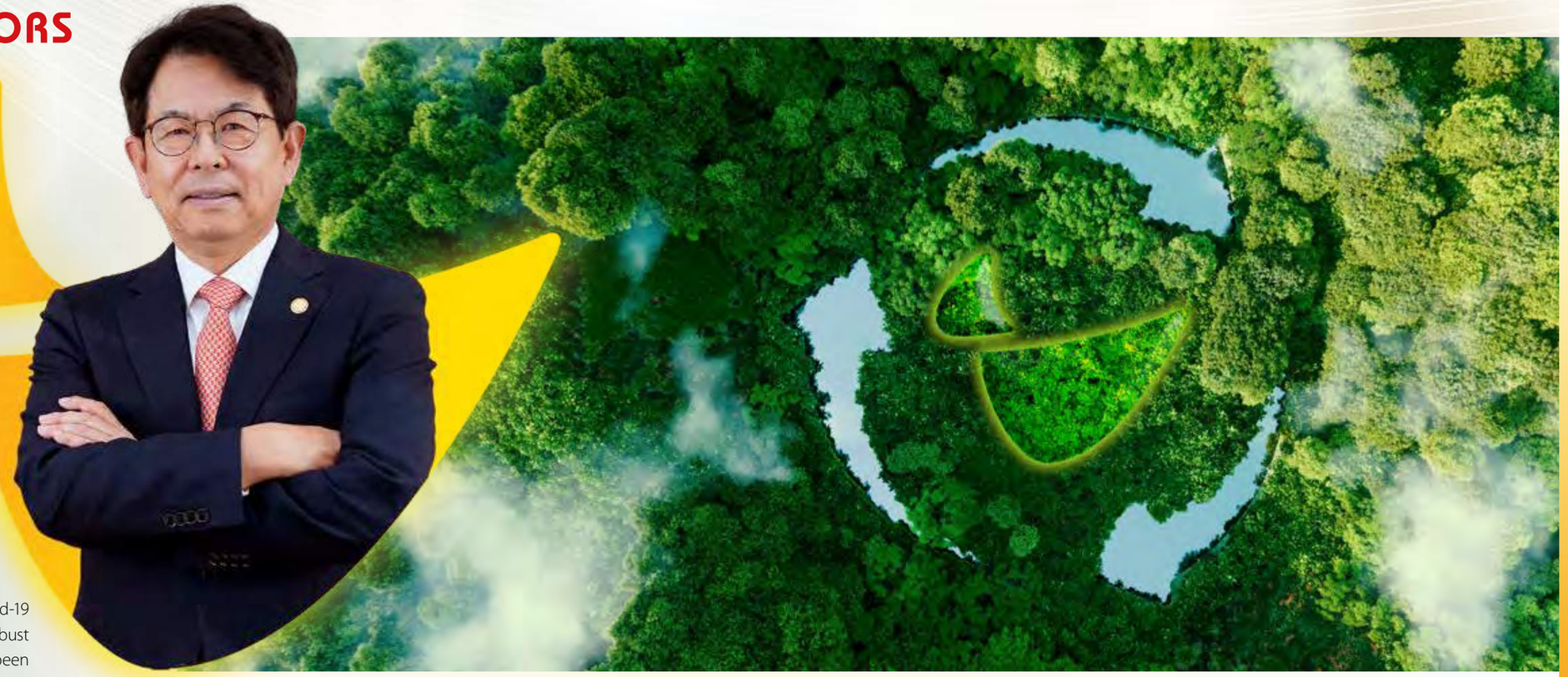
186 | Governance structure for sustainable development

187 | Focus of sustainable development

188 | Key stakeholder engagement strategy

192 | Sustainable Development

SUSTAINABLE DEVELOPMENT MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



HAPPY DIGITAL Bank
NGÂN HÀNG SỐ HẠNH PHÚC

Dear stakeholders of HDBank,

After enduring the challenges posed by the Covid-19 pandemic, Vietnam has emerged as a resilient and robust economy in 2022. The country's GDP growth has been recorded at 8.02%, which is the fastest expansion seen in the past 25 years. This impressive growth has cemented Vietnam's position as a leading economy and a "bright spot amid global slowdown," as stated by the IMF. At the same time, the growing emphasis on sustainable ESG management is becoming increasingly important across all industries, amidst unprecedented challenges caused by uncertainties in international affairs, high-interest rates, inflation, and signs of a worsening climate crisis, such as droughts and floods. At The UN Climate Change Conference in Glasgow (COP26) in November 2021, Vietnam made ambitious commitments including setting a net-zero emissions target by 2050 and phasing out coal-fueled power generation by 2040.

The Bank has recognized its role in promoting Green finance and has been committed to supporting Vietnam's efforts in building a more resilient and sustainable economy. Since 2018, the Bank has been actively calling for funding to support the development of Green projects that aim to reduce Vietnam's carbon emissions, protect the environment, and introducing products and services to cater to the needs of the customers and vulnerable communities. In 2021, the Bank became the first Vietnam bank committing to cease financing coal-related activities, including coal mining, coal transportation, coal-fired power plants, and infrastructure services that support such activities.

Our newly released Environmental, Social, and Governance (ESG) Regulation serves as a guideline for our employees and stakeholders, outlining the standards that the Bank aims to adhere to, as well as the governance and oversight mechanisms in place to support the Board of Directors' commitments. Effective governance underpins the Bank's approach in ensuring that HDBank has the appropriate policies, systems, technologies, and processes in place to fulfill its obligations. Given the importance of ESG matters, the Board of Directors has tasked the Risk Management Committee with overseeing and providing guidance on the social and environmental impacts of the Bank's activities. Additionally, the Board of Management is responsible for holding the Head of the Commercial Banking Division accountable for fulfilling sustainable development responsibilities and adhering to procedures in line with the Board's direction.

As we strive to achieve our 2021-2025 development targets, the Bank is committed to advancing progress towards all 17 interrelated sustainable development goals (SDGs) established by the United Nations. To make a tangible contribution towards the nation's goals of achieving net-zero carbon emissions and financial inclusion, while also making positive changes to the Bank's business and stakeholders, the Board has identified the following goals as key areas of focus:

- Strengthening governance and risk management
- Aligning the Bank's portfolio and supporting customers in their transition efforts
- Accelerating digital transformation to provide comprehensive financial solutions to our stakeholders.

HDBank, along with its Board of Directors and employees, is committed to continuously creating sustainable value and steadfastly advancing towards prioritizing the best interests of our stakeholders. With unwavering determination, we firmly believe that we can achieve our 2023 business targets while simultaneously reaching new heights in sustainable development.

Chairman of the Board of Directors,
Independent Member of the Board

KIM BYOUNGHO

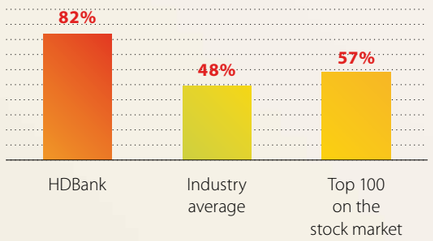
ACCREDITATION FROM REPUTABLE ORGANIZATIONS

With the Net Zero commitment by 2050 of the Prime Minister of Vietnam at the COP26 in Glasgow (United Kingdom) in November 2021, the context of sustainable development in general and combating climate change in Vietnam has entered a new phase. With a view to promoting sustainable development, not only enterprises but also the banking industry are gradually transforming, demonstrating their commitment and progress in following the principles for responsible investment (PRI) and strongly attracting Vietnamese and foreign green investments.

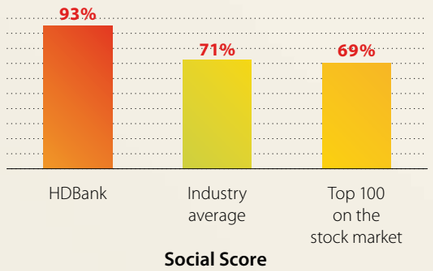
HDBank is one of the pioneer banks in promoting sustainable development and Green finance, while applying ESG standards in business operations, aiming to a long-term sustainable development. The Bank also took the lead in Green Credit programs, renewable energy development and social responsibility.

In 2022, HDBank was on the top of enterprises with a score higher than the industry in the Vietnam Sustainability Index (VNSI) basket by the Ho Chi Minh City Stock Exchange (HOSE), three years in a row. According to the assessment of Hochiminh Stock Exchange, HDBank achieved a total score of 85% and high scores in all 3 categories: environment (82%), social (93%) and governance (82%). The industry average scores for these three categories were 48%, 71% and 70%, respectively.

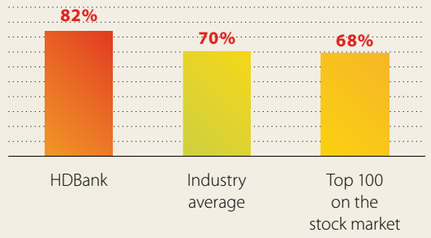
In each criteria of these three categories, HDBank received outstanding scorings in terms of environmental policy (92%), social policy (95%), and social management system (91%), social performance indicator (92%), disclosure and transparency (100%), ensuring the roles of stakeholders (100%).



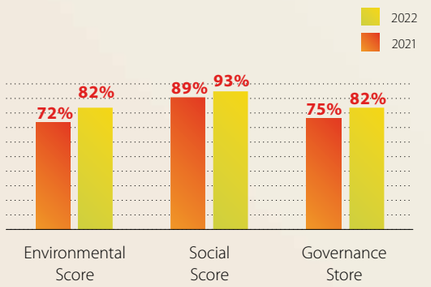
Environmental Score



Social Score



Governance Score



Comparision between ESG Score of 2021 & 2022

HDBank was the first Vietnamese financial institution to win the Best Bank for Sustainable Finance award at The Asset Triple A National Awards 2022, taking place at the beginning of 2023. The award is a prestigious, well-established and transparent financial award in the region. This was a testament to the efforts of the Board of Directors and all HDBank staff members in realizing sustainable development goals and promoting Green Finance over the years.

In 2022, HDBank was honored to enter the list of Top Sustainable Businesses by the Vietnam Chamber of Commerce and Industry (VCCI) for four consecutive years.





» *HDBank has been listed in the Top Sustainable Development nterprises for the fourth consecutive year in 2022*

SCOPE, PERIOD OF INFORMATION DISCLOSURE

The Sustainability Report covers all of HDBank's operations in Vietnam, including the parent bank, which has its headquarters in Ho Chi Minh City, as well as its subsidiaries, branches, and transaction offices across the country. The information and statistics used to disclose information are updated in accordance with the Bank's and its subsidiaries' fiscal year, which begins on January 1, 2022 and ends on December 31, 2022. The information on employment, occupational safety, society, and the environment is collected from current HDBank activities, reflects operational results in 2022, and also highlights HDBank's attitude and strategy for sustainable development in the following years.

APPLIED STANDARD

The 2022 Sustainability Report is created as an accompanying publication in the HDBank's 2022 Annual Report. The information disclosure is built on the basis of Circular 96/2020/TT-BTC Guiding Information Disclosure on the Stock Market of the Ministry of Finance and the guidelines of the State Securities Commission, the Stock Exchange. In addition to fully completing the aforementioned requirements, the 2022 Sustainability Report adheres to a number of international standards, including GRI Standards.

INFORMATION

The highest-ranking official is in charge of putting Sustainable Development policy into action.	Mr. Pham Quoc Thanh – Chief Executive Officer of HDBank
The person in charge of putting Sustainable Development policy into action	Mr. Tran Hoai Phuong – Head of Commercial Banking Division is a person in charge of environmental and social risk management Mr. Giang Thien Kiem – Deputy Director of Risk Management Division
Email	vphdqt@hdbank.com.vn
Telephone	(028) 62 915 916
Website	www.hdbank.com.vn
Address	HD Tower Building, 25Bis Nguyen Thi Minh Khai, Ben Nghe Ward, District 1, Ho Chi Minh City



SUSTAINABLE DEVELOPMENT

GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT

HDBank's sustainable development model is rigorously supported by the Board of Directors, the Board of Management, functional divisions and departments, and all staff members, affirming the Board of Directors' commitment to aligning the Bank's Sustainable Development goals with its overall development plan, including specific targets:

- Ensuring the Bank's sustainability in customer services and in cooperation with partners;
- Respecting human life and positive impacts on the environment;
- Observing the law and international practices on environment, social, governance.

In order to ensure the compliance with applicable legislations and international practices, as well as bolstering the Board of Directors, on the basis of segregating the supervisory functions from the executive functions, current governance policies of the bank include:

- Regulations on the operations of the Board of Directors
- Regulations on the operations of committees under the Board of Directors
- Policies on risk management, risk appetite of the Board of Directors
- Policies on stakeholders of HDBank
- Anti-bribery and corruption policy
- Anti-money laundering policy

The Board of Directors

- Provide overall directions on the Bank's strategic issues relating to Sustainable Development
- Approve objectives and action plans.
- The Risk Management Committee advises the Board of Directors on the supervision of matters related to Environment, Social and Bank Governance

Chief Executive Officer and the Board of Management

- Develop and submit to the Board of Directors the objectives and action plans on sustainable development of HDBank
- Implement bank-wide sustainable development strategies, objectives and plans
- Ensure the achievement of sustainable development plan objectives
- The Director of the Corporate Banking Division is in charge of managing and implementing the environmental and social initiatives of the Bank.

Divisions and functional departments

- Implement and realize the sustainable development plan as directed by the Chief Executive Officer and the Board of Management
- Provide relevant recommendations to bolster the efficacy of the sustainable development plan

Employees

- Participate in training courses about Green Finance and Green project appraisal
- Perform daily duties relevant to HDBank's sustainable development goals

In early 2023, HDBank issued the Environment, Social and Governance (ESG) Policy to incorporate ESG principles into the Bank's core strategies and operations, creating long-term value and promoting sustainable finance.

FOCUS OF SUSTAINABLE DEVELOPMENT

Understanding the role of banks as the catalysts in the economy and a driver of sustainable development, HDBank is committed to closely incorporating ESG values through: Bank; Environment and Society; and Stakeholders into the development strategy, laying the foundation for sustainable and inclusive growth in the future.

POSITIVE IMPACTS WITHIN THE BANK

- Improving corporate governance to enhance operational efficiency, reinforcing investors' trust for long-term development
- Promoting responsible and sustainable business;
- Risk management and compliance with information security and data information protection standards

POSITIVE IMPACTS ON THE ENVIRONMENT AND SOCIETY

- Promoting the development of Green credit and financial inclusion
- Complying with environmental protection laws and raising social awareness of sustainable finance
- Managing carbon footprint through resource conservation and waste treatment
- Boosting local economic development as well as social development
- Taking actions and contributing to the community

POSITIVE IMPACTS ON STAKEHOLDERS

- Setting a good example on good financial commitments to the State
- Creating a professional and equal working environment that inspire employees
- Investing in human resources
- Maximizing value for all stakeholders, including customers, partners, shareholders, and investors
- Developing a policy on sustainable and fair partner selection



KEY STAKEHOLDER ENGAGEMENT STRATEGY

	SHAREHOLDERS	CUSTOMERS	EMPLOYEES
	HDBank transparently and timely provides updated information to shareholders and investors as well as actively incorporates feedbacks and improves the quality of investor relations.	HDBank proactively discusses and listens to customers' opinions in order to better understand the customers and provide financial services catered to their needs.	HDBank has developed bilateral communication channels with employees, ensuring the synchronous implementation of the Bank's development orientation across the system and prompt response to employees' questions.
Interactive channels	» Annual General Meeting of Shareholders » Online and offline discussions at conferences » Periodical investor newsletter » HDBank's official website » Investor Relations Department regularly collects opinions and listens to desires of shareholders and investors.	» HDBank's online channels include websites, social media platforms, and hotline, while the bank's in-person options include branches and transaction offices, both are staffed with consultants and relationship managers » Workshops » Suggestions box at transaction points	» Internal communication channels (Workplace) » Trade union, youth union » Training programs » Sports and cultural activities » Hotline for receiving complaints
Issues of concern	» Business performance and benefits for shareholders and investors » Transparent and timely disclosure of information » Accountabilities of the Bank to shareholders, investors and related parties	» Tech-enabled financial products, and services to improve customer experience » Feedbacks on the quality of the bank service	» Working environment with compensation policies » Career path and motivation » Upskilling programs » Health and safety at the workplace

	REGULATORS	MEDIA	VENDORS	LOCAL COMMUNITIES
	HDBank commits to fully complying with applicable legislation and actively communicating with regulators regarding the enforcement of regulations.	HDBank promotes diversified communication, branding and timely responds to information related to the Bank.	HDBank introduces a sustainable procurement approach, giving priority to vendors and partners who are committed to sustainable standards.	HDBank always focuses on developing local communities by providing diverse financial services and financing social welfare activities.
Interactive channels	» Participation in conferences and workshops organized by Ministries and Departments » Bilateral and multilateral meetings » Requests for guidance	» Press conferences and interviews » Participation in forums and workshops organized by the press » Press release » HDBank's official website and official social networking site » Phone and email	» Direct communication » Phone and email	» Direct communication » Communication and coordination with local authorities » Press communication channels » Customer service hotline » Website and email
Issues of concern	» Compliance with the law » Risk management, contribution to economic stability, inflation control, creation of the driving force for sustainable economic development » Environmental and social impact management » Communication regarding the regulatory enforcement	» Periodic business performance, short and long-term development strategies of the Bank » Key information and events of the Bank	» Quality of services and products » Performance of obligations under agreements and commitments, including commitments on risk management, social and environmental responsibility » Safe working environment, occupational health	» Financial inclusion for all individuals and businesses » Job opportunities for the local » Local economic and community development programs

HDBank's actions to address the concerns of stakeholders

SHAREHOLDERS

- Delivering sustainable value, maintaining the return on equity (ROE) of over 20% since IPO;
- Dividend payout ratio of 25% in 2022.
- Organizing the Annual General Meeting of Shareholders and seeking their written opinions with a high approval rate.
- Fulfilling information disclosure requirements.
- Organizing series of quarterly online investor association events and joining events for individual and institutional investors

CUSTOMERS

- Enhancing customer experience by adopting fast, safe and modern technology
- Among the first to cut lending interest rates by 3.5%/year, providing support in the forms of waiving/reducing services for those such as allowing early repayment for individual and corporate customers
- Periodic customer surveys on service quality

EMPLOYEES

- Issuance of anti-discrimination regulations and mechanisms for receiving and resolving complaints
- Improving compensation system for employees.
- Caring for COVID-19 affected employees and their families
- Adopting technology in the management and assessment of human resources
- Organizing training courses, competitions to inspire employees' engagement and upskilling.

REGULATORS

- Strictly observing the regulations in all aspects of operations.
- Being selected to undertake mandatory acquisition of under-performing banks
- Following the policy of the Government and the State Bank on economic recovery and development through preferential interest rate packages, interest rate waiver/reduction for selected industries directly suffering from the pandemic.
- Pioneering in implementing the policies of the Government and the State Bank on Green credit, high-tech agricultural credit, rural credit, renewable energy, financing SMEs, households, etc.

MEDIA

- Providing transparent and timely information to the public
- Communicating regularly and periodically about the Bank's notable programs and events
- Timely responding to information related to the Bank

VENDORS

- Respecting and fulfilling all responsibilities and commitments
- Raising awareness of corporate governance and environmental impact of vendors and partners
- Prioritizing suppliers and partners embracing sustainable social and environmental values

LOCAL COMMUNITIES

- Greatly contributing to sustainable local economy and job creation for the community
- Maintaining and promoting community support movements.
- Annually organizing and sponsoring social and community events, contributing to improving people's knowledge, health and cultural life in the community.



SUSTAINABLE DEVELOPMENT

1. Sustainable economy

DIRECT ECONOMIC EFFICIENCY

In 2022, HDBank's profit before tax reached VND 10,268 billion, up 27.2% y-o-y and hit 105% of the target set out by the shareholders. All the indicators witnessed strong growth and exceeded the targets set by the AGM. ROAE and ROAA, reached 23.5% and 2.08% whilst CAR stayed at over 13.4%, which were among the highest in the industry.

Since its IPO in 2017, HDBank has overcome market fluctuations to join the top banks with significant and sustainable growth. Equity in 2022 reached VND 38,995 billion, 2.6 times higher than that in 2017. Total assets surpassed VND 416 trillion for the first time, 2.2 times higher than 2017's size. Loans to customers were 2.5 times and profit before tax was 4.2 times higher than that in 2017. Bad debts were kept under good control and financial indicators were higher than the industry average. The bank has well fulfilled its commitment to investors as ROE has always stayed at over 20% since 2018.

Unit: VND billion,%

Indicator (Consolidated)	Actual 2022	Target 2022	Actual vs Target
Total assets	416,273	440,439	95%
Charter capital	25,303	25,503	99%
Total deposits(*)	366,293	392,683	93%
Of which: Customer deposits + valuable papers issuance	259,959	277,270	94%
Total loans	268,157	256,060	105%
NPL ratio(**)	1.27%	≤ 2%	
Profit before tax	10,268	9,770	105%
Profit after tax	8,209	7,816	105%
ROE after tax	23.5%	22.2%	106%
ROA after tax	2.08%	1.92%	108%

(*) Total deposits includes: Borrowings from Government and SBV, customer deposits, valuable papers issuance, entrusted investments, placements/borrowed funds from other credit institutions

(**) Non-performing loan ratio is calculated pursuant to Circular 02/2012/TT-NHNN and Circular 11/2021/TT-NHNN

CONTRIBUTION TO THE STATE

In 2022, the financial market faced tremendous challenges induced by deposit interest rate hike and the resultant increase in lending rates, hitting businesses and borrowers hard. Against such a backdrop, HDBank was one of the pioneers to reduce the lending interest rates down to the level of 3.5% per annum to meet the capital needs of customers. HDBank's efforts have helped more than 43,000 individual and corporate customers nationwide with 55,000 loans representing a reduction of up to VND 120 billion in loan interest. Additionally, HDBank also waived and reduced associated fees such as early repayment charge. These meaningful activities affirmed HDBank's efforts in advocating the Government and the State Bank, which contributed to the recovery and development of the economy.

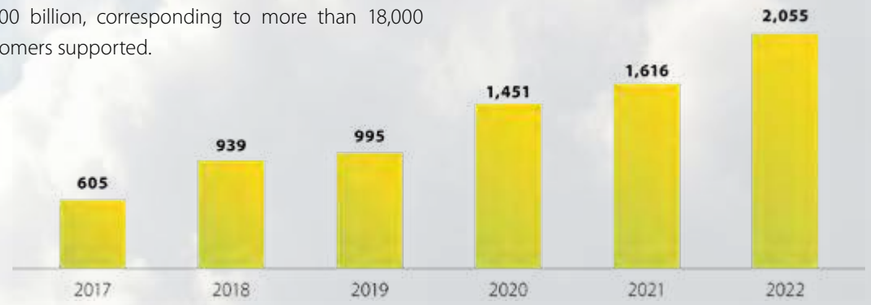
During the 2 years of the COVID-19 pandemic, HDBank took the initiative in implementing interest rate and service fee waiver and reduction programs for customers in areas directly affected by the pandemic and those living in the prolonged lockdown under Directive 16, with a total outstanding balance of VND 42,000 billion, corresponding to more than 18,000 customers supported.

INDIRECT ECONOMIC EFFICIENCY

Along with vibrant business activities, HDBank actively fulfills its social responsibilities through programs towards the goal of financial inclusion: promoting the provision of banking products and services to people in remote and isolated areas; providing capital for agricultural and rural development; etc. The Bank prioritizes credit in sectors that are the driving force of the economy, such as agriculture and rural credit, green credit, small and medium-sized enterprises, small businesses, supply and distribution chains.

In 2022, HD SAISON, a HDBank's subsidiary, cooperated with the Vietnam General Confederation of Labor to deploy a credit package of VND 10,000 billion for workers, in an effort to eliminate unlicensed lending activities and improve the livelihood of other vulnerable people.

Unit: VND billion



Total taxes paid



PROCUREMENT PRACTICES

In 2022, the Bank's procurement continued to deploy process transformation to ensure the efficiency of the supply chain of goods and services, strictly control quality and minimize costs. HDBank's procurement activities are centralized to ensure synchronous use, large-scale procurement with cost reduction and time saving.

By December 31, 2022, HDBank signed cooperation contracts with 81 strategic partners, of which 91.4% were domestic & 8.6% were foreign. On an annual basis, HDBank evaluates the quality of products, services and suppliers to consider any supplements or replacements of the foregoing. The selected strategic suppliers that meet the Bank's requirements are based on financial soundness, implementation experience and customer base. Those with responsibilities for environmental protection and business reputation are prioritized.

HDBank has been successfully applying technology to deploy a centralized procurement management system which allows online exchange and censoring, ensuring synchronous management from control of purchase demand to inventory allocation, supplier management, contract management, quality management of goods and services towards efficient operation and cost reduction.

For sustainable procurement management, the Bank set strict criteria in the selection of partners/service providers, encouraged the application of sustainability standards, minimized negative impacts on environment, ensured information security and compliance with human rights regulations and laws, along with preventing the use of child labor and forced labor.

HDBank procurement procedures comply with the multi-dimensional governance framework:



LEGAL COMPLIANCE

Legal compliance

In the spirit of respecting the law, the Bank always keeps abreast of changes in legal regulations and procedures and actively engages in dialogs with partners, investors, customers and stakeholders to ensure transparency and timeliness of management control to mitigate possible violations and non-compliance.

Number of cases for non-compliance with environmental laws and regulations in 2022: none.

Total fine for non-compliance with environmental laws and regulations in 2022: VND 0

Anti-corruption

In 2022, a Steering Committee for the Prevention and Combating of Corruption, Negativity and Crime at HDBank chaired by the Chief Executive Officer was established, together with a sub-committee in each branch led by the Branch Manager. The Committee's task is to assist the Board of Directors in instructing, inspecting and guiding the prevention and combating against corruption, negativity and crime in the banking industry in line with legal regulations.

Results of anti-corruption measures:

- Strengthened management and supervision of employees: The Bank has publicly implemented regulations on appointment, dismissal, and assignment of management levels in terms of recruitment, transfer, training, salary increase, job transfer, and standards for labor contracts with employees as well as handling mechanism against Head of Unit/Department where corruption arose.
- Strengthened integrity and transparency: The Bank was open and transparent in increasing its charter capital, own capital, and transferring shares in accordance with regulations of the SBV. Annual financial statements were published on the website whilst results of internal inspection and examination were publicized. It also publicized internal expenditures and strictly complied with HDBank's prevailing regulations on internal expenditure.
- In case corruption is detected, strict handling measures will be taken and Head of the unit where corruption arises will be brought to account. Handling results are widely announced on the system so that employees can draw lessons and uphold professional ethics.



2. Sustainable Environment

DEVELOPING A GREEN CREDIT PORTFOLIO TOWARDS PROMOTING A CIRCULAR ECONOMY

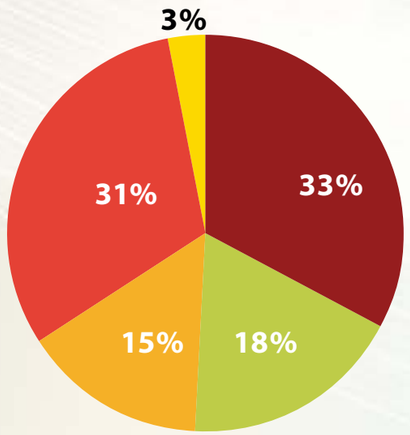
Banks play an important role in promoting the circular economy by providing financial products and services to individuals, households and businesses and supporting business activities and investments that have positive impacts on the environment and society. Recognizing the importance of such role, since 2018, HDBank has actively strengthened its resources and further promoted the development of Green Credit in Vietnam, supporting the Government in aggressive efforts to achieve its goal of net zero emission by 2050 under the Paris Agreement. Over the years, HDBank has received financial and technical assistance on green and sustainable finance development from reputable international financial institutions such as IFC, DEG (the German Development Finance Institution under the German KfW Development Bank), Proparco (French Development Finance Institution), Leapfrog Investments, Asian Development Bank (ADB) and Affinity Equity.

In 2022, HDBank disbursed more than VND 11 trillion into renewable energy projects such as solar power, rooftop solar and wind power. Furthermore, it also focused on developing financial products for women-owned SMEs.

In terms of geographical distribution, the Eastern region including Dong Nai, Binh Phuoc, Ba Ria - Vung Tau, etc. takes the lead in the development of solar power projects, accounting for more than 32% of the total outstanding balance of the Bank's Green Credit category.

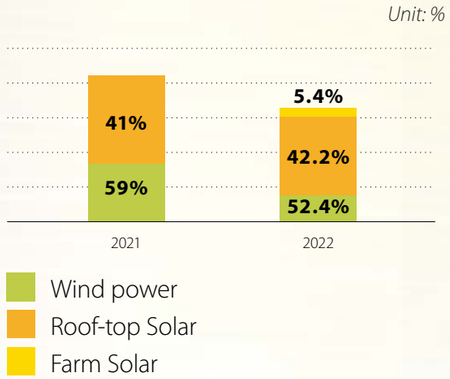
The decrease in outstanding balance of Green Credit mainly came from lower demands of enterprises having difficulties when the Feed-in Tariff (FiT) policy under Decision No. 13/2020/QD-TTg ended at the end of 2020. Currently the Bank continues to coordinate with enterprises in finding financial solutions as well as creating favorable conditions for business activities.

Unit: %



Green credit - by region

Unit: %



Green credit - by type

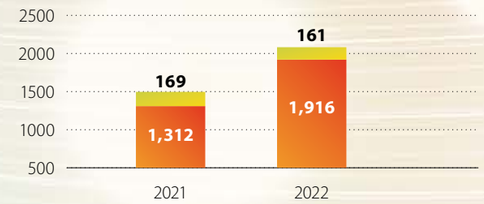
COMMITMENT TO CONTROL CARBON FOOTPRINT

HDBank is committed to reducing its carbon footprint towards sustainable growth, through practical actions to reduce greenhouse gas emissions and efforts to implement mechanisms under the Paris Agreement to achieve net zero by 2050. In addition to raising the employees and stakeholders awareness about greenhouse gas emissions, HDBank is among the pioneer banks in issuing and continuously updating the policy on Green Credit and Environmental and Social Protection and organizing various intensive training sessions for customer relationship officers on environmental and social risk assessment in the credit granting process.

In 2022, HDBank continues to uphold its commitments of not financing any activities related to coal mining, coal transportation, coal-fired power plants, as well as related infrastructure services.

The management of CO_2 emissions in the Bank's business operations, including controlling emissions from transport vehicles, generators and air-conditioning equipment devoted due attention to ensure efficiency. New methods to reduce environmental impacts were also studied. The Bank's carbon emissions from petroleum consumption increased slightly over the previous, mainly due to the post-pandemic recovery of business activities and its nationwide expansion.

Unit: tons



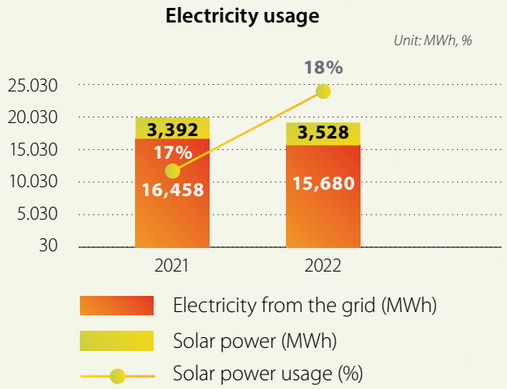
CO_2 emissions due to consumption

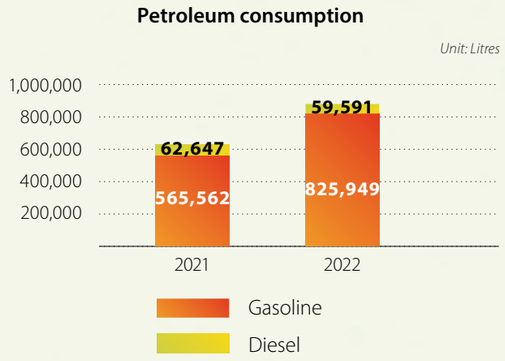


ENERGY CONSUMPTION (ELECTRICITY AND PETROL) AND CARBON EMISSIONS

Regarding energy consumption control (electricity and petrol), the Bank's Operations Division always applies high standards in equipment management, adopts new technologies in operation, conducts periodic checks, and seeks for alternatives to old equipment and technology in order to save energy and optimize operating costs.

Electricity consumption at HDBank comes from lighting in the workplace and operation of office equipment and machines. The Bank always performs routine maintenance for office equipment and machines, minimizes the use of lights in shared spaces, and utilizes energy-saving bulbs to reduce electrical energy consumption. The year 2022 has seen the full recovery of the Bank's operations, after overcoming the nationwide pandemic. Thanks to efforts in sustainable operation management, electricity consumption decreased by 3% compared to the previous year, while the share of solar power consumption increased year over year.





WATER CONSUMPTION

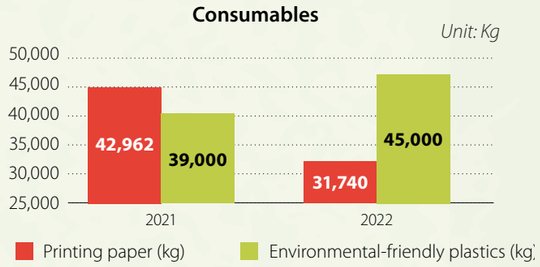
All units of HDBank only use water provided by government-designated water supply companies. It is only used to meet the minimum daily needs at all Head Offices, Branches and transaction offices of the Bank. The use of domestic water is managed through a water meter system and devices used in the Bank are good-quality to ensure minimum water consumption.

CONSUMPTION OF MATERIALS

In addition to encouraging employees to protect the environment through minimized single-sided printing and limited use of plastic bottles and packaging, etc., digital transformation of work processes has also allowed the bank to reduce its use of paper, packaging, etc. In particular, internal software for online document management and submission and online meeting has helped to reduce the large amount of paper printed and used in the workflow.

Simultaneously, promoting online functional applications for individual and institutional customers also plays an important role in reducing ink and paper consumption and the need to use related packaging bags. Furthermore, HDBank is committed to using 100% environmentally friendly plastic. For example, bags, packaging, etc. are all environmentally friendly plastic.

In 2022, the total amount of printing paper used by the Bank recorded a decrease of 26% year on year thanks to the application of digital transformation in the Bank's business and operational activities. The amount of environmentally friendly plastic (recyclable/degradable plastic bottles and degradable plastic bags, etc.) increased by 15% to meet the increasing demand of business activities.



WASTE DISCHARGE

The Bank is committed in earnest to the treatment of non-hazardous solid wastes, including household wastes and recyclable wastes such as carton packaging, cartons, office paper and domestic wastewater in accordance with current regulations. In the usual course of business, HDBank is always very proactive in hiring contractors who are responsible for treating and classifying waste and wastewater in line with the required processes. Concurrently, it is responsible for paying the service fees to the investors. This helps to ensure the management and assessment of the investors' capacity in accordance with current standards, centralized management efficiency and maximum safety for the living environment and community.

COMPLIANCE WITH THE LAW ON ENVIRONMENTAL PROTECTION

Number of case for non-compliance with environmental laws and regulations: 0

Total penalty amount for non-compliance with environmental laws and regulations: 0

GREEN INITIATIVE

Number of sustainability initiatives adopted in 2022:

- Business activities: Applying technology to customer service, 360-degree Customer View, Improving payment experience, cashless transactions, Developing an online corporate customer program.
- Operations Management: Group work management, Green corporate culture development (Emulations to promote internal Green activities - Green Award for many years), Digital banking, and Sales management
- Green capital mobilization: Green Bonds



3. Sustainable value to Stakeholders

FOR EMPLOYEES

After the Covid-19 pandemic was brought under control, HDBank's business activities have gradually returned to normalcy. With a vision of long-term and sustainable human resource management, the Bank has sustained jobs, compensation and benefits for the entire staff. In addition, HDBank has created a safe and flexible working environment to respond to risks and connect the Bank's development vision with the employees' values.

Equal and transparent working environment

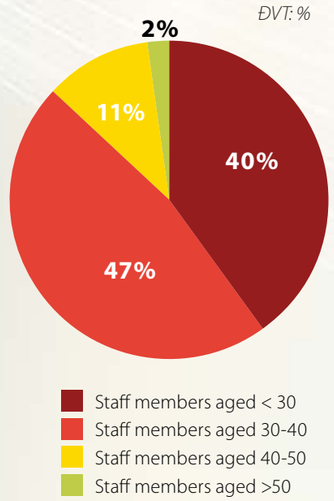
HDBank is committed to ensuring a transparent, fair and non-discriminatory working environment in recruitment or layoff (when necessary), training, compensation, career path and skills development opportunities at the Bank.

In 2022, the Bank collaborated with counselors from reputable international financial institutions to develop Anti-Discrimination Regulations and a mechanism for receiving and handling grievances to safeguard the rights of employees in:

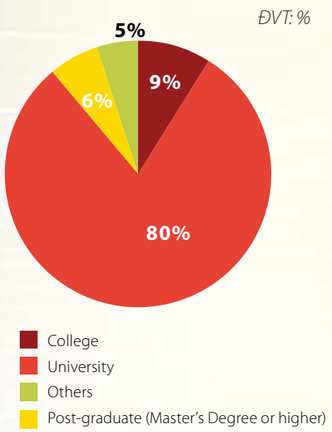
- The right to equality and fairness in recruitment,
- Equality in labor relations,
- Equal pay,
- Gender equality,
- The right to establish, join and participate in activities of employee representative organizations
- The rights for people with disabilities or HIV
- Mechanisms for receiving and handling grievances, including a hotline and a specific mechanism for receiving confidential information.

In addition, human resource management is comprehensively digitized, helping the Bank to connect and develop human resources. HDBank has implemented technology solutions such as "People World" and the "People HDBank" App for time-management, KPIs assessment, and easy and complete management of employee information; applied tools such as "Workplace" and "Workplace Chat" to improve communication and information-sharing at workplace; introduced "E-Learning" into training; and converted paper-based salary confirmation to electronic salary account statement, etc.

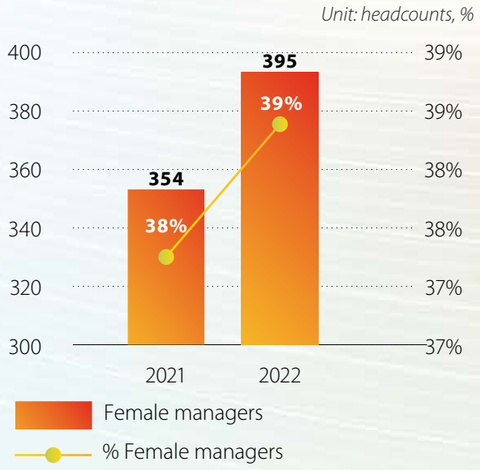
Personnel structure by age



Personnel structure by qualification



Headcounts & the percentage of women in management



Diversified personnel structure

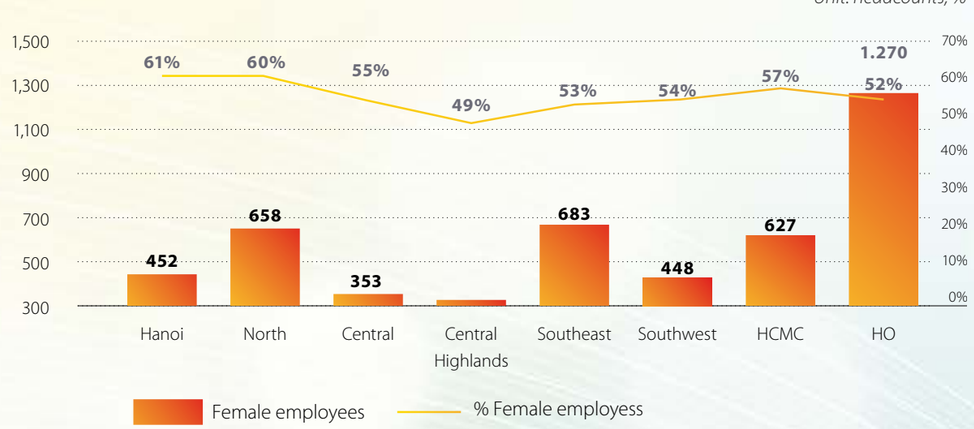
Total number of officers and employees of HDBank (consolidated) as of December 31, 2022 is 16,266, of which 8,655 staff are under the Parent Bank.

Female employees account for 55% of the total number of employees, while the percentage of female employees in almost all of HDBank branches nationwide is higher than 50%.

With a strong intake of IT jobs in 2022, the percentage of female managers is maintained at nearly 40% of the total number of employees.

In addition to assessing the Bank's commitment to gender equality based on the number of female managers, the Bank always strives to maintain diversity in the working environment by ensuring the diversity in employees' age groups, nationalities, qualifications, skills and experience, in order to widen talent pool and reap the benefits of diversity and inclusion in the workplace. Furthermore, the Bank also promotes programs and policies to support diversity and equality through training and upskilling programs for employees, in order to improve diversity in the management structure and help the Bank achieve its objectives.

Headcounts & the percentage of female to total employess in 2022



Commitment to employing law-abiding employees

Against child labor

HDBank does not condone using child labor in its organization. Employees working at HDBank must be at least 18 years old.

Against forced labor

HDBank strictly adheres to the Labor Code and related regulations governing employee rights and obligations. 100% of employees working at HDBankare required by law to sign a labor contract that clearly states the workplace, salary, bonus, leave, rights and responsibilities, and other legitimate interests. Whenever there are changes in working conditions compared to the signed labor contract, or when overtime work is required, the employee is always consulted in a clear and specific manner. All decisions related to the employees' rights and interests are made only after negotiation and reaching an agreement with the employee.

Salary and allowance policy

HDBank pays employees according to clear and transparent salary regulations, in accordance with the provisions of law, market competition and business objectives. HDBank evaluates each job position and applies appropriate salary scale commensurates with job position's accountabilities, expected contribution etc., regardless of their origin, gender, or any other discriminatory factors. The Bank adopts performance-based remuneration, employees compensation and rewards are linked to successful completion of assigned tasks. Allowances are appropriately regulated and applied for each specific position to ensure legal compliance.

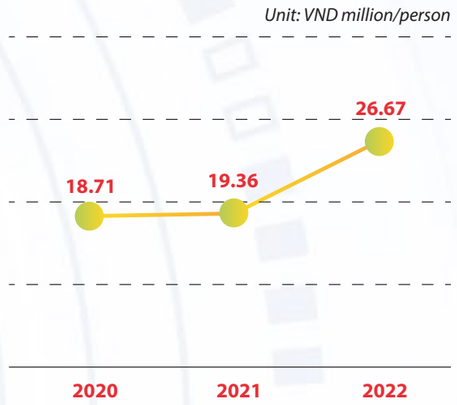
The Bank always pays close attention to identifying and retaining talents, and performs compensation analyses to ensure that its compensation schemes remain competitive and in line with the market.



Ensuring Employee's Welfare

As employees are our most valuable asset, HDBank always provides employees with a competitive welfare regime in accordance with the provisions of the Law and helps employees feel secure in their job

- In addition to the regime regulated by the State, HDBank also has other welfare regimes for employees, such as: Managerial staff are provided with health insurance; and every employee has access to 24/24 accident insurance, with a maximum compensation of 30 months' salary. Senior employees who have served the Bank for more than five years are also eligible for health insurance bought by HDBank.
- Employees on maternity leave are entitled to 1.5 months of regional minimum salary allowance.
- The Bank has a policy of spending money to celebrate employees' marriages and birthdays, as well as public holidays (International Women's Day on March 8, Vietnamese Women's Day on October 20, International Children's Day on June 1, HDBank's anniversary, and so on).
- Retired employees are eligible for one month's salary prior to retirement.
- The Bank organizes paid tours/resort holidays, seniority bonus, qualification bonus, Tet holiday bonus, and allowance for employees with difficult circumstances. On the last days of the year, HDBank provides meals for the staff working overtime to make year-end settlement. The Bank also supports employees who need loans to improve their quality of life in accordance with the current policy.
- HDBank has successfully issued 20 million ESOP shares for key employees to retain talent and increase employee engagement.
- During the pandemic and economic upheaval (2020 - 2022), the Bank maintained its commitment not to reduce wages and lay off staff during the restructuring process or due to the impact of the economic situation.



The average monthly income of HDBank employees

	2021	2022
Cases of deferred salary in the year	0	0
Number of salary reductions in the year	0	0
% of employees with salary increase in the year/total number of employees	96%	49%
% of employees receiving 13th month salary and annual bonus/total number of employees	98%	98%



» *Mdm. Nguyen Thi Phuong Thao - Permanent Vice Chairwoman of the Board of Directors and Management Executives visiting at HDBank's Hanoi Branch.*

Building connection between leaders and employees

HDBank's Board of Directors always adopts consultative process, and encourages feedback from employees before making decision and promulgating policies on issues affecting the well-being of the staff. Consultations and feedback are held in the form of face-to-face meetings with stakeholders, via email. For matters directly related to employees' interests such as resignation permission, discipline, dismissal, or change of workplace, the Bank always ensures that the Trade Union is fully involved in the consultation and negotiation process before making final decisions. The time limit for announcement or dialogue is specified in documents such as the Collective Labor Agreement, Internal Working Regulations, Disciplinary Procedures and Resignation Procedures.

Direct dialogues between employees and representatives of the Bank's management are held regularly in order to address issues and concerns of employees, and to help them better understand the Bank's development goals. Events such as the "HDBank in me" writing contest, the photo contest "The Charming HDBank", the clip contest "Our professional stories", the "My favorite book" writing contest, etc. have become the brand that HDBank staff feel proud to associate themselves with, attracting thousands of employees to participate and follow. Furthermore, internal competitions such as HD Green Award and The HDBank I love are periodically held with active participation of departments nationwide, improving the connection and unity between departments and divisions and raising awareness of sustainable development.



» *HDBank National Sports Event - Uniting and bringing together employees from across the nation in a spirit of solidarity*



» *"Happy Friday" - an engaging internal program that creates a cheerful atmosphere, fostering closeness between the Management Executives and employees nationwide*

Recruitment and termination

In 2022, HDBank has focused on applying technology in recruiting and attracting talents, at the same time focusing on the connection between new employees and the Bank. In particular, HDBank organizes annual "Job fairs" at universities nationwide, co-ordinates talk shows between Division leaders and potential candidates, launches a recruitment website and fanpage, and strengthens recruitment communication through internal email channels and internal personnel referral program, etc. All these efforts have had a positive impact on recruitment results.

In 2022, the total number of the Bank's new recruits was 2,287, an increase of 36.7% compared to that of the previous year. The Bank's recruitment process is focused on developing priority business areas, including Card Center, Information Technology and Digital Transformation Division, Retail Banking Division and Operations Division.

There were 1,445 resignations during the year, the number which remained within the allowable rate with only slight difference with the previous years. Staff turnovers are concentrated in the Business Divisions and the Specialized Divisions at the Head Office, with little in the branches and transaction offices nationwide.



» *Continuous recruitment workshops are organized to enhance the quality of personnel*



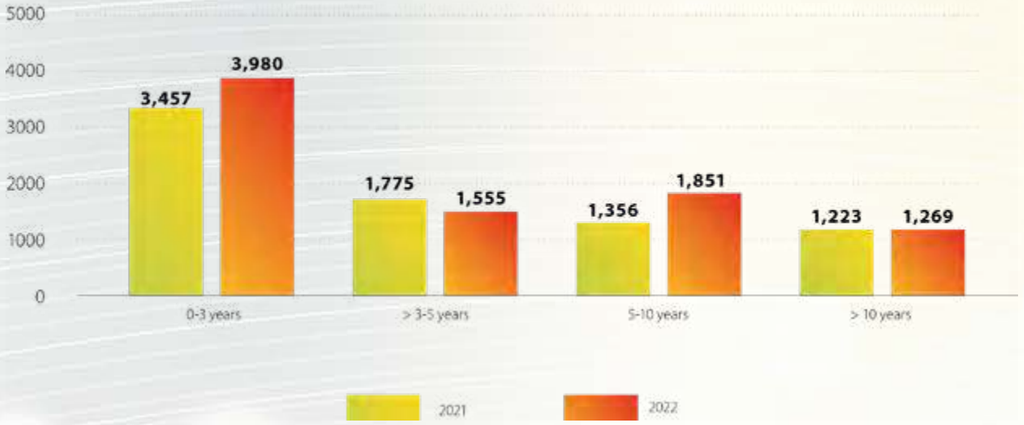
» *In 2022, HDBank Training Center conducted a total of 22,323 training hours*

Training and Career paths

HDBank establishes a career development plan for each position and title in order to create conditions for general career advancement, and for potential employees to be developed into future Bank managers and leaders. Thanks to attractive salary and bonus policies, training programs and clear promotion roadmaps, HDBank has identified a pool of long-term and highly committed human resources. As of December 31, 2022, HDBank had conducted 570 soft skills training courses for its staff.

Personnel structure by seniority

Unit: headcounts



The total number of staff training hours in 2022 has reached 22,323 hours. Notable training programs for employees include various internal team-work development skills, improve professional skills, and development of soft skills for middle management and sales staff. In addition, training programs in collaboration with external training partners, including leadership courses and in-depth IT training programs, equip specialized personnel in the Information Technology and Digital Transformation Division with banking-specific knowledge.

	2021	2022
Number of employees participating in training (total hours)	24.203	22.323
Average number of training hours per year for employees (hours/person)	22,4	18,9



Occupational health and safety

Every year, employees attend periodic health checks and participate in training courses on fire protection, rescue, lifesaver, response to security threats, natural disasters and floods prevention, and pandemic preparedness. Employees who work on jobs that require machine operation and heavy lifting receive extensive training before beginning work.

Along with cash payment, HDBank has added in-kind payment to improve the health of treasury staff.

- Percentage of employees participating in compulsory health insurance in 2022: 97%
- Percentage of employees participating in health and accident insurance in 2022: 65%
- Percentage of personnel having occupational accidents and injuries in 2022: 0.5% of total personnel.

FOR CUSTOMERS

Credit development for female-owned SMEs

A highlight in upgrading the policy of expanding funding for sustainable development is the Loan Incentive Program for Women-owned Enterprises. In 2022, HDBank has implemented a new policy aimed at providing loan financing solutions for the production and business activities of micro, small, and medium enterprises owned by women or with female leading senior managers.

The total number of women-owned enterprises that have granted access to financial assistance in 2022 is 357, with a total outstanding loan of VND 680 billion. Businesses in the commercial sector are at the top of this list, with outstanding loans totaling VND 198 billion, accounting for nearly 30% of the program's total outstanding loans. The Industry and Services sectors have outstanding loans of VND 170 billion and VND 166 billion respectively. Agriculture-related businesses have outstanding loans of VND 139 billion, and other industries account for VND 8 billion of the total outstanding loans of the program.

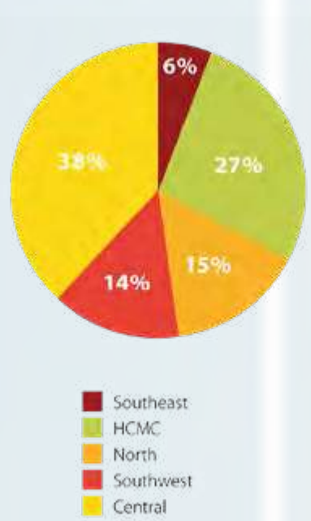
In terms of the geographical distribution of management branches, the Central region currently has the highest outstanding balance of enterprises participating in the program, with VND 259 billion, accounting for nearly 40% of the total outstanding loan of VND 680 billion in 2022. In second place is Ho Chi Minh City (VND 184 billion) and third place is the Northern region (VND 102 billion), with outstanding loans of over VND 100 billion.

With this preferential credit program, in 2023, HDBank expects to support female entrepreneurs remove barriers of social prejudice, gender stereotypes or doubts about business leadership success; thereby helping women-owned businesses increase capital resources in the new competitive period.

Lending to women-owned SMEs, by sectors



Women-owned SMEs, by region





A companion and trust builder

The end of 2022 was a difficult time for Vietnam's financial sector, as deposit rates rose dramatically, owing to a rate hike by the State Bank of Vietnam. The persistent rise in deposit rates across banks resulted in an increase of interest rates on loans. As a result, many businesses and individuals found themselves in a precarious position, lacking the resources required to keep the business running and make ends meet.

Under the challenging circumstances, HDBank was among the earliest to support its customers by lowering lending interest rates downward to around 3.5% per annum. Around 43,000 consumers and businesses throughout the country benefited from the interest rate cuts, saving of up to VND 120 billion in loan interest. To further assist customers during this stressful time, HDBank also eliminated related fees such as those for early repayment.

In 2022, under the guidance of the Government and the SBV, HD SAISON - a subsidiary of HDBank - in cooperation with the Vietnam General Confederation of Labor, deployed a loan package of VND 10 trillion to support workers in industrial parks across the country, aiming to improve their living conditions and combating black credit.

HD SAISON's target customer base quickly reached over a million in nine provinces, including Dong Nai, Nghe An, Binh Duong, Long An, Bac Giang, Bac Ninh, Quang Nam, Da Nang, and Ho Chi Minh City, after pledging to deploy a loan package of VND 10 trillion, of which the interest rate is just half of the market rate.

HD SAISON plans to continue providing financial aid to those who work in industrial and export processing zones via mobile application, lending and credit card, as well as to broaden the scope of this preferential loan package to more provinces and cities.

Information security and privacy

Data management, storage, and retrieval at HDBank are conducted in accordance with the requirements of legislation and international standards as a commitment of the Bank to protect the privacy of its customers and any related parties whose information/data is provided to the Bank.

In 2022, HDBank initiated more hotlines for customers to call if they had any suspicions about fraudulent transactions in addition to its ongoing efforts to raise customer awareness of frauds and advice to protect customers' personal data and account information. The Bank also increased the incorporation of technical solutions aiming at strengthening the system's information security, while ramping up management and supervision, IT application and the coordination with State agencies to identify and swiftly deal with any related violations.



» *In 2022, HD SAISON and the Vietnam General Confederation of Labor signed an agreement to implement a 10,000 billion VND loan package for workers*



» *HD SAISON - Top Trusted Businesses in Vietnam 2022*

Listening and understanding

HDBank is committed to providing prompt, open, and transparent service to its customers by actively listening to their needs and learning from their feedback.

HDBank's customers may voice their opinions through a variety of channels, including in-person points of transactions, hotlines, the HDBank website, and official social media platforms. Once every three months, the Bank conducts in-person and phone surveys at business units to measure customer satisfaction, congratulate high-performing units, and encourage continuous improvement through retrospect and address flaws.

FOR THE COMMUNITY

With over three decades of growth and success, HDBank's leaders and employees have built a thriving Happy Digital Bank that commits highest values for the well-being of the community, embodying sustainable and noble humanitarian values. This foundation sets the stage for future dynamic and impactful social security initiatives.

In the year 2022, HDBank made significant contributions of over VND 80 billion to various social endeavors, with a primary focus on housing infrastructure, transportation, education, and healthcare. Specifically, the contributions amounted to VND 43.4 billion, VND 5.16 billion, and VND 10.4 billion for housing infrastructure - transportation, education and healthcare, respectively.



» *A charitable program providing gifts to underprivileged children in remote areas organized by HDBank*

Progress towards the National goal of financial inclusion

Financial inclusion is the state where individuals and businesses have access to effective financial goods and services at a cost that is deemed affordable. According to a national strategic financial vision presented by the government in 2020, at least 80% of Vietnamese adults will have accounts opened at a bank or other mainstream financial institution by 2025.

HDBank is committed to always accompanying companies and people across the country, particularly in urban and rural regions, as it works toward the strategic goal of sustainable development, establishing the Happy Digital Bank brand and image of a digital bank dedicated to the people's happiness.

Focusing on facilitating individual and corporate customers' access to financial products and services, the Bank maintains a large physical presence, with more than 350 branches/transaction offices and nearly 24,500 points of transaction nationwide in addition to its website, which is available in 63 provinces and cities.

The industrial sectors and customer segments that HDBank prioritizes its lending activities include agricultural and rural regions, export firms, supply chain and distribution networks, production and business loans for households, green credit programs, renewable energy development, and environmentally friendly manufacturing. Furthermore, HDBank exempted and reduced service fees to help clients rebuild production and resume business activities in post-pandemic recovery through discounted interest rate lending programs for micro enterprises and individual consumers.



Sustainable financial solutions for the community

HDBank was recognized by the Visa International Card Organization in two categories for its leadership in card sales and innovation of several smart payment solutions, unique incentives, and numerous contemporary technological solutions for its millions of consumers: Leading bank in Credit Payment Volume Growth in 2022 and Payment Volume Growth in 2022.

Furthermore, HDBank has made significant contributions to the Government and State Bank's objective of promoting cashless payments.

HDBank and the International Financial Corporation (IFC) have recently signed a memorandum of understanding (MoU) to further promote SME access to financial solutions and the global supply chains, including financing for high-tech agriculture supply chains.

In 2022, HDBank launched the initiative to provide over VND 1 trillion in funding for women business entrepreneurs in Vietnam. At the beginning of 2023, the Bank released a VND 1,250 billion package, allowing women-owned micro, small, and medium enterprises (MSME) to borrow at a preferential interest rate of only 9.5%/year for up to 5 years. This is a continuation of the Bank's earlier generous incentive packages for female entrepreneurs in SME businesses. Moreover, HDBank accompanies its customers in every step of the way, offering advice and guidance on tailored financial and risk management solutions.



Promotion of social security

Following on from three decades of impressive growth and success, HDBank leadership has directed the development of Happy Digital Bank that provides groundwork for innovative financial solutions that promote convenience of access. In 2022, HDBank contributed VND 100 billion to projects that enhance social security, with special focus on housing - transportation infrastructure, education, and health care.

Promoting financial security for millions & discouraging the use of black credit

HDBank and HD SAISON have jointly invested VND 10 trillion in low-interest loans for workers and staff aiming to improve their lifestyle and assist in the fight against black credit. Accordingly, HD SAISON offered financial support to employees, workers in industrial parks and export processing zones in the forms of in-app loans and credit card. In particular, the interest rate on loans for workers would be cut in half from its present level.

HDBank's efforts come with great attention to customers' convenience: easy 24/7 in-app loans, quick disbursement, up to 24-month loan term, preferential lending interest rate. The full package is a great opportunity for those on a tight budget to afford motorbikes, cars, household appliances, electronics, air tickets, or to get some urgent cash.

Right after the announcement, loans totaling VND 10 trillion at favorable interest rates were now available by HDBank and HD SAISON to over 1 million employees and workers in 9 provinces and cities, including Dong Nai, Nghe An, Binh Duong, Long An, Bac Giang, Bac Ninh, Quang Nam, Da Nang, and Ninh Binh.

Accordingly, HDBank, in partnership with the Dragon E-Home project, offers optimal financial solutions to help people afford their dream homes and contribute to the sustainable development of the housing real estate market, positioning itself as a pioneer in the implementation of the Government's sustainable development philosophy and the National Housing and Social Housing Development Strategy for the period 2021-2030, with a vision to 2045.





» *HDBank's leadership visiting Thanh Son Pagoda (Khanh Hoa) - a place dedicated to nurturing and caring for abandoned children over the years*

Community healthcare promotion

In 2022, the Covid-19 pandemic profoundly affected every aspect of life, from the international political climate to the local economy. However, HDBank has maintained its footing, progressed on the right track, accomplished all of its planned initiatives, and is now widely recognized as one of the world's premier and most successful financial institutions. HDBank prioritizes not just a comprehensive digital transformation strategy, but also strong internal governance, professional ethics, promotional attributes, and a commitment to the brand's core values. HDBank pledged hundreds of billions of dongs for social security in 2022, demonstrating its commitments to the Government, State, and Community to discharge its responsibilities as a corporate citizen. During the year, HDBank participated in the following activities:

- Sponsored 750 charity houses totaling 43.4 billion VND for the poor across the Country.
- Donated VND 800 million for 1,000 free eye surgeries.
- Donated thousands of hospital beds, hundreds of ventilators, ambulances (total value of which reached hundreds of billions of dongs) for multiple provinces and cities nationwide during the fight against Covid-19.
- Taken care of families under preferential treatment policy, the lonely elderly, low-income households, and the disadvantaged at Social Protection Centers, SOS Children's Villages.
- Donated VND 1 billion to My Lai Peace Foundation for social security activities.
- Donated VND 1 billion to Vietnam Children's Fund.
- Organized two annual programs "Loving wings", "The Warmth of Tet" to send gifts to the disadvantaged in: Lai Chau, Da Nang, Quang Ninh, Khanh Hoa, Dong Nai, Ben Tre, and Can Tho.
- HDBank upheld its tradition of annual health insurance gifting in 2022 with a total of 2,226 packages, totaling nearly VND 600 million.
- Prioritized optimal financial products and services tailored to the needs of business household and individual consumer, as well as to cater for health care of the elderly.
- - To support the economy, HDBank waived and lowered interest rates on VND 49,000 billion loans to 18,000 affected borrowers, including those in locations severely affected by protracted blockage and social distancing due to Directive 16.

Faithfully holding to the spirit of "The entire nation joins hands to help the needy - leaving no one behind" HDBank relieved the financial burdens of the people and remained true to its pledge of sharing and caring for the community at large.

Investment in education

HDBank has dedicated itself to fostering and providing educational opportunities for thousands of students across the nation for many years, with the firm belief that education is an investment for the future. With its partnership with the Vietnam Children's Foundation, HDBank has sponsored over 5,000 children's scholarships since 2018. In addition, HDBank's countrywide outreach program has enabled it to award hundreds of scholarships annually to deserving college and university students, in the form of financial aids and professional assistance upon graduation.

In 2022 alone, HDBank funded over 2,000 scholarships through My Lai Peace Foundation and Vietnam Children's Fund, 1,000 of which were for underprivileged children and the remaining 1,000 were given to students in need. Furthermore, HDBank's Board of Directors and employees have continued to make frequent visits to Social Protection Centers and SOS children's villages around the country, where they have donated toys and other necessities.

In addition, HDBank often contracts and collaborates with institutions nationwide to arrange practical tours for students, offer internship chances, and recruit graduates in a number of professions.

In January 2022, SOVICO Group and Oxford University signed a memorandum of understanding (MoU) in Glasgow, United Kingdom, marking their collaboration and joint fund investments in research and education, totaling £155 million. Scholarships totaling £7.5 million will be made available to students from Vietnam and other neighboring countries during their time at Oxford University, home to some of the best academic resources in the world. Oxford University is also dedicated to creating and executing a carbon neutrality strategy for SOVICO and its clients and partners by 2050.

In addition to the aforementioned efforts, the Trade Union and Youth Union of HDBank also visited and donated to numerous outlying and underserved parts of the Country.



» *HDBank collaborates with the University of Economics Ho Chi Minh City and Can Tho University in the training and development of human resources*

Customer communications and education

HDBank's partnership with VTV3's game show "Wise investment, smart money" entered its sixth year in 2022. Through education about banking utilities, products, and services, HDBank and the show's creators were able to achieve their goals of raising consumer awareness and changing consumer behavior, allowing them to control risks and invest wisely. In recent years, "Wise investment, smart money" has grown in popularity, attracting a diverse audience.



» *In 2022, for the 6th consecutive year, HDBank continues to accompany VOV (Voice of Vietnam) and VFF (Vietnam Football Federation) in organizing the HDBank National Futsal Championships*

Fostering the young generation of Vietnam

Over the last decade, HDBank has distinguished itself as a financial institution that proactively explores collaboration opportunities for a better Vietnam via its sponsorship initiatives.

Futsal is a "recently-invented and niche" sport that has never gained attraction in Vietnam. However, since 2017, when HDBank became a sponsor of the National Futsal Championship, the National Cup, and the Southeast Asian Championship, the sport has been gaining a growing amount of attention.

The HDBank National Futsal Championship reportedly attracted over one million views across various social media platforms and over 60,000 fans watching live in the arenas. The enthusiastic crowds during games, notably the "broken" state of Phu Tho Stadium in Ho Chi Minh City during the Southeast Asian Futsal Championship, is a powerful source of inspiration to further promote the sport.

A professionally run and competitive event provides a platform for futsal teams and players to hone their skills, network with other teams, and maintain their best form. Several extraordinary futsal players in Vietnam's professional league have been offered contracts to play overseas, such as Duc Hoa, Van Vu (to Spain) and Thai Huy, Minh Tri (to Japan).

Not only does this venue help expose futsal to a wider audience, particularly following the impact from the national team at the 2021 Futsal World Cup finals, but it also serves as a "cradle" for the development of future stars in the sport. In particular, HDBank is proud to have supported the Vietnam National Futsal Team as they advanced to the knockout round at the FIFA Futsal World Cup for the second year in a row.

Such remarkable achievements have validated the status of Vietnamese futsal. This accomplishment also exemplifies HDBank's foresight in investment decisions in sports that capitalize on the natural talents and hard work of the Vietnamese people in order to achieve global recognition.

Since 2011, HDBank has been a sponsor of the HDBank International Chess Tournament. The competition attracted over 1,400 competitors from 41 different nations and 5 different continents. This is the starting point of successful Vietnamese players and future stars like Le Quang Liem and Nguyen Ngoc Truong Son, propelling Vietnam to the forefront of global sports.

The opening ceremony of the HDBank International Chess Tournament welcomed the presence of the President of the International Chess Federation (FIDE). During one of his speeches, the FIDE President remarked on the success of the tournament and of HDBank in spreading the "intellectual image of Vietnamese people" around the world.



» *HDBank accompanies the event of Grandmaster Le Quang Liem's interaction and competition with fans*

CONQUERING CHALLENGES OVERCOMING OBSTACLES



7 CONSOLIDATED FINANCIAL STATEMENTS

220 | Consolicated financial statements

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE BANK'S INFORMATION

ESTABLISHMENT AND OPERATION LICENCE

No. 26/GP-NHNN dated 12 February 2020

The Establishment and operation licence No. 00019/NH-GP dated 6 June 1992 was initially issued by the State Bank of Vietnam ("SBV") and was replaced by the licence No. 26/GP-NHNN dated 12 February 2020 and amendment decisions for a period of 99 years from the date of the initial licence.

ENTERPRISE REGISTRATION CERTIFICATE

No. 0300608092 dated 11 August 1992 was initially issued by the Department of Planning and Investment of Ho Chi Minh City with the latest 32nd amendment dated 2 November 2022.

BOARD OF DIRECTORS

Name	Position
Mr. Kim Byoungho	Chairperson, Independent member *(from 29 April 2022)*
Ms. Le Thi Bang Tam	Chairperson *(to 29 April 2022)*
Ms. Nguyen Thi Phuong Thao	Permanent Vice Chairperson
Mr. Luu Duc Khanh	Vice Chairperson
Mr. Nguyen Thanh Do	Vice Chairperson
Mr. Nguyen Huu Dang	Vice Chairperson
Ms. Nguyen Thi Tam	Member
Mr. Le Manh Dung	Independent member *(from 29 April 2022)*
Mr. Chu Viet Cuong	Member *(to 29 April 2022)*
Mr. Lim Peng Khoon	Member *(to 29 April 2022)*

THE BOARD OF MANAGEMENT

Name	Position
Mr. Pham Quoc Thanh	General Director
Ms. Nguyen Doan Duy Ai	Deputy General Director *(to 20 June 2022)*
Mr. Nguyen Minh Duc	Deputy General Director
Mr. Le Thanh Tung	Deputy General Director
Mr. Nguyen Van Hao	Deputy General Director
Mr. Nguyen Dang Thanh	Deputy General Director
Mr. Le Thanh Trung	Deputy General Director
Mr. Tran Hoai Nam	Deputy General Director
Mr. Tran Thai Hoa	Deputy General Director
Mr. Nguyen Canh Vinh	Deputy General Director *(from 1 November 2022)*
Mr. Pham Van Dau	Chief Financial Officer
Ms. Ho Dang Hoang Quyen	Chief Accountant

THE BOARD OF SUPERVISORS

Name	Position
Mr. Dao Duy Tuong	Chief of the Board of Supervisors
Ms. Duong Thi Thu	Member
Ms. Bui Thi Kieu Oanh	Member *(from 29 April 2022)*
Mr. Nguyen Le Hieu	Member *(from 29 April 2022)*
Ms. Nguyen Thi Tich	Member *(to 29 April 2022)*

LEGAL REPRESENTATIVE

Name	Position
Mr. Pham Quoc Thanh	General Director

REGISTERED HEAD OFFICE

25Bis Nguyen Thi Minh Khai Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

AUDITOR

PwC (Vietnam) Limited

STATEMENT OF THE BOARD OF MANAGEMENT

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of Ho Chi Minh City Development Joint Stock Commercial Bank ("the Bank") is responsible for preparing consolidated financial statements which give a true and fair view of the consolidated financial position of the Bank and its subsidiary as at 31 December 2022 and the consolidated results of its operations and its consolidated cash flows for the year ended. In preparing these consolidated financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Bank and its subsidiary will continue in business.

The Board of Management of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiary and enable consolidated financial statements to be prepared which comply with the basis of accounting as set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Bank and its subsidiary and hence for taking reasonable steps for the prevention and detection of fraud or error.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 81 .The consolidated financial statements which give a true and fair view of the consolidated financial position of the Bank and its subsidiary as at 31 December 2022 and of the consolidated results of its operations and its consolidated cash flows for the year ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on the preparation and presentation of the consolidated financial statements applicable to credit institutions operating in Vietnam.

On behalf of the Board of Management



Pham Quoc Thanh
General Director

Ho Chi Minh City, Vietnam
30 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

We have audited the accompanying consolidated financial statements of Ho Chi Minh City Development Joint Stock Commercial Bank ("the Bank") and its subsidiary which were prepared on 31 December 2022 and approved by the Board of Management of the Bank on 30 March 2023. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 81.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY

The Board of Management of the Bank is responsible for the preparation and the true and fair presentation of these consolidated financial statements of the Bank and its subsidiary in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of consolidated financial statements applicable to credit institutions operating in Vietnam, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements of the Bank and its subsidiary are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank and its subsidiary's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and its subsidiary's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITOR'S OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiary as at 31 December 2022, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on the preparation and presentation of the consolidated financial statements applicable to credit institutions operating in Vietnam.

OTHER MATTERS

The consolidated financial statements of the Bank and its subsidaries for the year ended 31 December 2021 were audited by another auditor whose independent auditor's report dated 30 March 2022, expressed an unmodified opinion on those statements.

The independent auditor's report on consolidated financial statements is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited

CÔNG TY TNHH PWC (VIỆT NAM)

Nguyen Hoang Nam
Audit Practising Licence No.
0849-2023-006-1
Authorised signatory

Mai Tran Bao Anh
Audit Practising Licence No.
4166-2022-006-1

Report reference number: HCM13289
Ho Chi Minh City, 30 March 2023

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2022 VND million	2021 VND million
A. ASSETS			
I. Cash on hand, gold, silver, precious metals	**3**	**2,937,994**	**2,445,611**
II. Balances with SBV	**4**	**11,273,345**	**11,847,980**
III. Placements with and loans to other credit institutions		**49,132,317**	**55,942,644**
Placements with other credit institutions	5.1	40,322,487	55,837,298
Loans to other credit institutions	5.2	8,809,830	105,346
IV. Held-for-trading securities		**1,797,822**	**11,198,067**
Held-for-trading securities	6.1	1,797,822	11,200,948
Provisions for held-for-trading securities	6.2	-	(2,881)
VI. Loans to customers	**8**	**260,754,811**	**200,758,833**
Loans to customers		263,856,383	203,210,901
Provisions for losses on loans to customers		(3,101,572)	(2,452,068)
VIII. Investment securities		**48,789,184**	**65,513,425**
Available-for-sale investment securities	9.1	35,375,058	43,656,434
Held-to-maturity investment securities	9.2	13,444,130	21,955,594
Provisions for investment securities	9.6	(30,004)	(98,603)
IX. Other long-term investments	**10**	**144,023**	**123,831**
Other long-term investments		163,921	144,421
Provisions for diminution in value of long-term investments		(19,898)	(20,590)
X. Fixed assets		**1,315,057**	**1,366,325**
Tangible fixed assets	*11.1*	***631,621***	***663,478***
Historical cost		1,519,411	1,475,070
Accumulated depreciation		(887,790)	(811,592)
Intangible fixed assets	*11.2*	***683,436***	***702,847***
Historical cost		1,006,273	977,488
Accumulated amortisation		(322,837)	(274,641)
XII. Other assets		**40,128,470**	**25,414,855**
Other receivables	12.1	33,406,609	20,234,815
Interest and fee receivables	12.2	4,403,501	3,256,425
Deferred tax assets		32,798	-
Other assets	12.3	2,331,870	1,966,875
- *In which: Goodwill*	*12.4*	*4,799*	*10,562*
Provisions for losses on other assets		(46,308)	(43,260)
TOTAL ASSETS		**416,273,023**	**374,611,571**

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

	Note	As at 31 December 2022 VND million	As at 31 December 2021 VND million
B. LIABILITIES AND EQUITY			
I. Borrowings from the Government and SBV	13	**10,821,258**	**92,656**
Deposits and borrowings from the Government, SBV		10,821,258	92,656
II. Deposits and lendings from other credit institutions		**92,653,200**	**107,242,582**
Placements from other credit institutions	14.1	49,440,640	59,851,704
Borrowings from other credit institutions	14.2	43,212,560	47,390,878
III. Deposits from customers	15	**215,797,174**	**183,283,117**
IV. Derivative financial instruments and other financial liabilities			
V. Funds, entrusted investments and loans received that the Bank bears risks	7	**226,480**	**15,550**
VI. Valuable papers issued	16	**2,860,155**	**2,936,864**
VII. Other liabilities	17	**44,161,640**	**42,756,113**
Interest and fee payables	18	**10,758,230**	**7,494,576**
Deferred tax liabilities	18.1	5,052,933	4,383,088
Other liabilities	18.2	5,705,297	602 3,110,886
TOTAL LIABILITIES		**377,278,137**	**343,821,458**
VIII. Equity			
Capital	19	**38,994,886**	**30,790,113**
Charter capital		*25,426,026*	*20,195,503*
Investment and construction capital		25,303,429	20,072,906
Shares premium		89	89
Treasury shares		535,956	535,956
Reserves		(413,448)	(413,448)
Retained earnings		*3,527,727*	*2,547,465*
Non-controlling interests		*7,999,785*	*6,290,473*
		2,041,348	*1,756,672*
TOTAL EQUITY		**38,994,886**	**30,790,113**
TOTAL LIABILITIES AND EQUITY		**416,273,023**	**374,611,571**

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(CONTINUED)

CONSOLIDATED OFF-STATEMENT OF FINANCIAL POSITION ITEMS

	Note	As at 31 December 2022 VND million	As at 31 December 2021 VND million
Borrowing guarantees	36.1	406,790	11,386
Foreign exchange transactions commitments	36.1	69,775,987	43,104,228
» Buying foreign currency commitments		2,512,790	3,259,476
» Selling foreign currency commitments		2,912,961	2,055,376
» Swap commitments		64,350,236	37,789,376
Letters of credit commitments	36.1	4,155,744	6,211,963
Other guarantees	36.1	4,215,505	4,137,887
Other commitments	36.1	3,724,488	9,062,667
Interest and fee receivables not yet collected	37.1	1,518,715	1,418,611
Bad debts written-off	37.2	11,426,060	8,921,449
Other assets and documents	37.3	14,277,966	11,075,226
		109,501,255	**83,943,417**

Ho Dang Hoang Quyen
Chief Accountant

Pham Van Dau
Chief Financial Officer

Pham Quoc Thanh
General Director

30 March 2023

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December 2022 VND million	2021 VND million
Interest and similar income	20	33,323,404	26,176,210
Interest and similar expenses	21	(15,311,836)	(12,285,433)
I. Net interest income		**18,011,568**	**13,890,777**
Fee and commission income	22	3,308,455	2,127,733
Fee and commission expenses	23	(351,637)	(200,295)
II. Net fee and commission income		**2,956,818**	**1,927,438**
III. Net gain from trading in foreign currencies	**24**	**134,237**	**179,248**
IV. Net gain from trading of held-for-trading securities	**25**	**16,986**	**100,932**
V. Net gain from trading of investment securities	**26**	**312,620**	**477,213**
Other income		588,126	455,595
Other expenses		(60,036)	(272,958)
VI. Net other income	**27**	**528,090**	**182,637**
VII. Income from investments in other entities	**28**	**6,785**	**-**
VIII. Operating expenses	**29**	**(8,630,709)**	**(6,382,768)**
IX. Operating profit before provisions for credit losses		**13,336,395**	**10,375,477**
X. Provisions for credit losses	**30**	**(3,068,339)**	**(2,305,860)**
XI. Profit before tax		**10,268,056**	**8,069,617**
Current corporate income tax expenses	31	(2,091,986)	(1,620,180)
Deferred corporate income tax income		33,400	4,062
XII. Corporate income tax expenses		**(2,058,586)**	**(1,616,118)**
XIII. Net profit after tax		**8,209,470**	**6,453,499**
Attributable to:			
Shareholders of the Bank		*7,749,794*	*6,053,519*
Non-controlling interests		*459,676*	*399,980*
XV. Earnings per share (VND/share)	**19.2**	**3,081**	**2,403**

Ho Dang Hoang Quyen
Chief Accountant

Pham Van Dau
Chief Financial Officer

Pham Quoc Thanh
General Director

30 March 2023

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED CASH FLOW STATEMENT

(DIRECT METHOD)

	Note	Year ended 31 December 2022 VND million	2021 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income received		32,577,872	26,284,400
Interest and similar expenses paid		(14,319,631)	(12,302,702)
Net fee and commission income received		2,792,794	1,544,570
Net amount received from trading activities (foreign currencies, golds and securities)		225,515	752,229
Other income		111,209	31,014
Recoveries of written-off loans		437,234	244,474
Payments to employees and for administrative expenses		(8,668,312)	(6,228,455)
Corporate income tax paid during the year	34	(1,154,553)	(1,489,686)
NET CASH INFLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		**12,002,128**	**8,835,844**
Changes in operating assets			
Increase in placements with and loans to other credit institutions		(8,704,484)	(5,346)
Decrease/(increase) in trading securities		26,010,304	(6,293,402)
Increase in loans to customers		(60,645,482)	(24,887,808)
Utilisations of provisions for losses on loans to customers		(2,418,835)	(1,789,228)
Increase in other operating assets		(13,057,913)	(9,260,131)
Changes in operating liabilities			
Increase/(decrease) in borrowings from the Government and SBV		10,728,602	(50,114)
(Decrease)/increase in deposits and lendings from other credit institutions		(14,589,382)	32,067,009
Increase in deposits from customers		32,514,057	8,662,848
Increase in valuable papers issued		1,405,527	8,423,855
Decrease in funds, entrusted investments and loans received that the Bank bears risks		(76,709)	(100,299)
Increase/(decrease) in derivative financial instruments and other financial liabilities		210,930	(199,632)
Increase in other operating liabilities		912,441	256,257
Payments from reserves		(10,262)	(7,434)
NET CASH (OUTFLOWS)/INFLOWS FROM OPERATING ACTIVITIES		**(15,719,078)**	**15,652,419**

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED CASH FLOW STATEMENT

(DIRECT METHOD)

(CONTINUED)

	Note	Year ended 31 December 2022 VND million	2021 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(122,001)	(353,900)
Proceeds from disposals of fixed assets		21,447	268
Proceeds from disposal of investment properties		-	24,026
Proceeds from investments in other entities		500	51,775
Dividends and shared profits received from long-term investments		22,069	-
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		**(77,985)**	**(277,831)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		200,000	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES		**200,000**	**-**
NET CASH (OUTFLOWS)/INFLOWS FOR THE YEAR		**(15,597,063)**	**15,374,588**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**70,130,889**	**54,756,301**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**32**	**54,533,826**	**70,130,889**

Ho Dang Hoang Quyen
Chief Accountant

30 March 2023

Pham Van Dau
Chief Financial Officer

Pham Quoc Thanh
General Director

HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Ho Chi Minh City Development Joint Stock Commercial Bank ("the Bank") is a commercial joint stock bank registered in Vietnam pursuant to the initial Establishment and Operation Licence No. 00019/NH-GP issued by SBV on 6 June 1992 and was replaced by the Licence No. 26/GP-NHNN dated 12 February 2020 for a period of 99 years from 6 June 1992.

The Bank's shares are listed on the Ho Chi Minh Stock Exchange with the stock trading code HDB.

The Bank obtained the Enterprise Registration Certificate No. 0300608092 dated 11 August 1992 which was issued by the Department of Planning and Investment of Ho Chi Minh City and commenced its operation from the date of the licence, and the latest 32nd amendment of the Enterprise Registration Certificate dated on 2 November 2022. As at 31 December 2022, the Bank's charter capital was VND25,303,429,220,000 (as at 31 December 2021: VND20,072,906,420,000).

The principal activities of the Bank and its subsidiary are to mobilise and receive short, medium and long-term funds in the form of deposits from organisations and individuals; to grant short, medium and long-term loans to organisations and individuals based on the nature and capabilities of the Bank's capital resources; to trade foreign currencies; to provide international trade finance services; to discount commercial notes, bonds and other valuable papers; to provide settlement services and to provide other banking services in accordance with SBV's approval.

The Bank's Head Office is located at 25Bis Nguyen Thi Minh Khai Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam. As at 31 December 2022, the Bank had 1 (one) head office, 1 (one) Northern representative office, 1 (one) representative office in Myanmar, 77 (seventy-seven) branches and 267 (two hundreds and sixty-seven) transaction offices in provinces and cities across Vietnam.

As at 31 December 2022, the Bank and its subsidiary had 16,326 employees (as at 31 December 2021: 15,127 employees).

As at 31 December 2022, the Bank had 1 subsidiary (as at 31 December 2021: the Bank had 2 subsidiaries). Details are as follows:

Subsidiary	Operation Licence	Nature of business	Percentage of equity owned and voting rights 31.12.2022	31.12.2021
HD Saison Finance Co., Ltd. ("HD SAISON")	0304990133	Finance/Banking	50%	50%
HDBank Debt Trading and Asset Management Joint Stock Company	3602376446	Assets management	(*)	100%

(*) During the year, HDBank Debt Trading and Assets Management Joint Stock Company (previously known as Asset Management Company Limited - Ho Chi Minh City Development Joint Stock Commercial Bank) changed its form of ownership from limited liability company to joint stock company, increased its charter capital and was no longer a subsidiary of the Bank.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on the preparation and presentation of consolidated financial statements applicable to credit institutions operating in Vietnam. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the consolidated financial position and consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Viet Nam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Bank and its subsidiary. The consolidated financial statements in the English language have been translated from the Vietnamese version.

2.2 FISCAL YEAR

The Bank and its subsidiary's fiscal year is from 1 January to 31 December.

2.3 CURRENCY

The Bank and its subsidiary's accounting currency is Vietnamese Dong ("VND" or "Dong"). The consolidated financial statements are prepared and presented in millions of Vietnamese Dong rounded to the nearest million ("VND million"). The Bank and its subsidiary determine their accounting currency in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and applicable regulations.

All transactions are recorded in original currencies. Transactions arising foreign currencies are translated at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at month end are translated at the exchange rate prevailing at the month-end date. Foreign exchange differences arising from these translations are recognised in the foreign exchange differences item in the consolidated statement of financial position at month end and transferred to consolidated income statement at year end.

2.4 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between the Bank and its subsidiary are eliminated.

The financial statements of the subsidiary is prepared for the same financial year and accounting policies of the subsidiary is consistent with the policies adopted by the Bank.

Non-controlling transactions and interests

The Bank and its subsidiary apply a policy for transactions with non-controlling interests as transactions with external parties to the Group. Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

A divestment of the Bank's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Bank's share of net assets of the subsidiary and any consideration paid or received from divestment of the Bank's interest in the subsidiary is recorded directly in the retained earnings under equity.

In a divestment of the Bank's interest in a subsidiary that results in a loss of control, the difference between the Bank's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

2.5 GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Bank and its subsidiary's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated year of benefit but not exceeding a period of 10 years.

On disposal of the investments in subsidiary, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is carried at cost less accumulated amortisation, and is tested annually for impairment. If there is evidence that the impairment during the year is higher than the goodwill charge, the Bank and its subsidiary record the impairment immediately in the financial year.

2.6 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, gold, balances with SBV, demand and term deposits at other credit institutions which have maturity dates within 03 (three) months or less from the date of depository.

2.7 PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

Deposits with other credit institutions include demand deposits; deposits with original terms within 3 months or less at local credit institutions, foreign bank branches and deposits at foreign credit institutions, and are recognised at the amount of principal outstanding.

Loans to other credit institutions are loans with original term to maturity of less than one year to other credit institutions.

Term deposits with and loans to other credit institutions are stated at the amount of principal outstanding less specific provisions.

Credit risk classification of term deposits with and loans to other credit institutions and provisions thereof are made in accordance with Circular 11/2021/TT-NHNN ("Circular 11"), being similar to those policies applied for loans to customers as described in Note 2.8.

According to Circular 11, the Bank and its subsidiary are not required to make general provisions for deposits with and loans to other credit institutions.

2.8 LOANS TO CUSTOMERS

2.8.1 Accounting for loans to customers

Measurement and recognition of loans to customers

Short-term loans are those with repayment terms within 1 year from the disbursement date; medium-term loans are those with repayment terms over 1 to 5 years from the disbursement date and long-term loans are those with repayment terms of more than 5 years from the disbursement date.

Loans to customers are stated at the amount of principle outstanding less provisions for credit losses.

Classification of loans to customers

Loans classification and provisions for credit losses are made in accordance with Circular 11.

In accordance with Circular 11, loans to customers are classified into 5 groups according to the collection status and the quantitative method, details as below:

Group 1: Current loans

(a) Current loans assessed as fully and timely recoverable, both principals and interests; or

(b) Loans overdue less than 10 days and assessed as fully recoverable, both overdue principals and interests, and fully and timely recoverable, both remaining principals and interests; or

(c) Loans classified into group 1 as meeting criteria to be classified into groups with lower level of risk.

Group 2: Special-mentioned loans

(a) Loans overdue up to 90 days, except those specified in point (b) of Current loans and those classified into a group with higher level of risk as prescribed; or

(b) Loans rescheduled for the first time and repaid on schedule, except those meeting criteria to be classified into a group with lower level of risk and those classified into a group with higher level of risk as prescribed; or

(c) Loans classified into group 2 as meeting criteria to be classified into a group with lower level of risk or loans classified into a group with higher level of risk as prescribed.

Group 3: Sub-standard loans

(a) Loans which are from 91 days to 180 days overdue, except those prescribed in clause 3 of Article 10 of Circular 11; or

(b) Loans with first-time extended repayment terms that are unmatured, except those prescribed in point b of clause 2 and clause 3 of Article 10 of Circular 11; or

(c) Loans on which interest is exempted or reduced due to the borrower's inability to pay in full as agreed upon, except for those specified in Clause 3 of Article 10 of Circular 11; or

(d) Loans falling in one of the following cases that have not yet been collected within less than 30 days from the issuance date of recovery decision:

- Loans having violated regulations specified in clauses 1, 3, 4, 5, 6 of Article 126 of Law on credit institutions; or
- Loans having violated regulations specified in clauses 1, 2, 3, 4 of Article 127 of Law on credit institutions; or
- Loans having violated regulations specified in clauses 1, 2, 5 of Article 128 of Law on credit institutions.

(e) Loans in the collection process under inspection conclusions; or

(f) Loans recovered under premature debt recovery decisions of the Bank and its subsidiary due to customers' breach of agreements without being collected within less than 30 days from the issuance date of recovery decisions; or

(g) Loans that are classified into group 3 as prescribed in clause 2 and clause 3 of Article 10 of Circular 11; or

(h) Loans that are classified into group 3 as prescribed in clause 4 of Article 8 of Circular 11.

Group 4: Doubtful loans

(a) Loans which are from 181 days to 360 days overdue, except those prescribed in clause 3 of Article 10 of Circular 11; or

(b) Loans with first-time rescheduled repayment terms that are up to 90 days past due from the first-time rescheduled maturity dates, except those specified in clause 3 of Article 10 of Circular 11; or

(c) Loans with second-time rescheduled repayment terms that are unmatured, except those prescribed in point b of clause 2 and clause 3 of Article 10 of Circular 11; or

(d) Loans specified in point (d) of Sub-standard loans without being collected for between 30 days and 60 days from the issuance date of recovery decision; or

(e) Loans in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or

(f) Loans recovered under premature debt recovery decisions of the Bank and its subsidiary due to customers' breach of agreements without being collected for between 30 days and 60 days from the isssuance date of recovery decisions; or

(g) Loans that are classified into group 4 as prescribed in clause 2 and clause 3 of Article 10 of Circular 11; or

(h) Loans that are classified into group 4 as prescribed in clause 4 of Article 8 of Circular 11.

Group 5: Loss loans

(a) Loans overdue more than 360 days; or

(b) Loans restructured for the first time and overdue from 91 days according to the first restructured terms of repayments; or

(c) Loans restructured for the second time and overdue according to the second restructured terms of repayments; or

(d) Loans with third- or more-time rescheduled repayment terms, except those prescribed in point b of clause 2 of Article 10 of Circular 11; or

(e) Loans specified in point (d) of Sub-standard loans without being collected for more than 60 days from the issuance date of recovery decision; or

(f) Loans in the collection process under inspection conclusions but being overdue for more than 60 days according to recovery term; or

(g) Loans recovered under premature debt recovery decisions of the Bank and its subsidiary due to customers' breach of agreements without being collected for more than 60 days from the issuance date of recovery decisions; or

(h) Loans to other credit institutions announced under special control status, or to foreign bank's branches of which capital and assets are blockaded; or

(i) Loans that are classified into group 5 as prescribed in clause 3 of Article 10 of Circular 11; or

(j) Loans that are classified into group 5 as prescribed in clause 4 of Article 8 of Circular 11.

Loans shall be classified in a group with lower level of risk (including Group 1) in the following cases:

Overdue loans

- Customers have made full repayment of the overdue principal and the interest (including interest on overdue principals) and the principals and interest of the following payment periods for at least 03 (three) months in respect of long and medium-term loans and 01 (one) month in respect of short-term loans since the date the overdue principals and interest are fully repaid; and
- The Bank and its subsidiary have sufficient basis of information and documents to assess and conclude that customers are capable of fully repaying the principals and the interest in a timely manner..

Restructured loans

- Customers have made full repayment of the principal and interest under the restructured repayment term, for at least 03 (three) months in respect of long and medium-term loans and 01 (one) month in respect of short-term loans, since the date the principal and interest under the restructured repayment term are fully paid; and
- The Bank and its subsidiary have sufficient basis of information and documents to assess and conclude that customers are capable of fully repaying the principals and the interest in a timely manner.

Loans shall be classified in a group with higher level of risk in the following cases:

- Norms on profitability, solvency, ratio of debts to capital, cash flows, capability of customers to pay debts deteriorating continuously for three consecutive times of assessment and loan classification; or

- Customers fail to supply fully, timely and truly financial information at the request of the Bank and its subsidiary for an assessment regarding the capability of customers to pay their loans; or
- Loans which have been classified in Group 2, Group 3, Group 4 for 01 (one) year or longer but not qualified to classify in a group with lower level of risk; or
- Loans whose credit extension is administratively sanctioned.

Non-performing loans are loans classified into Group 3, 4 and 5.

The Bank and its subsidiary are required to use the results of loan classification as provided by the Credit Information Center of the SBV ("CIC") to classify its loans to customers into a group with higher level of risk as determined by the Bank and its subsidiary and provided by CIC.

When a customer owes more than one loan to the Bank and its subsidiary, and has any loan classified into a group with higher level of risk, the Bank and its subsidiary classify the remaining loans of such customer into such loan group with higher level of risk.

When the Bank and its subsidiary participate in a syndicated loan, the Bank and its subsidiary reclassify all loans (including the outstanding syndicated loan) of the customer into the highest risk group as determined by the lenders.

Provisions for losses on loans to customers:

Provisions for losses on loans to customers includes specific provisions and general provisions.

Specific provisions

Specific provisions for losses on loans to customers are calculated using set rates applied to each loan group as follows:

	Allowance rates
Group 1 - Current loans	0%
Group 2 - Special-mentioned loans	5%
Group 3 - Sub-standard loans	20%
Group 4 - Doubtful loans	50%
Group 5 - Loss loans	100%

The specific provisions are calculated based on the customer's loan balance on the last working day of each month less the discounted value of collateral assets.

Maximum discounted ratio of collateral assets is determined in accordance with Circular 11 as follows:

Type of collateral assets	Maximum discounted ratio
(a) Deposits, certificates of deposit from customers in VND at the Bank	100%
(b) Government bonds, gold billets in accordance with law on gold trading activities; deposits, certificates of deposit from customers in foreign currencies at the Bank	95%
(c) Municipal bonds, Government-guaranteed bonds; transferable instruments, bills and notes, bonds issued by the Bank; deposits, certificates of deposit, bills and notes issued by other credit institutions, foreign branches:	
» With a remaining term of less than 1 year	95%
» With a remaining term of between 1 year to 5 years	85%
» With a remaining term of over 5 years	80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by enterprises (except credit institutions) and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions registered for listing on a stock exchange;	50%
Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions not registered for listing on a stock exchange	30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange	10%
(h) Real estates	50%
(i) Others	30%

Collateral assets with value of VND50 billion or more against loans to the Bank and its subsidiary's related parties or other parties as prescribed in Article 127 of the Law on Credit Institutions and collateral assets with value of VND200 billion or more which are movable assets, real estate or others, excluding gold billets, Government bonds listed on the Stock Exchange, securities issued by enterprises or other credit institutions must be valued by a licenced valuing organisation. Other than these cases, collateral assets are valued in accordance with the Bank and its subsidiary's internal policy and process.

Collateral assets that do not satisfy the conditions as specified in Clause 3, Article 12 of Circular 11 are deemed to have zero value.

General provisions

The general provisions are made at 0.75% of the outstanding balance of loans to customers on the last working day of each month, excluding the total balance of loans to customers which are classified as loss loans.

Written-off bad debts

Bad debts could be written off using provisions in the following cases:

- Customer is an organisation, which is dissolved, goes bankrupt as prescribed by law or an individual who dies or is missing; or
- Debts which are classified in Group 5.

If, for at least 5 years, after using provisions against credit risks and after all measures for debt recovery of the Bank and its subsidiary's Credit Committee have been implemented but debts are still irrevocable, the Bank and its subsidiary shall be entitled to release the unsettled debts from the off-statement of financial position accounts in accordance with the approval of the Bank and its subsidiary's Credit Committee.

2.8.2 Loan restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic

From 17 May 2021, loan restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic are carried out in accordance with Circular 03/2021/TT-NHNN ("Circular 03") effective from 17 May 2021 and Circular 14/2021/TT-NHNN ("Circular 14") effective from 7 September 2021 amending and supplementing some articles of Circular 01 governing instructions for credit institutions, foreign bank branches on debt restructuring, exemption or reduction of interest and fees, retention of loan group to assist customers affected by the Covid-19 pandemic. Details of Circular 03 and Circular 14 are as below:

The Bank and its subsidiary restructure, exempt or reduce interest, fees of customers' loans satisfying all of the following conditions:

- Being a loan having arisen before 1 August 2021 (applied to loan restructuring) or a credit granting, except for investments in corporate bonds (applied to exemption or reduction of interest and/or fees);
- The obligation of principal repayment and/or interest payment arises during the period from 23 January 2020 to 30 June 2022;
- The customer is unable to repay the principal and/or to pay interest on schedule under the loan agreement due to decrease in revenue or income caused by the Covid-19 pandemic;
- The customer applies for loan restructuring and the Bank and its subsidiary assess that the borrower is able to fully repay the principal and/or pay interest under the restructured terms.

The loans are restructured in the following cases:

- The loan is undue or has been overdue up to 10 days under the loan/ finance lease agreement, except the following cases;
- The loan arose before 23 January 2020 and was overdue during the period from 23 January 2020 to 29 March 2020;
- The loan arose from 23 January 2020 to before 10 June 2020 and was overdue before 17 May 2021;
- The loan arose from 10 June 2020 to before 1 August 2021 and was overdue from 17 July 2021 to before 7 September 2021.

The restructured term, exemption and reduction of interest and/or fees:

- The restructured term (including loan extension) is decided in conformity with the impact of the Covid-19 pandemic on each customer and is not permitted to exceed 12 months from the restructuring date or from the original maturity date of the respective restructured amount;
- Loan restructuring, exemption or reduction of interest and/or fees are carried out until 30 June 2022.

Details of loan classification, loan group retention for loans being restructured, exempted or reduced interest and/or fees:

For loans having arisen before 23 January 2020 (including the loan balance which was restructured, exempted or reduced interest and moved to another loan group in accordance with regulations of the SBV during the period from 23 January 2020 to 29 March 2020) restructured, exempted or reduced interest, fees according to Circular 03, the Bank and its subsidiary retain their loan groups which they were recently classified into before 23 January 2020.

For loans having arisen during the period from 23 January 2020 to before 1 August 2021 restructured, exempted or reduced interest, fees, the Bank and its subsidiary retain their loan groups as follows:

- Retains the loan group at the latest classification before the date on which loans were restructured for the first time for loans being undue or overdue up to 10 days under the loan agreement except the following cases;
- Retains the loan group at the latest classification before the date on which loans were overdue for loans having arisen during the period from 23 January 2020 to before 10 June 2020 and having been overdue before 17 May 2021;
- Retains the loan group at the latest classification before the date on which loans were overdue for loans having arisen during the period from 10 June 2020 to before 1 August 2021 and having been overdue from 17 July 2021 to before 7 September 2021;
- Retains the loan group at the latest classification before the date on which loans were exempted or reduced interest for the first time in accordance with Circular 03 and Circular 14.

For loans restructured, exempted or reduced interest, fees and retaining current loan group in accordance with Circular 03 and Circular 14, the Bank and its subsidiary do not apply a group with higher level of risk to loans restructured and retaining loan group in accordance with Circular 03 and Circular 14.

For loans restructured, exempted or reduced interest, fees and retaining Current loan group (Group 1) in accordance with Circular 03 and Circular 14, the Bank and its subsidiary derecognise their accrued interest and recognises them as off-statement of financial position items for following up and collection. Interest income for these loans is recognised in the consolidated income statement upon receipt.

2.8.3 Specific provisions for losses on loans to customers whose loans are restructured, exempted or reduced interest in accordance with Circular 03 and Circular 14

The Bank and its subsidiary make specific provisions for losses on loans to customers whose loans are rescheduled, exempted or reduced interest in accordance with Circular 03 as follows:

Additional specific provisions shall be determined as follows:

Additional specific provisions = A - B

Whereas:

- A: Specific provisions made for all the outstanding debts of customers according to loan classification regulated by Circular 11.
- B: Specific provisions made for all the outstanding debts of customers according to the loan classification regulated by Circular 03 and Circular 14.

If the aforementioned additional specific provisions are positive, additional specific provisions are required to make in accordance with Circular 03 as follows:

- By 31.12.2021: At least 30% of the additional specific provisions.
- By 31.12.2022: At least 60% of the additional specific provisions.
- By 31.12.2023: 100% of the additional specific provisions.

As at 31 December 2022, the Bank and its subsidiary made 100% of additional specific provisions as required.

2.9 OFF-STATEMENT OF FINANCIAL POSITION COMMITMENTS

Off-statement of financial position commitments consist of guarantees, settlement acceptances and unconditional, irrevocable credit commitments and other commitments arising credit risks.

Classification of off-statement of financial position commitments

The classification of off-statement of financial position commitment is made in accordance with Circular 11.

According to Circular 11, off-statement of financial position commitments are classified into five groups based on the payment arrears status and other qualitative factors, which are as follows:

Group 1: Standard commitments

» Undue commitments, which, according to the assessment of the Bank, could be fully, settled when they are due.

Group 2: Special mentioned commitments

» Undue commitments, which, according to the assessment of the Bank, could not be fully, settled when they fall due.

A commitment is classified in Group 3 or a group of higher risk in the following situations:

» Commitment that violates regulations as prescribed by law regarding credit granting, foreign exchange management and safety ratio for credit institutions and foreign banks' branches; or

» Commitment that violates internal regulations regarding credit granting, loans management, methods of setting up of risk provisions for credit institutions and foreign banks' branches; or

» Commitment that has values exceeding the limit for credit granting, except for special circumstances, as prescribed by the law.

Provisions for off-statement of financial position commitments

According to Circular 11, off-statement of financial position commitments are only classified as debts for credit quality management and supervision. Therefore, there is no requirement to make provisions.

2.10 INVESTMENTS IN SECURITIES

Investments in securities are classified into three categories in accordance with Letter 2601/NHNN-TCKT dated 14 April 2009 issued by SBV: i) held-for-trading securities, ii) held to maturity investment securities or iii) available-for-sale investment securities. The Bank is required to classify their investment securities at the purchase date.

2.10.1 Held-for-trading securities

Classification and recognition

Held-for-trading securities include debt securities purchased for trading purposes. Held-for-trading securities are initially recognised at costs on the date that the Bank has ownerships on these securities.

Measurement

Listed held-for-trading debt securities are stated at costs less provisions for diminution in value. Provisions for diminution in value of held-for-trading securities are made when book value is higher than its market value, which is determined as the latest trading price at the Stock Exchange within 10 days from the end of financial year. Changes in the provision balances during the year are recognised as "Net gain from trading of held-for-trading securities" in the consolidated income statement. The Bank does not make provisions for government bonds, municipal bonds and government-guaranteed bonds.

For held-for-trading debt securities that have not yet been listed on the Stock Exchanges or not registered for trading on the trading market of unlisted public companies are recognised at costs less provisions for credit losses in accordance with Circular 11 as described in Note 2.8. According to Circular 11, the Bank does not make general provisions for certificate of deposits and bonds issued by other credit institutions.

Provisions for held-for-trading securities as mentioned above are reverted when the recoverable amount of held-for-trading securities increases after the provisions are made as a result of an objective event. A reversal of provisions, if any, is made only to the extent the held-for-trading securities is restored to its original cost.

Gains or losses from sales of held-for-trading securities are recognised as ""Net gain from trading of held-for-trading securities" in the consolidated income statement. Cost is determined by the specific identification method.

Coupons received from held-for-trading securities during holding periods are recognised in the consolidated income statement upon receipts.

Derecognition

Held-for-trading securities are derecognised when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards from ownerships of these securities.

2.10.2 Available-for-sale investment securities

Classification and recognition

Available-for-sale securities include debt and equity securities that the Bank purchases with investment and available-for-sale purposes, not regularly traded but can be sold when there is a benefit.

The Bank recognises available-for-sale investment securities on the date that substantially all of the risks and rewards of ownerships are transferred to the Bank.

Measurement

Listed available-for-sale investment securities are stated at book value less provisions for diminution in value. The provisions for diminution in value of available-for-sale investment securities are made when book value is higher than its market value.

For listed equity securities, market price is the closing price on the latest trading date up to the end of the financial year.

For listed debt securities, market price is the latest trading price at the Stock Exchange within 10 days from the end of the financial year.

Changes in the provision balances during the year are recognised as "Net gain from trading of investment securities" in the consolidated income statement.

The Bank does not make provisions for government bonds, municipal bonds and government-guaranteed bonds.

Debt securities are recognised at par value at purchased date. Accrued interest receivables before purchased date (for debt securities with interest payments in arrears) and deferred interest awaiting for allocation (for debt securities with interest payments in advance) is recognised in a consolidated account. Discount/premium, which is the negative/positive difference between the cost and the amount of par value plus (+) accrued interest receivables before the purchasing date (if any) or minus (-) deferred interest awaiting for allocation (if any) is also recognised in a separate account.

In subsequent holding periods, these debt securities are recognised at par value, and the discount/premium (if any) is amortised to the consolidated income statement on a straight-line basis over the remaining terms of these debt securities.

Cumulative interest before purchased date is recognised as a decrease in the accrued interest receivables account upon receipt. Accrued interest incurred after purchased date is recognised as income of the Bank based on an accrual basis.

Interest received in advance is amortised into interest income from investment securities based on a straight-line basis over the terms of investment securities.

For investment debt securities that have not yet been listed on the Stock Exchanges or not registered for trading on the trading market of unlisted public companies are recognised at costs less provisions for credit losses in accordance with Circular 11 as described in Note 2.8. According to Circular 11, the Bank does not make general provisions for certificate of deposits and bonds issued by other credit institutions.

Provisions for investment securities as mentioned above are reverted when the recoverable amount of held-for-trading securities increases after the provisions are made as a result of an objective event. A reversal of provisions, if any, is made only to the extent the investment securities is restored to its original cost.

Gains or losses from sales of investment securities are recognised as "Net gain from trading of investment securities" in the consolidated income statement. Cost is determined by the specific identification method.

Derecognition

Available-for-sale investment securities are derecognised when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownerships of these securities.

2.10.3 Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities that the Bank purchases with investment purpose to earn interests and the Bank has capabilities and intentions to hold these investment securities until maturities. Held-to-maturity investment securities have the determined value and maturity date. According to Official Letter No. 2601/NHNN-TCKT issued by SBV on 14 April 2009, the Bank is allowed to reclassify once after purchasing for held-to-maturity investment securities.

Held-to-maturity investment securities are recognised and measured similarly as available-for-sale debt investment securities as presented in Note 2.10.2.

2.11 REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

Securities sold under agreements to repurchase at a specific date in the future are recognised in the consolidated statement of financial position. The proceed from these agreements are recognised as a liability on the consolidated statement of financial position and the difference between selling price and the committed repurchase price is amortised to the consolidated income statement using the straight line method over the contractual term.

Securities purchased under agreements to resell at a specific date in the future are not recognised in the consolidated statement of financial position. The cash payment under these agreements is recognised as a loan on the consolidated statement of financial position and the difference between the purchase price and committed reselling price is amortised to the consolidated income statement using the straight line method over the contractual term.

2.12 OTHER LONG-TERM INVESTMENTS

Other long-term investments are investments of equal or less than 11% of the voting rights in the equity of unlisted entities, and the investments are held not for sale for 12 months or more from the consolidated statement of financial position date. These investments are initially accounted at cost of acquisition.

Subsequently, these other long-term investments are recognised at costs less provisions. Provisions for diminution in value of investments in other entities are made when their carrying value are higher than their market value if market value can be determined reliably. Otherwise, provisions for diminution in value of investments in other entities are calculated based on the investee's loss.

Changes in the provision balances during the year is recognised as an increase or a decrease in operating expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.13 FIXED ASSETS

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred in the year.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amounts over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Buildings, structures	5 - 50 years
Machinery	7 - 14 years
Motor vehicles	6 - 10 years
Office equipment	3 - 10 years
Software	3 - 8 years
Others	4 - 10 years
Definite land use rights	6 - 49 years

Land use rights comprise of land use rights granted by the State for which land use fees are collected, land use rights acquired in a legitimate transfer, and prepaid land use rights obtained under land rental contracts which were effective before the effective date of Land Laws 2003 (which is 1 July 2004) and land use right certificates are granted.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consist of purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expenses in the consolidated income statement.

Construction in progress

Construction in progress represents the cost of asset in the course of installation or construction for business, rental or administrative purposes, or for purposes not yet determined, which are recognised at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditure and construction consulting costs. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended uses.

2.14 OPERATING LEASES

Leases where a significant portion of the risks and rewards of ownerships are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the terms of the leases.

2.15 OTHER RECEIVABLES

Receivables, other than receivables from credit activities of the Bank and its subsidiary, are recognised at costs. Subsequently, other receivables are recognised at costs less provisions for doubtful debts.

Provisions for doubtful debts are made for each outstanding amount based on overdue days in payment according to the initial payment commitment or based on the estimated loss that may arise when these receivables are not yet due but the economic organisation debtors are fallen into bankruptcy or are in the process of dissolution, or of individual debtors are missing, escaped, prosecuted, on trial or deceased. Provision expense is recognised as "Operating expenses" in the consolidated income statement during the year.

Provisions rate for overdue receivable is made as follows:

Overdue period	Provisions rate
From six months to less than one year	30%
From one year to less than two years	50%
From two years to less than three years	70%
From three years and above	100%

2.16 DERIVATIVES

Derivatives are recognised in the consolidated statement of financial position at contract value on the contract date and subsequently are revalued at the rate of exchange prevailing at the month end. Realised gains or losses are recognised in the consolidated income statement. Unrealised gains or losses are recognised in the foreign exchange differences item in the consolidated statement of financial position at the month end and are transferred to the consolidated income statement at the year end.

2.17 FUNDS, ENTRUSTED INVESTMENTS AND LOANS RECEIVED THAT THE BANK BEARS RISKS

The Bank receives funds, entrusted investments and loans from the Governments and local organisations to use according to assigning purposes. The Bank is responsible for repayment of the amount when they fall due.

Funds, entrusted investments and loans received are recognised as a liability in the consolidated statement of financial position.

2.18 PROVISIONS

Provisions are recognised when the Bank and its subsidiary have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognised as a financial expense. Changes in the provision balances during the financial year are recognised as an increase or decrease in operating expenses.

2.19 CONVERTIBLE BONDS

Convertible bonds are bonds that may be converted into the ordinary shares of the Bank under the conditions identified in the bond issuance scheme.

Upon initial recognition, the Bank calculates and determines separately the value of the debt component and equity component of convertible bonds using the effective interest rate method. The debt component of convertible bonds is recognised as a liability; the equity component (share options) of convertible bonds is recognised as an owners' equity item. Subsequently, the Bank periodically records bond interests using the effective interest rate. The issuing costs of convertible bonds are deducted from the bonds' liabilities component and are allocated to interest expenses on a straight-line basis.

At maturity, equity components which are share options, are transferred to be recognised as share premiums regardless whether the bond holders exercise the option or not.

2.20 OWNERS' CAPITAL

Owners' capital is recorded according to the actual amounts contributed by shareholders at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Other owners' capital represents other capital held by the shareholders at the reporting date.

Treasury shares

Treasury shares bought before the effective date of the Securities Law (1 January 2021), are shares issued by the Bank and bought back by itself, but these are not cancelled, sold or may be re-issued subsequently, the amount received is recognised as an increase in charter capital, and the resulting surplus or deficit on these transactions are recognised as share premium.

Treasury shares, that are repurchased after the effective date of the Securities Law (1 January 2021), are cancelled and adjusted to reduce in charter capital.

Retained earnings

Retained earnings record the Bank and its subsidiary's results (profits) after corporate income tax at the reporting date.

2.21 RESERVES

According to Decree No. 93/2017/NĐ-CP dated 7 August 2017 issued by the Vietnamese Government, the Bank and its subsidiary are required to make the following allocations before profits distributionn:

	Percentage of annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	Charter capital
Financial reserve	10% of profit after tax	Not specified

The purpose of financial reserve is to offset residual asset losses and damage occurring in the course of business after such losses have been offset with compensation paid by organisations, individuals who caused them, indemnity paid by insurers and with the allowance set up and accounted for in expenses, and shall be used for other purposes in accordance with the law.

Other reserves are appropriated from profit after tax of the Bank and its subsidiary. The appropriation from profit after tax and the utilisations of other reserves must be approved by the resolution of the General Meeting of Shareholders. These reserves are not regulated by laws and are allowed to be fully distributed.

2.22 APPROPRIATION OF PROFIT

The Bank and its subsidiary's dividends are recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the Bank and its subsidirary's General Shareholders Meeting.

Net profit after corporate income tax could be distributed to shareholders after approval at a General Shareholders Meeting, and after appropriation to other funds in accordance with the Bank and its subsidiary's charter and Vietnamese regulations.

2.23 BASIC EARNINGS PER SHARE

The Bank presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the net profit attributable to the ordinary shareholders of the Bank, after deducting the bonus and welfare fund made during the year, by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

2.24 INCOME AND EXPENSES RECOGNITION

Interest income

Interest income is recognised on an accrual basis in the consolidated income statement. Accrued interest income is derecognised and recognised into off-statement of financial position items when a loan becomes overdue or is not classified as Current loan as described in Note 2.8.1 and 2.8.2 or is subject to the application of Circular 03 and Circular 14. Interest income from these loans is recognised in the consolidated income statement upon receipt.

Fee and commission income

Fee and commission income is comprised of fees received from insurance brokerage, bond brokerage, settlement, treasury and other services, and is recognised on an accrual basis in the consolidated income statement.

Dividend income

Income from dividends is recognised when the Bank and its subsidiary have established receiving rights from investees. Stock dividends and bonus shares received are not recognised as income of the Bank and its subsidiary, but only the number of shares is updated.

Other income

Other income is recognised on a cash basis.

According to Circular 16/2018/TT-BTC dated 7 February 2018 issued by the Ministry of Finance, receivables which have been accounted as income but then are assessed as uncollectible or can not be collected by due date, the Bank and its subsidiary shall revert such income if it is in the same financial year, or recognise as an expense if it is not in the same financial year and monitor these receivables in off-statement of financial position items for subsequent collection. The Bank and its subsidiary shall recognise these receivables as income in the consolidated income statement upon receipt.

Interest expenses

Interest expenses are recognised in the consolidated income statement on an accrual basis.

2.25 CURRENT AND DEFERRED INCOME TAX

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises of current income tax expense and deferred income tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expense and included in the consolidated income statement of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.26 RELATED PARTIES

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Bank and its subsidiary, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank and its subsidiary. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank and its subsidiary, key management personnel, including members of the Bank's Board of Directors, Board of Supervisors, Board of Management, and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Bank and its subsidiary consider the substance of the relationships, and not merely the legal form.

2.27 SEGMENT REPORTING

A segment is component which can be separated by the Bank and its subsidiary engaged either in providing related products or rendering of services (business segment), or in providing products or rendering of services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Bank and its subsidiary's geographical segment.

2.28 CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on preparation and presentation of consolidated financial statements applicable to credit institutions operating in Vietnam requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

» Loan classifications and provisions for losses on loans to customers (Note 2.8);

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Bank and its subsidiary that are assessed by the Board of Management to be reasonable under the circumstances.

2.29 ITEMS WHICH HAVE NO BALANCE

Items or balances required by Decision 16/2007/QĐ-NHNN dated 18 April 2007 and Circular 49/2014/TT-NHNN dated 31 December 2014 stipulating the financial reporting mechanism for credit institutions issued by SBV that are not shown in these consolidated financial statements indicate nil balances.

3. CASH ON HAND, GOLD, SILVER AND PRECIOUS METALS

	31.12.2022 VND million	31.12.2021 VND million
Cash on hand in VND	2,209,398	1,694,247
Cash on hand in foreign currencies	713,897	731,244
Monetary gold	14,699	20,120
	2,937,994	2,445,611

4. BALANCES WITH SBV

	31.12.2022 VND million	31.12.2021 VND million
In VND	9,757,912	8,324,624
In foreign currencies	1,515,433	3,523,356
	11,273,345	11,847,980

Balances with SBV comprise of compulsory reserves and current accounts.

Under SBV's regulations relating to compulsory reserve, the Bank and its subsidiary are permitted to maintain a floating balance within the month for the compulsory reserve requirement ("CRR"). The monthly average balance of the reserve must not be less than CRR rates multiplying with the preceding month's average balances of each types of deposit in scope.

CRR rates required on preceding month's average deposit balances:

	31.12.2022 %	31.12.2021 %
For deposits from customers:		
» Demand deposits and deposits with term less than 12 months in VND	3.00	3.00
» Deposits with term of 12 months and above in VND	1.00	1.00
» Demand deposits and deposits with term less than 12 months in foreign currencies	8.00	8.00
» Deposits with term of 12 months and above in foreign currencies	6.00	6.00
For deposits from overseas credit institutions:		
» Deposits in foreign currencies	1.00	1.00

Annual interest rates applied for balances as at:

	31.12.2022 %	31.12.2021 %
Within the compulsory reserve requirement in VND	0.50	0.50
Within the compulsory reserve requirement in foreign currencies	0.00	0.00
Exceed the compulsory reserve requirement in VND	0.00	0.00
Exceed the compulsory reserve requirement in foreign currencies	0.00	0.00

5. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

5.1 PLACEMENTS WITH OTHER CREDIT INSTITUTIONS

	31.12.2022 VND million	31.12.2021 VND million
Demand deposits		
» In VND	13,049,020	157,829
» In foreign currencies	2,684,367	5,620,229
	15,733,387	5,778,058
Term deposits		
» In VND	22,760,000	43,406,790
» In foreign currencies	1,829,100	6,652,450
	24,589,100	50,059,240
Total	40,322,487	55,837,298

5.2 LOANS TO OTHER CREDIT INSTITUTIONS

	31.12.2022 VND million	31.12.2021 VND million
Refinancing UPAS L/C loans (*)		
» In VND	8,634,940	-
» In foreign currencies	174,890	-
	8,809,830	-
Loans to other credit institutions		
» In VND	-	105,346
In which: Discounting and rediscounting	-	*105,346*
	-	105,346
	8,809,830	105,346

(*) Refinancing UPAS L/C loans (Usance Payable At Sight Letter of Credit) is a form of financing funds as per requirements from other credit institutions to finance for foreign import settlements or payments for local goods and services whose payment method is either import UPAS L/C or domestic UPAS L/C. HDBank acts as the reimbursing bank/financing bank to release payment to the beneficiary of L/C as per request from the issuing bank. The issuing bank is responsible to repay principal, interest and fee (if any) to HDBank at the end of the refinancing term with agreed refinancing interest rate and fee.

5.3 PROVISIONS FOR LOSSES ON LOANS TO OTHER CREDIT INSTITUTIONS

	VND million
As at 1 January 2021	-
Charge for the year	50,000
Utilisations of provisions to write-off loans during the year	(50,000)
As at 31 December 2021	-
Charge for the year	60,000
Utilisations of provisions to write-off loans during the year	(60,000)
As at 31 December 2022	-

5.4 ANNUAL INTEREST RATES APPLIED FOR THE BALANCES AS AT

	31.12.2022 %	31.12.2021 %
Term deposits in VND	2.70 - 8.10	1.25 - 2.90
Term deposits in foreign currencies	4.50 - 4.60	0.10 - 0.50
Loans to other credit institutions in VND	Not applicable	1.30
Refinancing UPAS L/C loans in VND	4.30 - 11.10	Not applicable
Refinancing UPAS L/C loans in foreign currencies	4.89	Not applicable

5.5 ANALYSIS OF QUALITY OF TERM DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	31.12.2022 VND million	31.12.2021 VND million
Group 1 - Current ((Excluding demand deposits)	33,398,930	50,164,586

6. HELD-FOR-TRANDING SECURITIES

6.1 DEBT SECURITIES

	31.12.2022 VND million	31.12.2021 VND million
Government bonds	-	3,050,038
Bonds and certificates of deposit issued by other local credit institutions	1,797,822	8,150,910
	1,797,822	11,200,948

6.2 PROVISIONS FOR HELD-FOR-TRADING SECURITIES

	31.12.2022 VND million	31.12.2021 VND million
Provisions for diminution in value of held-for-trading securities	-	2,881

6.3 ANALYSIS OF LISTING STATUS OF HELD-FOR-TRADING SECURITIES

	31.12.2022 VND million	31.12.2021 VND million
Debt securities		
Listed	-	3,050,038
Unlisted	1,797,822	8,150,910
	1,797,822	11,200,948

6.4 ANNUAL INTEREST RATES APPLIED FOR BALANCES AS AT

	31.12.2022 %	31.12.2021 %
Government bonds in VND	Not applicable	2.00 - 7.70
Bonds and certificates of deposit issued by other local credit institutions in VND	4.00 - 11.50	2.40 - 8.08

6.5 ANALYSIS OF QUALITY OF HELD-FOR-TRADING SECURITIES CLASSIFIED AS CREDIT-RISK BEARING ASSETS

	31.12.2022 VND million	31.12.2021 VND million
Group 1 - Current *(Excluding Government bonds)*	1,797,822	8,150,910

7. DERIVATIVES AND OTHER FINANCIAL ASSETS/LIABILITIES

	Total contract value (at foreign exchange rate at the contract date)	Total book value (at foreign exchange rate at reporting date)	
		Assets	Liabilities
	VND million	VND million	VND million
As at 31.12.2022			
Foreign currency derivatives			
» Currency forward contracts	2,227,206	9,999	-
» Currency swap contracts	30,126,176	-	236,479
	32,353,382	9,999	236,479
Net amount			226,480
As at 31.12.2021			
Foreign currency derivatives			
» Currency forward contracts	2,996,457	6,026	-
» Currency swap contracts	18,726,466	1,918	22,019
Other derivatives			
» Interest rate swap contracts	115,975	-	1,475
	21,838,898	7,944	23,494
Net amount			15,550

8. LOANS TO CUSTOMERS

8.1 BY TYPE OF LOANS

	31.12.2022 VND million	31.12.2021 VND million
Loans to local economic organisations and individuals	256,280,816	198,734,001
Overdrafts and credit cards	4,728,839	1,713,156
Loans from funds, trusted investments	2,407,558	2,208,509
Discounting commercial notes and valuable papers	437,518	492,061
Payments on behalf of customers	1,452	1,128
Loans to overseas economic organisations and individuals	200	62,046
	263,856,383	203,210,901

8.2 BY TYPE OF CUSTOMERS

	31.12.2022 VND million	31.12.2021 VND million
Household business and individuals	137,679,434	107,966,603
Other limited liability companies	68,408,284	49,919,743
Other joint stock companies	53,577,740	41,006,965
State-owned enterprises	2,682,397	2,843,676
Foreign invested enterprises	1,408,969	1,362,513
Co-operatives and inter-cooperatives	43,686	40,261
Private enterprises	27,720	50,453
Others	28,153	20,687
	263,856,383	203,210,901

8.3 BY LOAN GROUPS

	31.12.2022 VND million	31.12.2021 VND million
Group 1 - Current (*)	252,065,283	194,513,332
Group 2 - Special mentioned	7,386,909	5,337,496
Group 3 - Sub-standard	1,848,250	1,600,455
Group 4 - Doubtful	1,414,595	878,136
Group 5 - Loss	1,141,346	881,482
	263,856,383	203,210,901

(*) Included in Group 1 - Current loan balances as at 31 December 2022 was VND1,219,856 million (as at 31 December 2021: VND2,511,727 million) of drawdowns which were subject to the applications of Circular 03 and Circular 14; of which VND90,066 million (as at 31 December 2021: VND1,577,315 million) was restructured, exempted and/or reduced interest, fees and retained loan group to assist customers affected by the Covid-19 pandemic in accordance with Circular 03 and Circular 14. As at 31 December 2022, the Bank and its subsidiary recognised VND19,617 million (as at 31 December 2021: VND77,248 million) of accrued interest receivables of these drawdowns as off-statement of financial position items.

8.4 BY TERM

	31.12.2022 VND million	31.12.2021 VND million
Short-term	172,747,107	118,670,666
Medium-term	25,793,635	24,879,776
Long-term	65,315,641	59,660,459
	263,856,383	203,210,901

8.5 BY CURRENCY

	31.12.2022 VND million	31.12.2021 VND million
In VND	252,917,766	190,200,467
In foreign currencies	10,938,617	13,010,434
	263,856,383	203,210,901

8.6 BY BUSINESS SECTOR OF CUSTOMERS

	31.12.2022 VND million	31.12.2021 VND million
Activities of households as employers, producing goods and services of households for owned uses	95,430,258	68,777,767
Agriculture, forestry and aquaculture	26,016,502	18,826,737
Manufacturing and processing	29,121,078	20,336,302
Real estate trading activities	20,969,929	18,913,515
Constructions	16,842,962	13,069,419
Electricity, gas, steam and air conditioning manufacturing and distrubutions	15,443,604	14,467,890
Wholesales and retails; repair of cars, motor vehicles, cycles and other vehicles	12,185,185	10,196,172
Accommodation and food service activities	5,101,910	5,343,499
Transportation, warehouses	4,320,943	3,359,254
Financial servcies and insurance	3,245,148	1,437,963
Others	35,178,864	28,482,383
	263,856,383	203,210,901

8.7 ANNUAL INTEREST RATES APPLIED FOR BALANCES AS AT:

	31.12.2022 %	31.12.2021 %
Loans in VND		
» Short-term	0.00 - 79.02	0.00 - 79.02
» Medium-term	0.00 - 70.00	0.00 - 70.00
» Long-term	2.80 - 25.00	1.00 - 25.00
Loans in foreign currencies		
» Short-term	2.85 - 8.40	2.50 - 6.00
» Medium-term	7.40 - 10.00	3.42 - 9.00
» Long-term	0.01 - 9.51	0.01 - 6.77

8.8 PROVISIONS FOR LOSSES ON LOANS TO CUSTOMERS

	Specific provisions (*) VND million	General provisions VND million	Total VND million
As at 1 January 2021	653,077	1,282,359	1,935,436
Charge for the year	2,020,750	235,110	2,255,860
Utilisation of provisions to write-off loans during the year	(1,739,228)	-	(1,739,228)
As at 31 December 2021	934,599	1,517,469	2,452,068
Charge for the year	2,555,447	452,892	3,008,339
Utilisation of provisions to write-off loans during the year	(2,358,835)	-	(2,358,835)
As at 31 December 2022	1,131,211	1,970,361	3,101,572

(*) Included in specific provision balance of the Bank and its subsidiary as at 31 December 2022 were VND49,737 million (as at 31 December 2021: VND135,078 million) additional provisions in accordance with Circular 03 for loans to customers whose loans were restructured, exempted, reduced interest and retained loan group in accordance with Circular 03 and Circular 14 (Note 2.8.3).

9. INVESTMENT SECURITIES

9.1 AVAILABLE-FOR-SALE INVESTMENT SECURITIES

	31.12.2022 VND million	31.12.2021 VND million
Debt securities		
Government bonds	14,685,119	20,986,009
Bonds and certificates of deposit issued by other local credit institutions	15,375,189	15,198,883
Bonds issued by local economic organisations (*)	4,300,777	6,457,569
	34,361,085	42,642,461
Equity securities		
Equity securities issued by local economic organisations	1,013,973	1,013,973
	35,375,058	43,656,434
Provisions for available-for-sale investment securities		
Provisions for diminution in value of government bonds	-	(22,867)
General provisions for unlisted corporate bonds	(30,004)	(47,569)
	(30,004)	(70,436)
	35,345,054	43,585,998

(*) Bonds issued by some economic organisations are secured by land use rights, real estate projects, shares as collaterals.

9.2 HELD-TO-MATURITY INVESTMENT SECURITIES

	31.12.2022 VND million	31.12.2021 VND million
Debt securities		
Government bonds	11.692.561	8.198.347
Bonds issued by Vietnam Development Bank and guaranteed by the Government	601.569	499.333
Bonds and certificates of deposit issued by other local credit institutions	1.150.000	9.502.337
Bonds issued by local economic organisations	-	3.755.577
	13.444.130	21.955.594
Provisions for held-to-maturity investment securities		
General provisions for unlisted corporate bonds	-	(28.167)
	13.444.130	21.927.427

9.3 ANALYSIS OF LISTING STATUS OF INVESTMENT SECURITIES

	31.12.2022 VND million	31.12.2021 VND million
Debt securities (*)		
Listed	27.279.543	29.798.689
Unlisted	20.525.672	34.799.366
	47.805.215	64.598.055
Equity securities		
Listed	1.013.973	1.013.973
	48.819.188	65.612.028

(*) As at 31 December 2022, several government bonds, bonds and certificate of deposits issued by local credit institutions are being pledged to borrow funds and receive deposits from other credit institutions and to be granted for transaction limits with SBV or to conduct discounting and rediscounting transactions (Note 35.2).

9.4 ANNUAL INTEREST RATES APPLIED FOR BALANCES AS AT

	31.12.2022 %	31.12.2021 %
Government bonds in VND	1.10 - 9.10	1.10 - 11.10
Bonds and certificates of deposit issued by other local credit institutions in VND	2.70 - 9.00	2.20 - 7.80
Bonds issued by local economic corporations in VND	8.90 - 14.00	7.50 - 12.03

9.5 ANALYSIS OF QUALITY OF INVESTMENT SECURITIES CLASSIFIED AS CREDIT-RISK BEARING ASSETS

	31.12.2022 VND million	31.12.2021 VND million
Group 1 - Current	20,825,966	34,914,366

9.6 PROVISIONS FOR LOSSES ON INVESTMENT SECURITIES

	General provisions VND million	Provisions for diminution in value VND million	Total VND million
As at 1 January 2021	83,878	3,701	87,579
(Reversal)/charge for the year	(8,142)	19,166	11,024
As at 31 December 2021	75,736	22,867	98,603
Reversal during the year	(45,732)	(22,867)	(68,599)
As at 31 December 2022	30,004	-	30,004

10. LONG-TERM INVESTMENTS

	31.12.2022 VND million	31.12.2021 VND million
Other long-term investments (*)	163,921	144,421
Less:		
Provisions for diminution in value of long-term investments	(19,898)	(20,590)
	144,023	123,831

(*) Other long-term investments are investments in unlisted local economic organisations.

11. FIXED ASSETS

11.1 TANGIBLE FIXED ASSETS

	Buildings, structures VND million	Machinery VND million	Motor vehicles VND million	Office equipment VND million	Others VND million	Total VND million
Historical cost						
As at 1 January 2022	484,830	280,131	345,339	350,262	14,508	1,475,070
New purchases	12,897	36,131	20,512	8,372	300	78,212
Disposals	(14,423)	(798)	(14,489)	(1,773)	-	(31,483)
Other movements	-	-	(2,353)	(35)	-	(2,388)
As at 31 December 2022	483,304	315,464	349,009	356,826	14,808	1,519,411
Accumulated depreciation						
As at 1 January 2022	137,315	154,095	217,206	292,024	10,952	811,592
Charge for the year	18,870	25,394	36,912	22,224	1,141	104,541
Disposals	(9,623)	(792)	(14,488)	(1,730)	-	(26,633)
Other movements	-	-	(1,675)	(35)	-	(1,710)
As at 31 December 2022	146,562	178,697	237,955	312,483	12,093	887,790
Net book value						
As at 1 January 2022	347,515	126,036	128,133	58,238	3,556	663,478
As at 31 December 2022	336,742	136,767	111,054	44,343	2,715	631,621

Historical cost of tangible fixed assets that were fully depreciated but still in use at 31 December 2022 was VND532,716 million (as at 31 December 2021: VND497,011 million).

11.2 INTANGIBLE FIXED ASSETS

	Definite land use rights VND million	Indefinite land use rights VND million	Software VND million	Others VND million	Total VND million
Historical cost					
As at 1 January 2022	109,626	527,420	333,129	7,313	977,488
New purchases	-	18,989	24,801	-	43,790
Disposals	-	(15,005)	-	-	(15,005)
As at 31 December 2022	109,626	531,404	357,930	7,313	1,006,273
Accumulated amortisation					
As at 1 January 2022	10,231	-	260,501	3,909	274,641
Charge for the year	2,097	-	45,470	629	48,196
As at 31 December 2022	12,328	-	305,971	4,538	322,837
Net book value					
As at 1 January 2022	99,395	527,420	72,628	3,404	702,847
As at 31 December 2022	97,298	531,404	51,959	2,775	683,436

Historical cost of intangible fixed assets that were fully depreciated but still in use at 31 December 2022 was VND217,765 million (as at 31 December 2021: VND202,872 million).

12. OTHER ASSETS

12.1 OTHER RECEIVABLES

	31.12.2022 VND million	31.12.2021 VND million
Receivables from UPAS L/C (i)	23,853,153	15,561,571
Receivables from card organisations	2,577,457	1,457,073
Deposits for purchasing certificates of deposit (ii)	2,250,000	-
Construction in progress, purchasing fixed assets (iii)	2,170,744	1,186,354
Receivables from bonds collection on behalf and management services	539,050	292,647
Receivables from disposals of fixed assets (iv)	514,000	574,000
Receivables from sales of securities on credit (v)	239,980	239,980
Advances for operating activities	184,065	203,009
Interest prepaid from loans granted under entrusted funds	168,295	40,000
Advances for saving deposits with upfront interest payments	112,435	45,602
Receivables from insurance agency services	87,057	125,139
Deposits for office rentals, tools and equipment	82,467	73,045
Commission receivables from agencies	80,863	64,587
Others	547,043	371,808
	33,406,609	20,234,815

(i) Receivables from UPAS L/C are receivables from HDBank's customers for the services of financing from other credit institutions as payables at sight to beneficiaries for deferred sets of documents under Letter of credit issued by HDBank. Subsequently, HDBank shall collect pricipal and fee from customers and repay to reimbursing bank on due date of sets of documents.

(ii) HDBank made deposits under the contracts to purchase certificates of deposit with several economic organisations.

(iii) Details of construction in progress, advances for purchasing fixed assets were as follows:

	31.12.2022 VND million	31.12.2021 VND million
Houses and head office	1,988,428	1,036,772
In which: Construction project at Ho Chi Minh City Hi-Tech Park	1,448,323	512,117
Softwares	72,690	26,849
Motor vehicles	42,429	43,601
Repair and maintenance expenses	39,075	49,766
Purchasing other fixed assets	28,122	29,366
	2,170,744	1,186,354

(iv) Receivables related to the transfer of assets to economic organisations with a total orginal value of VND738,000 million, which is expected to be settled within 7 years at an interest rate of 7% per annum, which is due on 28 June 2025. Deferred principals and interests are paid annually.

(v) Non-bearing interest receivables from the sale of securities on credit relating to the transfer of a long-term investment, which was due in December 2022.

12.2 INTEREST AND FEE RECEIVABLES

	31.12.2022 VND million	31.12.2021 VND million
Interest receivables from credit activities	2,761,050	1,953,134
Interest receivables from investment securities	1,003,752	1,170,379
Fee receivables from UPAS L/C	319,383	-
Interest receivables from deposits	25,625	54,810
Other interest and fee receivables	293,691	78,102
	4,403,501	3,256,425

12.3 OTHER ASSETS

	31.12.2022 VND million	31.12.2021 VND million
Prepaid expenses awaiting for allocations (i)	1,928,431	1,563,383
Collateral assets awaiting for resolutions (ii)	267,373	280,755
Tools, equipment	127,817	107,535
Goodwill (Note 12.4)	4,799	10,562
Other assets	3,450	4,640
	2,331,870	1,966,875

(i) Prepaid expenses mainly comprised of tools, equipment and supplies, prepayments for services, rental expenses, tranmission line rental, repair and maintainance expenses, commission paid to agencies and incentive paid to employees in advance.

(ii) These are collaterals pledged to settle for obligations of guarantors, which have been transferred ownerships to the Bank and are awaiting for resolutions. The Bank already obtained all legal documents proving ownership rights from these assets.

12.4 GOODWILL

On 30 October 2013, the Bank acquired 100% equity interest of Ho Chi Minh City Development Joint Stock Commercial Bank Finance Co., Ltd (HDFinance, previously known as Société Générale Vietnam Finance Company Limited) according to the Resolution of the Annual General Shareholders Meeting dated 26 April 2013 and Decision No. 2532/QĐ-NHNN issued by SBV. Total business combination cost amounting to VND629,376 million was paid in cash in 2013. Goodwill originated from the acquisition was VND115,251 million and amortised over ten years.

In the year 2014, the Bank transferred 49% equity interest in HDFinance to Credit Saison Co., Ltd. and renamed it to HD SAISON Finance Limited ("HD SAISON"). In May 2015, the Bank completed its divestment of 1% equity interest in HD SAISON to a domestic investor at the price of VND17,000 million and recognised a net gain amounting to VND9,604 million. The Bank wrote down goodwill accordingly with divestment percentage.

The movements of goodwill during the year are as follows:

	31.12.2022 VND million	31.12.2021 VND million
Total goodwill	115,251	115,251
Amortisation years	10	10
Accumulative amortisation of goodwill at the beginning of the year	(104,689)	(98,926)
Carrying amount of goodwill at the beginning of the year	10,562	16,325
Amortisation in the year	(5,763)	(5,763)
Net book value of goodwill at the end of the year	4,799	10,562

12.5 ANALYSIS OF QUALITY OF OTHER ASSETS CLASSIFIED AS CREDIT-RISK BEARING ASSETS

	31.12.2022 VND million	31.12.2021 VND million
Current	34,903,955	21,828,161
Loss	46,456	44,907
	34,950,411	21,873,068

13. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	31.12.2022 VND million	31.12.2021 VND million
Deposits from the State Treasury	88	1
Borrowings from SBV		
» Open market operations (OMO)	10,778,760	-
Other borrowings		
» Japan Bank of International Cooperation (i)	42,410	92,535
» Development Fund for Small and Medium Enterprises	-	120
	10,821,258	92,656

(i) These borrowings were made under phase II and III of the credit financing for small and medium enterprises project, funded by Japan Bank of International Cooperation (JBIC) through SBV.

14. DEPOSITS AND LENDINGS FROM OTHER CREDIT INSTITUTIONS

14.1 DEPOSITS FROM OTHER CREDIT INSTITUTIONS

	31.12.2022 VND million	31.12.2021 VND million
Demand deposits		
» In VND	8,347,945	16,649
» In foreign currencies	3,445	5,667
	8,351,390	22,316
Term deposits		
» In VND	38,627,000	53,176,938
» In foreign currencies	2,462,250	6,652,450
	41,089,250	59,829,388
	49,440,640	59,851,704

14.2 LENDINGS FROM OTHER CREDIT INSTITUTIONS

	31.12.2022 VND million	31.12.2021 VND million
Payables related to UPAS L/C		
» In VND	18,573,444	10,000,969
» In foreign currencies	5,279,710	5,560,602
	23,853,154	15,561,571
Lendings from other credit institutions		
» In VND	6,098,768	22,059,229
In which: Discounting and rediscounting borrowings	*4,073,768*	*13,889,229*
» In foreign currencies	13,260,638	9,770,078
	19,359,406	31,829,307
	43,212,560	47,390,878

14.3 ANNUAL INTEREST RATES APPLIED FOR BALANCES AS AT:

	31.12.2022 %	31.12.2021 %
Term deposits in VND	2.60 - 12.00	1.00 - 3.00
Term deposits in foreign currencies	4.25 - 4.95	0.17 - 0.50
Lendings in VND	5.50 - 13.50	0.85 - 5.60
Lendings in foreign currencies	1.55 - 7.07	0.28 - 3.34
Payables related to UPAS L/C in VND	3.36 - 11.10	0.25 - 4.83
Payables related to UPAS L/C in foreign currencies	1.53 - 6.45	0.85 -1.70

15. DEPOSITS FROM CUSTOMERS

15.1 BY TYPE OF DEPOSITS

	31.12.2022 VND million	31.12.2021 VND million
Demand deposits		
» In VND	20,852,643	22,714,987
» In foreign currencies	1,384,093	1,210,120
Term deposits		
» In VND	53,692,228	67,479,802
» In foreign currencies	703,500	1,603,114
Saving deposits		
» In VND	138,090,951	88,841,786
» In foreign currencies	408,483	436,762
Marginal deposits		
» In VND	522,538	878,850
» In foreign currencies	44,681	46,364
Specialised fund deposits		
» In VND	93,057	61,542
» In foreign currencies	5,000	9,790
	215,797,174	183,283,117

15.2 BY TYPE OF CUSTOMERS, BUSINESSES

	31.12.2022 VND million	31.12.2021 VND million
Individuals	145,264,157	96,766,614
Joint stock companies	25,890,668	30,809,827
Limited liability companies	17,659,677	21,914,358
State-owned enterprises	15,853,263	21,650,681
Co-operatives and inter-cooperatives	3,714,999	3,878,755
Foreign invested enterprises	3,271,421	3,973,351
Business and administrative units, Party, union and association	2,822,331	3,335,511
Others	1,320,658	954,020
	215,797,174	183,283,117

15.3 ANNUAL INTEREST RATES APPLIED FOR BALANCES AS AT:

	31.12.2022 %	31.12.2021 %
Demand deposits in VND	0.00 - 1.00	0.00 - 0.20
Demand deposits in foreign currencies	0.00 - 0.20	0.00 - 0.20
Term deposits in VND	0.60 - 11.20	0.00 - 9.00
Term deposits in foreign currencies	0.00	0.00
Savings deposits in VND	0.00 - 11.20	0.00 - 9.00
Savings deposits in foreign currencies	0.00 - 1.90	0.00 - 1.80
Marginal deposits in VND	0.01 - 8.50	0.00 - 7.00
Marginal deposits in foreign currencies	0.00 - 0.20	0.00 - 0.20
Specialised funds deposits in VND	0.06 - 1.00	0.00 - 0.20
Specialised funds deposits in foreign currencies	0.00 - 0.10	0.00 - 0.20

16. FUNDS, ENTRUSTED INVESTMENTS AND LOANS RECEIVED THAT THE BANK BEARS RISKS

	31.12.2022 VND million	31.12.2021 VND million
Funds, entrusted investments and loans denominated in foreign currencies		
» Funds received for the program to support the development of reforming policies for power sector - Phase III (i)	2,796,945	2,864,582
» Funds received for the construction of Nhon Trach water supply system project - Phase II	62,400	71,406
» Funds received from the Rural Development Fund	810	876
	2,860,155	2,936,864

(i) The borrowing amounting to USD128 million funded by World Bank through the Ministry of Finance to finance for the program to support the development of reforming policies for power sector - Phase III, for a period of 29 years from 4 August 2015 to 4 August 2043, bearing interest rate of 6-month US Dollar LIBOR plus a spread adjusted periodically.

17. VALUABLE PAPERS ISSUED

	31.12.2022 VND million	31.12.2021 VND million
Certificates of deposit in VND		
» Less than 12 months	7,650,000	830,000
» From 12 months to less than 5 years	2,972,000	5,406,000
» Above 5 years	157,000	177,000
Normal bonds in VND		
» From 12 months to less than 5 years	19,450,000	22,578,000
» Above 5 years	6,352,063	6,352,063
Convertible bonds in USD (i)		
» Above 5 years	7,621,250	7,442,500
Valuable papers issuing expenses	(40,673)	(29,450)
	44,161,640	42,756,113

(i) Details of convertible bonds are as follows:

The Bank issued 3 batches of convertible bonds to foreign investors with total value of USD325 millions at par value of USD100,000 per each convertible bond. These convertible bonds were issued privately to foreign investors with a term of 5 years 1 day, bearing interest rate of 4.5% per annum, interest is paid annually, principal is paid at maturity date if they are not converted, details are as follows:

Date	Number of issued bonds (Quantities)	Par value (USD)	Expected conversion price (VND/share)	Conversion time
4 November 2020	300	30,000,000	41,800	Bondholders may convert (in whole, but not in part) into shares of the Bank at any time after 12 months and 1 day and no later than 59 months from the issuance date of bonds.
24 December 2020	1,300	130,000,000	41,800	
29 December 2021	1,650	165,000,000	43,061	Bondholders have the right to convert all or part into shares of the Bank at any time after 12 months and no later than 59 months from the issuance date of bonds.

Expected conversion price may be adjusted for future dilution events according to the agreement.

Annual interest rates applied for valuable papers issued by the Bank and its subsidiary are as follows:

	31.12.2022 %	31.12.2021 %
Certificates of deposit less than 12 months in VND	5.50 - 16.00	3.20 - 5.80
Certificates of deposit from 12 months to less than 5 years in VND	5.35 - 8.00	3.00 - 8.20
Certificates of deposit above 5 years in VND	11.00 - 14.00	11.00 - 14.00
Bonds from 12 months to less than 5 years in VND	3.20 - 6.30	2.50 - 6.90
Bonds above 5 years in VND	6.30 - 9.40	6.30 - 8.70
Bonds above 5 years in USD	4.50	4.50

18. OTHER LIABILITIES

18.1 INTEREST AND FEE PAYABLES

	31.12.2022 VND million	31.12.2021 VND million
Interest payables for deposits	4,112,991	3,548,769
Interest payables for valuable papers issued	643,176	654,384
Interest payables for borrowings	201,963	138,969
Interest payables for derivative forward, swap contracts	83,191	31,195
Interest payables for funds, entrusted investments received	11,612	9,771
	5,052,933	4,383,088

18.2 OTHER LIABILITIES

	31.12.2022 VND million	31.12.2021 VND million
Payables to employees	311,149	193,582
External payables		
» Remittance-in-transit payables	1,784,549	777,136
» Tax and other payables to the State (Note 34)	1,483,465	485,277
» Cash held-on-behalf and awaiting for settlements	478,133	437,978
» Awaiting for settlements of UPAS L/C payables	412,529	38,174
» Payable for the agent	345,700	79,592
» Commission payables	172,669	125,308
» Other payables awaiting for settlements	7,008	265,973
Accrued expenses	79,726	77,162
Bonus and welfare funds	35,289	30,656
Other liabilities	595,080	600,048
	5,705,297	3,110,886

19. OWNERS' EQUITY

19.1 MOVEMENTS IN OWNERS' EQUITY

				Reserves			Reserves				
	Charter capital	Share premium	Treasury shares	Financial reserve	Reserve for supplement charter capital	Other reserves	Total reserves	Investment and construction capital	Retained earnings	Non - controlling interest	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
As at 1 January 2021	16,088,488	535,956	(413,448)	1,254,630	497,506	94,945	1,847,081	89	4,939,190	1,706,692	**24,704,048**
Stock dividends (i)	3,984,418	-	-	-	-	-	-	-	(3,984,418)	-	**-**
Profit for the year	-	-	-	-	-	-	-	-	6,053,519	399,980	**6,453,499**
Appropriation to reserves	-	-	-	454,545	228,273	25,000	707,818	-	(707,818)	-	**-**
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	(10,000)	-	**(10,000)**
Utilisations of reserves during the year	-	-	-	-	-	(7,434)	(7,434)	-	-	-	**(7,434)**
Dividends paid from subsidiary	-	-	-	-	-	-	-	-	-	(350,000)	**(350,000)**
As at 31 December 2021	20,072,906	535,956	(413,448)	1,709,175	725,779	112,511	2,547,465	89	6,290,473	1,756,672	**30,790,113**
Capital increase in the year (ii)	200,000	-	-	-	-	-	-	-	-	-	**200,000**
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	175,000	**175,000**
Profit for the year	-	-	-	-	-	-	-	-	7,749,794	459,676	**8,209,470**
Appropriation to reserves	-	-	-	647,465	324,881	25,000	997,346	-	(997,346)	-	**-**
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	(10,000)	-	**(10,000)**
Utilisations of reserves during the year	-	-	-	-	-	(10,262)	(10,262)	-	-	-	**(10,262)**
Stock dividends (iii)	5,030,523	-	-	-	-	-	-	-	(5,030,523)	-	**-**
Dividends paid from subsidiary	-	-	-	-	-	-	-	-	-	(350,000)	**(350,000)**
Other movements	-	-	-	(4,549)	(2,273)	-	(6,822)	-	(2,613)	-	**(9,435)**
As at 31 December 2022	25,303,429	535,956	(413,448)	2,352,091	1,048,387	127,249	3,527,727	89	7,999,785	2,041,348	**38,994,886**

(i) According to the Resolution of the General Shareholders Meeting No. 06/2021/NQ-ĐHĐCĐ dated 23 April 2021 and the Official Letter No. 4808/NHNN-TTGSNH dated 2 July 2021 from SBV, the Bank distributed stock dividends of 2020 at the rate of 25% appropriation from retained earnings to increase its charter capital.

(ii) According to the Resolution of the General Shareholders Meeting No. 07/2021/NQ-ĐHĐCĐ dated 23 April 2021, Resolution No. 18/2021/NQ-ĐHĐCĐ dated 16 September 2021, Official Letter No. 8570/NHNN-TTGSNN dated 6 December 2021 from SBV, the Bank increased its charter capital in 2022 with the amount of VND200 billion by issuing new shares under the employee stock ownership plan (ESOP).

(iii) According to the Resolution of the General Shareholders Meeting No. 05/2022/NQ-ĐHĐCĐ dated 26 April 2022 and the Official Letter No. 5458/NHNN-TTGSNH dated 8 August 2022 from SBV, the Bank distributed stock dividends of 2021 at the rate of 25% appropriation from retained earnings to increase its charter capital.

19.2 SHARES

19.2.1 Number of shares

	31.12.2022 Ordinary shares	31.12.2021 Ordinary shares
Number of shares registered	2,530,342,922	2,007,290,642
Number of shares issued	2,530,342,922	2,007,290,642
Number of shares repurchased	(15,081,522)	(15,081,522)
Number of existing shares in circulation	2,515,261,400	1,992,209,120

19.2.2 Movements of charter capital

	Number of ordinary shares Shares	Ordinary shares at par value VND million
As at 1 January 2021	1,608,848,818	16,088,488
Stock dividends	398,441,824	3,984,418
As at 31 December 2021	2,007,290,642	20,072,906
New shares issued during the year	20,000,000	200,000
Stock dividends	503,052,280	5,030,523
As at 31 December 2022	2,530,342,922	25,303,429

All ordinary shares have a par value of VND10,000.

19.2.3 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the appropriations to bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus shares issued during the year. Details are as follows:

	2022	2021
Net profit attributable to shareholders (VND million)	7,749,794	6,053,519
Less amount allocated to bonus and welfare funds (VND million)	-	(10,000)
	7,749,794	6,043,519
Weighted average of ordinary shares outstanding at the reporting date (shares)	2,515,261,400	2,515,261,400
Basic earnings per share (VND)	3,081	2,403

During the year, the Bank and its subsidiary did not have any dilutive potential ordinary shares. Accordingly, the requirement for presentation of the diluted earnings per share was not applicable.

20. INTEREST AND SIMILAR INCOME

	2022 VND million	2021 VND million
Interest income from deposits	632,684	317,609
Interest income from loans	26,911,829	20,852,957
Interest income from trading, investing in debt securities:	2,737,510	3,048,413
» Interest income from held-for-trading securities	175,665	-
» Interest income from investment securities	2,561,845	3,048,413
Other incomes from credit activities	1,894,152	1,528,118
Income from UPAS L/C	1,069,414	333,924
Fee income from guarantees services	77,815	95,189
	33,323,404	26,176,210

21. INTEREST AND SIMILAR EXPENSES

	2022 VND million	2021 VND million
Interest expenses on deposits	11,408,937	9,635,017
Interest expenses on borrowings	1,674,614	531,488
Interest expenses on valuable papers issued	2,163,572	2,075,132
Expenses on other credit activities	64,713	43,796
	15,311,836	12,285,433

22. FEE AND COMMISSION INCOME

	2022 VND million	2021 VND million
Insurance brokerage services	2,033,309	1,316,706
Settlement and treasury services	1,130,253	656,656
Other services	144,893	154,371
	3,308,455	2,127,733

23. FEE AND COMMISSION EXPENSES

	2022 VND million	2021 VND million
Settlement and treasury services	286,220	150,305
Brokerage services	26,733	15,578
Telecommunications and postages	5,989	7,097
Other services	32,695	27,315
	351,637	200,295

24. NET GAIN FROM TRADING IN FOREIGN CURRENCIES

	2022 VND million	2021 VND million
Income from trading in foreign currencies:		
» Income from foreign currency spots trading	962,209	723,427
» Income from currency derivative instruments	228,002	123,284
» Income from golds trading	4,964	1,870
	1,195,175	848,581
Expenses from trading in foreign currencies:		
» Expenses from foreign currency spots trading	(520,686)	(520,423)
» Expenses from currency derivative instruments	(539,458)	(148,591)
» Expenses from golds trading	(794)	(319)
	(1,060,938)	(669,333)
Net gain from trading in foreign currencies	134,237	179,248

25. NET GAIN FROM TRADING OF HELD-FOR-TRADING SECURITIES

	2022 VND million	2021 VND million
Income from trading of held-for-trading securities	115,706	182,141
Expenses from trading of held-for-trading securities	(101,600)	(78,471)
Reversal of provisions/(provisions) for diminution in value of held-for-trading securities	2,880	(2,738)
Net gain from trading of held-for-trading securities	16,986	100,932

26. NET GAIN FROM TRADING OF INVESTMENT SECURITIES

	2022 VND million	2021 VND million
Income from trading in investment securities	484,340	559,597
Expenses from trading in investment securities	(240,319)	(71,360)
Reversal of provisions/(provisions) for losses on investment securities	68,599	(11,024)
Net gain from trading of investment securities	312,620	477,213

27. NET OTHER INCOME

	2022 VND million	2021 VND million
Income from other activities		
Income from recoveries of written-off bad debts	409,912	224,727
Income from interest rate and commodities derivatives	30,472	38,614
Deferred interest from disposals of assets	38,040	43,067
Other income	109,702	149,187
	588,126	455,595
Expenses from other activities		
Sponsorships and social activities	(38,078)	(115,659)
Expenses from interest rate and commodities derivatives	(8,643)	(57,320)
Goodwill	(5,763)	(5,763)
Other expenses	(7,552)	(94,216)
	(60,036)	(272,958)
Net other income	528,090	182,637

28. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2022 VND million	2021 VND million
Dividends received from investment in other entities:		
» From other long-term investments	6,785	-

29. OPERATING EXPENSES

	2022 VND million	2021 VND million
Staff costs		
» Salaries and allowances	4,993,068	3,412,970
» Salary-related contributions	289,746	269,991
» Subsidies	145,847	106,865
Assets-related expenses		
» Office rental expenses	412,893	344,184
» Repair and maintenance expenses	206,163	186,957
» Depreciation and amortisation	152,737	143,528
» Others	121,375	87,093
Commission fee for agents	526,725	539,409
Conference, receptionist and guest expenses	324,615	181,084
Advertising, marketing and promotion expenses	343,419	226,989
Insurance expenses for customer deposits	162,094	140,737
Others	952,027	742,961
	8,630,709	6,382,768

30. PROVISIONS FOR CREDIT LOSSES

	2022 VND million	2021 VND million
General provisions of loans to customers charge for the year (Note 8.8)	452,892	235,110
Specific provisions of loans to customers charge for the year (Note 8.8)	2,555,447	2,020,750
Specific provisions of loans to other credit institutions charge for the year (Note 5.3)	60,000	50,000
	3,068,339	2,305,860

31. CORPORATE INCOME TAX EXPENSES

The corporate income tax expenses on the Bank and its subsidiary's profit before tax differs from theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2022 VND million	2021 VND million
Net accounting profit before tax	10,268,056	8,069,617
Tax calculated at a rate of 20%	2,053,611	1,613,923
Adjustment:		
» Income not subject to tax	(1,537)	-
» Expenses not deductible for tax purposes	2,421	820
» Adjustment for income from consolidation	1,828	635
» Adjustment for tax payables in previous year	2,263	427
» Temporary differences for which deferred income tax was recognised (i)	33,400	4,062
» Others	-	313
Total corporate income tax expenses charged - current (ii)	2,091,986	1,620,180

(i) Movements in deferred tax assets/(deferred tax liabilities) related to foreign exchange losses/(gains) during the year were as follows:

	2022 VND million	2021 VND million
Opening balance	(602)	(4,664)
Charged to the consolidated income statement	33,400	4,062
Closing balance	32,798	(602)

(ii) The corporate income tax expenses charge for the year are based on estimated taxable profit and are subject to review and possible adjustments by the tax authorities.

32. CASH AND CASH EQUIVALENTS

	31.12.2022 VND million	31.12.2021 VND million
Cash on hand and golds	2,937,994	2,445,611
Balances with SBV	11,273,345	11,847,980
Placements with other credits institutions (including demand and term deposits with an original maturity of 3 months or less)	40,322,487	55,837,298
	54,533,826	70,130,889

33. EMPLOYEES' INCOME

	2022 VND million	2021 VND million
Total average number of employees (headcounts)	15,602	14,688
Employees' income		
Total salary fund	4,858,525	3,293,266
Other income	134,543	119,704
Total income	4,993,068	3,412,970
Average salary per month (VND million/employee)	25.95	18.68
Average income per month (VND million/employee)	26.67	19.36

34. OBLIGATIONS TO THE STATE

	1.1.2022 VND million	Movements during the year: Payable VND million	Movements during the year: Payments VND million	31.12.2022 VND million
Items				
Corporate income tax	400,126	2,091,986	(1,154,553)	1,337,559
Value added tax	42,782	242,953	(247,954)	37,781
Personal income tax	39,720	481,561	(426,941)	94,340
Withholding tax	2,649	48,133	(36,997)	13,785
Others	-	559	(559)	-
	485,277	2,865,192	(1,867,004)	1,483,465

35. ASSETS, VALUABLE PAPERS HELD AS COLLATERALS AND FOR DISCOUNTING, REDISCOUNTING

35.1 ASSETS AND VALUABLE PAPERS RECEIVED AS COLLATERALS AND FOR DISCOUNTING AND REDISCOUNTING

	31.12.2022 VND million	31.12.2021 VND million
Of customers		
» Real estates	354,847,997	288,436,978
» Movable assets	38,279,137	31,752,804
» Valuable papers	42,363,599	29,469,295
» Other assets	199,756,816	100,647,325
	635,247,549	450,306,402

35.2 VALUABLE PAPERS PLACED AS COLLATERALS AND FOR DISCOUNTING AND REDISCOUNTING

	31.12.2022 VND million	31.12.2021 VND million
Repo contracts	19,881,000	13,700,000
Collaterals for borrowings and placements transactions	5,540,000	8,062,000
	25,421,000	21,762,000

36. COMMITMENTS AND CONTINGENT LIABILITIES

36.1 COMMITMENTS

Total amount of effective commitments oustanding as at the date of the consolidated statement of financial position were as follows:

	31.12.2022 VND million	31.12.2021 VND million
Borrowing guarantees	406,790	11,386
Foreign exchange transactions commitments	69,775,987	43,104,228
L/C commitments	4,322,692	6,605,463
Other guarantees	4,375,832	4,451,533
» Payment guarantees	1,775,175	2,351,487
» Contract performance guarantees	569,715	499,303
» Bidding guarantees	53,162	41,737
» Other guarantees	1,977,780	1,559,006
Other commitments	3,724,488	9,062,667
» Interest swap contracts commitments	1,172,500	3,787,657
» Commodities derivatives contracts commitments	83,291	445,893
» Valuable papers trading contracts commitments	160,000	3,620,000
» Credit card limits commitments	2,308,697	1,209,117
Less: Marginal deposits	(327,275)	(707,146)
	82,278,514	62,528,131

36.2 OPERATING LEASE COMMITMENTS

The future minimum lease payments under non-cancellable operating leases of the Bank and its subsidiary were as follows:

	31.12.2022 VND million	31.12.2021 VND million
Within 1 year	280,227	26,737
From 1 year to 5 years	603,798	480,803
Over 5 years	674,367	1,001,078
Total minimum payments	1,558,392	1,508,618

36.3 CAPITAL COMMITMENTS

Capital expenditure contracted for at the consolidated statement of financial position date but not recognised in the consolidated financial statements were as follows:

	31.12.2022 VND million	31.12.2021 VND million
Buildings, structures	190,755	133,697
Softwares	45,428	11,514
Repair and maintenance expenses	24,623	36,306
Machineries	23,405	14,247
Motor vehicles	22,914	4,991
	307,125	200,755

37. OTHER OFF STATEMENT OF FINANCIAL POSITION ITEMS

37.1 INTEREST AND FEE RECEIVABLES NOT YET COLLECTED

	31.12.2022 VND million	31.12.2021 VND million
Interest receivables from loans not yet collected	553,958	664,147
Fee receivables not yet collected	964,757	754,464
	1,518,715	1,418,611

37.2 BAD DEBTS WRITTEN-OFF

	31.12.2022 VND million	31.12.2021 VND million
Principal balances of written-off loans being under monitoring	9,399,939	7,273,627
Interest balances of written-off loans being under monitoring	2,026,121	1,647,822
	11,426,060	8,921,449

37.3 OTHER ASSETS AND DOCUMENTS

	31.12.2022 VND million	31.12.2021 VND million
Other assets kept-on-behalf	13,139,703	9,932,928
Other valuable documents being preserved	1,113,653	1,112,148
Precious metals and stones kept-on-behalf	24,610	30,150
	14,277,966	11,075,226

38. ENSTRUSTMENT UNDERTAKING ACTIVITIES NOT EXPOSED TO RISK

Remaining payables by the Bank to a credit institution from the entrustment contract for lendings still recognised in off-statement of financial position items were as follows:

	31.12.2022 VND million	31.12.2021 VND million
Payables of from loans granted under entrustment contract for lendings	5,250,407	1,938,402
In which: total accumulative principal balance under the contract	*6,650,000*	*2,000,000*

39. CONCENTRATIONS OF ASSETS, LIABILITIES AND OFF STATEMENT OF FINANCIAL POSITION ITEMS BY GEOGRAPHICAL AREA

	Deposits with and loans to other credit institutions	Loans to customers	Placements and borrowings from other credit institutions	Deposits from customers	Derivative financial instruments (*)	Trading and investment securities	Other long-term investments	Funds, entrusted investments and loans received that the Bank bears risks	Valuable papers issued	Credit commitments
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
31.12.2022										
Domestic	47,341,143	263,856,383	75,494,158	215,797,174	31,449,499	50,617,010	163,921	2,860,155	36,551,912	9,105,314
Overseas	1,791,174	-	17,159,042	-	903,883	-	-	-	7,609,728	-
	49,132,317	263,856,383	92,653,200	215,797,174	32,353,382	50,617,010	163,921	2,860,155	44,161,640	9,105,314
31.12.2021										
Domestic	54,288,888	203,210,901	94,798,766	183,283,117	16,958,156	76,812,976	144,421	2,936,864	35,316,326	11,068,382
Overseas	1,653,756	-	12,443,816	-	4,880,742	-	-	-	7,439,787	-
	55,942,644	203,210,901	107,242,582	183,283,117	21,838,898	76,812,976	144,421	2,936,864	42,756,113	11,068,382

(*) Using the contract value.

40. RELATED PARTY DISCLOSURES

40.1 RELATED PARTY TRANSACTIONS

The primary transactions with related parties incurred during the year were as follows:

	2022 VND million	2021 VND million
Major shareholders and their related parties		
Increases in deposits from customers and interests paid	28,887,250	32,322,928
Decreases in deposits from customers	28,465,585	32,406,427
Fee and commission income	5,620	4,510
» Income from brokerage insurance services	2,847	2,421
» Income from consulting services relating to insurance	2,773	2,089
Expenses for assets insurance	7,246	511
Entities in which the Bank has long-term investments		
Increases in deposits from customers and interests paid	60,033,752	43,376,301
Decreases in deposits from customers	60,359,472	44,523,852
Increases in loans to customers	7,991,014	2,703,699
Decreases in loans to customers	7,550,263	2,217,333
Interest income from loans	108,425	68,028
Members of the Board of Management, the Board of Supervisors, the Board of Directors and their related parties		
Increases in deposits from customers and interests paid	23,181,292	177,680,993
Decreases in deposits from customers	22,483,074	177,612,442
Increases in loans to customers	37,200	100,745
Decreases in loans to customers	11,388	87,945
Interest income from loans	1,595	2,618
Income from service activities	224,479	266,042
» Bonds collection on behalf and management services (i)	224,479	266,042
Remuneration/income paid to:		
» The Board of Directors (ii)	8,408	10,902
» The Board of Management, Chief Financial Officer and Chief Accountant (iii)	29,317	29,498
Remuneration/income and operating expenses of the Board of Supervisors	4,812	3,315

(i) Transactions during 2022 with the party were accounted until 20 June 2022, when the party was no longer a related party of the Bank.

(ii) Details of remuneration/income paid to members of the Board of Directors during the year were as follows:

Name	Position	2022 VND million	2021 VND million
Mr. Kim Byoungho	Chairperson, Independent member *(from 29 April 2022)*	1,350	-
Ms. Le Thi Bang Tam	Chairperson (to 29 April 2022)	474	2,329
Ms. Nguyen Thi Phuong Thao	Permanent Vice Chairperson	1,879	2,438
Mr. Luu Duc Khanh	Vice Chairperson	3	501
Mr. Nguyen Thanh Do	Vice Chairperson	1,346	1,284
Mr. Nguyen Huu Dang	Vice Chairperson	1,579	1,873
Ms. Nguyen Thi Tam	Member	855	1,074
Mr. Le Manh Dung	Independent member *(from 29 April 2022)*	646	-
Mr. Chu Viet Cuong	Member *(to 29 April 2022)*	205	853
Mr. Lim Peng Khoon	Member *(to 29 April 2022)*	71	550
		8,408	10,902

(iii) Details of remuneration/income paid to members of the Board of Management, Chief Financial Officer and Chief Accountant during the year were as follows:

Name	Position	2022 VND million	2021 VND million
Mr. Pham Quoc Thanh	General Director	6,060	5,248
Ms. Nguyen Doan Duy Ai	Deputy General Director *(to 20 June 2022)*	2,502	3,174
Mr. Nguyen Minh Duc	Deputy General Director	3,940	3,764
Mr. Le Thanh Tung	Deputy General Director	1,702	2,033
Mr. Nguyen Van Hao	Deputy General Director	3,223	2,476
Mr. Nguyen Dang Thanh	Deputy General Director	3,004	2,412
Mr. Le Thanh Trung	Deputy General Director	1,309	2,792
Mr. Tran Hoai Nam	Deputy General Director	2,145	2,298
Mr. Tran Thai Hoa	Deputy General Director	2,067	2,137
Mr. Nguyen Canh Vinh	Deputy General Director *(from 1 November 2022)*	323	-
Mr. Pham Van Dau	Chief Financial Officer	1,631	1,866
Ms. Ho Dang Hoang Quyen	Chief Accountant	1,411	1,298
		29,317	29,498

The above remunerations/income are presented on the basis of actual receipt of withholding personal income tax in accordance with current regulations.

40.2 YEAR END BALANCES WITH RELATED PARTIES

	31.12.2022 VND million	31.12.2021 VND million
Major shareholders and their related parties		
Deposits from customers	1,763,992	1,342,328
» *Demand deposits*	*697,838*	742,328
» *Term deposits*	*1,052,154*	586,000
» *Marginal deposits*	*14,000*	14,000
Loans to customers	36	-
Other receivables	373,011	435,063
Entities in which the Banks has long-term investments		
Deposits from customers	469,422	794,655
» *Demand deposits and specialised fund deposits*	340,589	515,822
» *Term deposits*	100,000	250,000
» *Marginal deposit*	28,833	28,833
Loans to customers	2,914,406	2,390,289
Interest receivables from loans	2,723	1,723
Members of the Board of Management, the Board of Supervisors, the Board of Directors and their related parties		
Deposits from customers	1,607,628	3,541,349
» *Demand deposits*	*353,138*	*575,516*
» *Saving deposits*	*335,660*	*273,338*
» *Term deposits*	*918,830*	*2,692,495*
Loans to customers	46,438	20,236
Other assets	337	292,737
» *Interest receivables*	*337*	*90*
» *Receivables from bonds collection on behalf and management services*	-	*292,647*

41. FINANCIAL RISK MANAGEMENT

41.1 RISK MANAGEMENT POLICIES RELATING TO FINANCIAL INSTRUMENTS

Risk policies, limits and management tools are embedded in daily operations of the Bank and its subsidiary.

The Bank and its subsidiary's objective is to manage its risk adequately within the approved limits. Therefore, the use of financial instruments, including receiving deposits from customers and investing in high-quality assets to achieve sufficient interest margins, are core activities of the Bank and its subsidiary. From risk management perspective, this primarily involves maintaining loans to individuals and organisational borrowers of varied creditworthiness, in both local and foreign currencies, as well as off-statement of financial position commitments (such as guarantees and letters of credit). In addition, the Bank and its subsidiary also place its mobilised funds in loans to other banks. Risks relating to foreign exchange and interest rate exposures are managed through the use of position limits, to avoid undue concentrations and entering into counter-balancing positions in order to offset exposures. By holding high quality financial instruments, the Bank and its subsidiary are able to manage significant risks in its operating activities and to maintain an adequate liquidity position.

41.2 CREDIT RISK

Credit risk is the risk of financial loss due to customer or counterparty of the Bank and its subsidiary being unable or unwilling to fullfil on its payment obligations, in part or as a whole under a contract or agreement with the Bank and its subsidiary. Customer or counterparty (including credit institutions and foreign bank branches) has relationship with the Bank and its subsidiary in term of being granted credit (including entrusted loans), receiving deposits and issuing corporate bonds.

41.2.1 Credit risk management and mitigation policies

The Bank and its subsidiary have established a credit quality review process to provide early identification of possible changes in the financial position and creditworthiness of counterparties. Counterparty's limit is established by the use of a credit rating system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision and updates.

41.2.2 Maximum exposure to credit risk

The maximum exposure to credit risk is the carrying amounts on the consolidated statement of financial position as well as off-statement of financial position financial instruments, without taking into account any collateral assets held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank and its subsidiary would have to pay if the obligations of the instruments issued are called upon. For off-statement of financial position commitments, the maximum credit risk exposure is the full value of the unrealised commitments. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Bank and its subsidiary, without taking into account any collateral assets held or other credit enhancements, including:

	Maximum exposures	
	31.12.2022 VND million	**31.12.2021** VND million
Credit risk exposures relating to assets in the consolidated statement of financial position:		
Placements with and loans to other credit institutions	49,132,317	55,942,644
Held-for-trading securities (Note 6.5)	1,797,822	8,150,910
Loans to customers	263,856,383	203,210,901
Investment securities (Note 9.5)	20,825,966	34,914,366
Other financial assets (Note 12.5)	34,950,411	21,873,068
	370,562,899	324,091,889
Credit risk exposures relating to off-statement of financial position items:		
Financial guarantee contracts	4,782,622	4,462,919
L/C commitments	4,322,692	6,605,463
	9,105,314	11,068,382
	379,668,213	335,160,271

41.2.3 Collaterals

The details of collateral assets as at 31 December 2022 and 31 December 2021 are presented in Note 35.1.

41.2.4 Credit quality

Analysis of credit quality of credit risk bearing assets at the carrying amount as at the reporting date is as follows:

	As at 31.12.2022					
	Placements with and loans to other credit institutions VND million	**Held-for-trading securities** VND million	**Loans to customers** VND million	**Investment securities** VND million	**Other financial assets** VND million	**Total** VND million
Balances neither past due nor impaired	49,132,317	1,797,822	251,600,881	20,825,966	34,903,955	**358,260,941**
Balances past due but not impaired	-	-	1,414,837	-	-	**1,414,837**
Balances impaired	-	-	10,840,665	-	46,456	**10,887,121**
	49,132,317	1,797,822	263,856,383	20,825,966	34,950,411	**370,562,899**
Less: provisions						
Specific provisions	-	-	(1,131,211)	-	-	**(1,131,211)**
General provisions	-	-	(1,970,361)	(30,004)	-	**(2,000,365)**
Other provisions	-	-	-	-	(46,308)	**(46,308)**
	-	-	(3,101,572)	(30,004)	(46,308)	**(3,177,884)**
Net amount	**49,132,317**	**1,797,822**	**260,754,811**	**20,795,962**	**34,904,103**	**367,385,015**

	As at 31.12.2021					
	Placements with and loans to other credit institutions VND million	**Held-for-trading securities** VND million	**Loans to customers** VND million	**Investment securities** VND million	**Other financial assets** VND million	**Total** VND million
Balances neither past due nor impaired	55,942,644	8,150,910	193,565,636	34,914,366	21,828,161	**314,401,717**
Balances past due but not impaired	-	-	1,728,421	-	-	**1,728,421**
Balances impaired	-	-	7,916,844	-	44,907	**7,961,751**
	55,942,644	8,150,910	203,210,901	34,914,366	21,873,068	**324,091,889**
Less: provisions						
Specific provisions	-	-	(934,599)	-	-	**(934,599)**
General provisions	-	-	(1,517,469)	(75,736)	-	**(1,593,205)**
Other provisions	-	-	-	-	(43,260)	**(43,260)**
	-	-	(2,452,068)	(75,736)	(43,260)	**(2,571,064)**
Net amount	**55,942,644**	**8,150,910**	**200,758,833**	**34,838,630**	**21,829,808**	**321,520,825**

41.3 MARKET RISK

Market risk incurs when there are adverse movements of interest rate, exchange rate, gold price, stock price and commodity price in the market causing the losses to the Bank and its subsidiary. Market risk includes foreign exchange risk, interest rate risk, price risk and commodity risk.

41.3.1 Currency risk

Currency risk incurs due to adverse movements of foreign exchange rate, gold price whilst the Bank and its subsidiary maintain an open foreign exchange/gold position. The Board of Management sets limits on the level of exposure by each currency and in total for both overnight and intra-day positions, which are monitored daily.

The below table discloses the Bank and its subsidiary's assets and liabilities in book value and by currencies:

Unit: VND million

	VND	USD	EUR	Gold	Others	Total
As at 31 December 2022						
Assets						
Cash on hand, gold, silver, precious metals	2,209,398	468,328	26,195	14,699	219,374	**2,937,994**
Balances with SBV	9,757,912	1,511,041	4,392	-	-	**11,273,345**
Placements with and loans to other credit institutions	44,443,960	4,407,315	64,425	-	216,617	**49,132,317**
Held-for-trading securities (*)	1,797,822	-	-	-	-	**1,797,822**
Loans to customers (*)	252,917,766	10,876,218	-	-	62,399	**263,856,383**
Investment securities (*)	48,819,188	-	-	-	-	**48,819,188**
Other long-term investments (*)	163,921	-	-	-	-	**163,921**
Fixed assets	1,315,057	-	-	-	-	**1,315,057**
Other assets (*)	34,691,219	5,478,757	3,049	-	1,753	**40,174,778**
Total assets	**396,116,243**	**22,741,659**	**98,061**	**14,699**	**500,143**	**419,470,805**
Liabilities						
Borrowings from the Government and SBV	10,821,258	-	-	-	-	**10,821,258**
Deposits and lendings from other credit institutions	71,647,157	19,363,851	3,028	-	1,639,164	**92,653,200**
Deposits from customers	213,251,417	2,301,254	66,840	-	177,663	**215,797,174**
Derivative financial instruments and other financial liabilities	12,064,076	(10,452,522)	25,039	-	(1,410,113)	**226,480**
Funds, entrusted investments and loans received that the Bank bears risks	-	2,797,756	-	-	62,399	**2,860,155**
Valuable papers issued	36,540,390	7,621,250	-	-	-	**44,161,640**
Other liabilities	10,400,233	352,410	165	337	5,085	**10,758,230**
Total liabilities	**354,724,531**	**21,983,999**	**95,072**	**337**	**474,198**	**377,278,137**
Net on-balance sheet position	**41,391,712**	**757,660**	**2,989**	**14,362**	**25,945**	**42,192,668**
Off-statement of financial position commitment position	**-**	**(351,747)**	**-**	**-**	**44**	**(351,703)**
Total currency gap	**41,391,712**	**405,913**	**2,989**	**14,362**	**25,989**	**41,840,965**

(*) These items do not include provisions.

41.3.1 Currency risk (continued)

Unit: VND million

	VND	USD	EUR	Gold	Others	Total
As at 31 December 2021						
Assets						
Cash on hand, gold, silver, precious metals	1,694,247	406,458	57,994	20,120	266,792	**2,445,611**
Balances with SBV	8,324,624	3,518,800	4,556	-	-	**11,847,980**
Placements with and loans to other credit institutions	43,669,965	11,713,689	76,792	-	482,198	**55,942,644**
Held-for-trading securities (*)	11,200,948	-	-	-	-	**11,200,948**
Loans to customers (*)	190,200,467	12,939,028	-	-	71,406	**203,210,901**
Investment securities (*)	65,612,028	-	-	-	-	**65,612,028**
Other long-term investments (*)	144,421	-	-	-	-	**144,421**
Fixed assets	1,366,325	-	-	-	-	**1,366,325**
Other assets (*)	19,738,373	5,667,638	34,698	-	17,406	**25,458,115**
Total assets	**341,951,398**	**34,245,613**	**174,040**	**20,120**	**837,802**	**377,228,973**
Liabilities						
Borrowings from the Government and SBV	92,656	-	-	-	-	**92,656**
Deposits and lendings from other credit institutions	85,253,785	21,345,289	34,582	-	608,926	**107,242,582**
Deposits from customers	179,976,967	3,060,848	88,652	-	156,650	**183,283,117**
Derivative financial instruments and other financial liabilities	18,942	12,374	51,692	-	(67,458)	**15,550**
Funds, entrusted investments and loans received that the Bank bears risks	-	2,865,458	-	-	71,406	**2,936,864**
Valuable papers issued	35,313,613	7,442,500	-	-	-	**42,756,113**
Other liabilities	7,323,938	164,200	145	305	5,988	**7,494,576**
Total liabilities	**307,979,901**	**34,890,669**	**175,071**	**305**	**775,512**	**343,821,458**
Net on-balance sheet position	**33,971,497**	**(645,056)**	**(1,031)**	**19,815**	**62,290**	**33,407,515**
Off-statement of financial position commitment position	**-**	**1,032,132**	**-**	**-**	**(47,323)**	**984,809**
Total currency gap	**33,971,497**	**387,076**	**(1,031)**	**19,815**	**14,967**	**34,392,324**

(*) These items do not include provisions.

41.3.2 Interest rate risk

Interest rate risk incurs when there are adverse movements of interest rates in the markets, impacting to the values of valuable papers, interest bearing financial instruments, interest rate derivatives in trading book of the Bank and its subsidiary. The Bank and its subsidiary manage interest rate risks by monitoring the level of mismatch of interest rate by terms on a monthly basis.

The table below summaries the Bank and its subsidiary's exposure to interest rate risk at reporting date. The Bank and its subsidiary's assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

Unit: VND million

	Overdue	Non-interest bearing	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
As at 31 December 2022									
Assets									
Cash on hand, gold, silver, precious metals	-	2,937,994	-	-	-	-	-	-	**2,937,994**
Balances with SBV	-	11,273,345	-	-	-	-	-	-	**11,273,345**
Placements with and loans to other credit institutions	-	-	33,140,993	7,461,324	2,230,000	6,300,000	-	-	**49,132,317**
Held-for-trading securities (*)	-	-	1,797,822	-	-	-	-	-	**1,797,822**
Loans to customers (*)	11,791,100	-	68,350,949	123,951,229	29,642,530	19,633,374	10,405,963	81,238	**263,856,383**
Investment securities (*)	-	1,013,973	897,710	4,565,623	4,301,485	4,515,090	11,383,888	22,141,419	**48,819,188**
Other long-term investments (*)	-	163,921	-	-	-	-	-	-	**163,921**
Fixed assets	-	1,315,057	-	-	-	-	-	-	**1,315,057**
Other assets (*)	46,456	15,761,169	3,165,455	4,450,302	8,094,016	8,247,380	410,000	-	**40,174,778**
Total assets	**11,837,556**	**32,465,459**	**107,352,929**	**140,428,478**	**44,268,031**	**38,695,844**	**22,199,851**	**22,222,657**	**419,470,805**
Liabilities									
Borrowings from the Government and SBV	-	-	8,779,197	2,042,061	-	-	-	-	**10,821,258**
Deposits and lendings from other credit institutions	-	-	46,765,375	21,540,645	13,188,415	10,116,543	1,042,222	-	**92,653,200**
Deposits from customers	-	268,648	53,652,970	43,790,834	81,280,785	34,595,698	2,208,185	54	**215,797,174**
Derivative financial instruments and other financial liabilites	-	226,480	-	-	-	-	-	-	**226,480**
Funds, entrusted investments and loans received that the Bank bears risks	-	-	810	2,796,946	-	-	-	62,399	**2,860,155**
Valuable papers issued	-	-	-	341,000	3,755,625	11,994,761	28,060,254	10,000	**44,161,640**
Other liabilities	-	10,758,230	-	-	-	-	-	-	**10,758,230**
Total liabilities	**-**	**11,253,358**	**109,198,352**	**70,511,486**	**98,224,825**	**56,707,002**	**31,310,661**	**72,453**	**377,278,137**
Net interest gap	**11,837,556**	**21,212,101**	**(1,845,423)**	**69,916,992**	**(53,956,794)**	**(18,011,158)**	**(9,110,810)**	**22,150,204**	**42,192,668**

(*) These items do not include provisions.

41.3.2 Interest rate risk (continued)

Unit: VND million

	Overdue	Non-interest bearing	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
As at 31 December 2021									
Assets									
Cash on hand, gold, silver, precious metals	-	2,445,611	-	-	-	-	-	-	**2,445,611**
Balances with SBV	-	11,847,980	-	-	-	-	-	-	**11,847,980**
Placements with and loans to other credit institutions	-	-	51,069,704	4,872,940	-	-	-	-	**55,942,644**
Held-for-trading securities (*)	-	-	11,200,948	-	-	-	-	-	**11,200,948**
Loans to customers (*)	8,697,570	-	52,828,560	95,605,402	20,630,316	19,986,853	5,427,452	34,748	**203,210,901**
Investment securities (*)	-	1,013,973	992,336	1,576,008	7,245,759	15,755,654	17,795,374	21,232,924	**65,612,028**
Other long-term investments (*)	-	144,421	-	-	-	-	-	-	**144,421**
Fixed assets	-	1,366,325	-	-	-	-	-	-	**1,366,325**
Other assets (*)	44,907	9,277,637	1,821,401	4,521,362	6,560,082	2,740,726	492,000	-	**25,458,115**
Total assets	**8,742,477**	**26,095,947**	**117,912,949**	**106,575,712**	**34,436,157**	**38,483,233**	**23,714,826**	**21,267,672**	**377,228,973**
Liabilities									
Borrowings from the Government and SBV	-	-	189	92,467	-	-	-	-	**92,656**
Deposits and lendings from other credit institutions	-	-	79,243,931	13,741,575	8,310,390	4,801,686	1,145,000	-	**107,242,582**
Deposits from customers	-	458,101	54,380,581	39,809,528	48,302,371	36,345,183	3,986,445	908	**183,283,117**
Derivative financial instruments and other financial liabilites	-	15,550	-	-	-	-	-	-	**15,550**
Funds, entrusted investments and loans received that the Bank bears risks	-	-	876	2,864,582	-	-	-	71,406	**2,936,864**
Valuable papers issued	-	-	130,000	840,000	4,144,949	3,219,800	32,062,749	2,358,615	**42,756,113**
Other liabilities	-	7,494,576	-	-	-	-	-	-	**7,494,576**
Total liabilities	**-**	**7,968,227**	**133,755,577**	**57,348,152**	**60,757,710**	**44,366,669**	**37,194,194**	**2,430,929**	**343,821,458**
Net interest gap	**8,742,477**	**18,127,720**	**(15,842,628)**	**49,227,560**	**(26,321,553)**	**(5,883,436)**	**(13,479,368)**	**18,836,743**	**33,407,515**

(*) These items do not include provisions.

41.3.3 Price risk

Apart from assets and liability items that have been disclosed above, the Bank and its subsidiary are not exposed to other market price risks which risk levels account for 5% of net profit or value of assets, liabilities account for 5% of total assets.

41.4 LIQUIDITY RISK

Liquidity risk is the risk that the Bank and its subsidiary will not be able to fulfil its financial obligations as they fall due or will be able to fulfil its financial obligations as they fall due but at higher costs than the average market costs, as specified in the Bank's internal regulation. To manage the liquidity risk exposure, the Bank and its subsidiary have diversified the mobilisation of deposits from various sources in addition to its basic capital resources.

Liquidity risks are mainly mitigated through the Bank and its subsidiary's holding a high proportion of assets as cash and cash equivalents in the form of demand deposits at other credit institutions, balances with SBV, and valuable papers. The risk-weighted ratios are also used to manage the Bank and its subsidiary's liquidity.

The table below analyses the Bank and its subsidiary's financial assets and liabilities by relevant maturity groups based on the remaining year from the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Unit: VND million

	Overdue		Current		Current			
	Over 3 months	Up to 3 months	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
As at 31 December 2022								
Assets								
Cash on hand, gold, silver, precious metals	-	-	2,937,994	-	-	-	-	**2,937,994**
Balances with SBV	-	-	11,273,345	-	-	-	-	**11,273,345**
Placements with and loans to other credit institutions	-	-	33,140,993	7,461,324	8,530,000	-	-	**49,132,317**
Held-for-trading securities (*)	-	-	-	-	1,797,822	-	-	**1,797,822**
Loans to customers (*)	4,404,191	7,386,909	14,397,322	31,837,828	131,751,201	40,942,472	33,136,460	**263,856,383**
Investment securities (*)	-	-	1,698,033	1,901,103	8,369,262	14,709,372	22,141,418	**48,819,188**
Other long-term investments (*)	-	-	-	-	-	-	163,921	**163,921**
Fixed assets	-	-	563,171	610	27,456	226,348	497,472	**1,315,057**
Other assets (*)	46,456	-	12,524,505	5,507,785	17,940,292	1,193,222	2,962,518	**40,174,778**
Total assets	**4,450,647**	**7,386,909**	**76,535,363**	**46,708,650**	**168,416,033**	**57,071,414**	**58,901,789**	**419,470,805**
Liabilities								
Borrowings from the Government and SBV	-	-	8,779,197	2,000,033	4,327	37,701	-	**10,821,258**
Deposits and lendings from other credit institutions	-	-	46,765,374	15,982,135	21,239,613	8,666,078	-	**92,653,200**
Deposits from customers	-	-	53,921,619	43,790,834	115,876,482	2,208,185	54	**215,797,174**
Derivative financial instruments and other financial liabilites	-	-	(4,153)	129,649	100,984	-	-	**226,480**
Funds, entrusted investments and loans received that the Bank bears risks	-	-	-	68,218	68,218	545,868	2,177,851	**2,860,155**
Valuable papers issued	-	-	-	341,000	12,930,951	28,060,255	2,829,434	**44,161,640**
Other liabilities	-	-	4,656,197	1,580,711	4,507,075	14,235	12	**10,758,230**
Total liabilities	**-**	**-**	**114,118,234**	**63,892,580**	**154,727,650**	**39,532,322**	**5,007,351**	**377,278,137**
Net liquidity gap	**4,450,647**	**7,386,909**	**(37,582,871)**	**(17,183,930)**	**13,688,383**	**17,539,092**	**53,894,438**	**42,192,668**

(*) These items do not include provisions.

41.4 LIQUIDITY RISK (CONTINUED)

Unit: VND million

	Overdue		Current		Current			
	Over 3 months	Up to 3 months	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
As at 31 December 2021								
Assets								
Cash on hand, gold, silver, precious metals	-	-	2,445,611	-	-	-	-	**2,445,611**
Balances with SBV	-	-	11,847,980	-	-	-	-	**11,847,980**
Placements with and loans to other credit institutions	-	-	51,069,704	4,872,940	-	-	-	**55,942,644**
Held-for-trading securities (*)	-	-	601,136	-	10,599,812	-	-	**11,200,948**
Loans to customers (*)	3,360,074	5,337,496	9,074,205	22,249,558	97,857,792	35,438,340	29,893,436	**203,210,901**
Investment securities (*)	-	-	1,420,950	936,210	15,695,864	24,326,080	23,232,924	**65,612,028**
Other long-term investments (*)	-	-	-	-	-	-	144,421	**144,421**
Fixed assets	-	-	564,114	81	10,277	249,844	542,009	**1,366,325**
Other assets (*)	44,907	-	5,749,291	5,166,307	11,127,210	1,352,594	2,017,806	**25,458,115**
Total assets	**3,404,981**	**5,337,496**	**82,772,991**	**33,225,096**	**135,290,955**	**61,366,858**	**55,830,596**	**377,228,973**
Liabilities								
Borrowings from the Government and SBV	-	-	189	260	10,014	63,358	18,835	**92,656**
Deposits and lendings from other credit institutions	-	-	78,785,931	9,601,764	14,590,398	4,264,489	-	**107,242,582**
Deposits from customers	-	-	54,838,682	39,809,528	84,647,554	3,986,445	908	**183,283,117**
Derivative financial instruments and other financial liabilites	-	-	1,042	986	13,522	-	-	**15,550**
Funds, entrusted investments and loans received that the Bank bears risks	-	-	-	-	-	-	2,936,864	**2,936,864**
Valuable papers issued	-	-	130,000	840,000	7,364,749	30,562,749	3,858,615	**42,756,113**
Other liabilities	-	-	3,381,057	1,749,092	1,822,740	434,084	107,603	**7,494,576**
Total liabilities	**-**	**-**	**137,136,901**	**52,001,630**	**108,448,977**	**39,311,125**	**6,922,825**	**343,821,458**
Net liquidity gap	**3,404,981**	**5,337,496**	**(54,363,910)**	**(18,776,534)**	**26,841,978**	**22,055,733**	**48,907,771**	**33,407,515**

(*) These items do not include provisions.

42. SEGMENT REPORTING

GEOGRAPHICAL SEGMENTS

The Bank and its subsidiary report segment information by main regions in Vietnam and overseas as follows:

	Northern region VND million	Central region VND million	Southern region VND million	Overseas VND million	Elimination VND million	Total VND million
As at 31 December 2022						
Assets	72,251,589	42,874,859	316,560,990	773	(15,415,188)	**416,273,023**
Liabilities	70,312,285	41,809,151	280,569,420	2,469	(15,415,188)	**377,278,137**
For the year ended 31 December 2022						
Profit before tax	1,939,304	1,065,709	7,264,738	(1,695)	-	**10,268,056**
As at 31 December 2021						
Assets	59,731,960	36,263,638	295,741,140	657	(17,125,824)	**374,611,571**
Liabilities	58,412,572	35,419,159	267,113,039	2,512	(17,125,824)	**343,821,458**
For the year ended 31 December 2021						
Profit before tax	1,319,386	844,479	5,907,116	(1,364)	-	**8,069,617**

43. COMPARATIVE FIGURES

Certain prior year's corresponding figures have been reclassified to conform with the current year's presentation of the consolidated financial statements:

	31.12.2021 VND million As previously presented	Adjustments	31.12.2021 VND million Restated
Consolidated income statement			
Other income	496,275	(40,680)	455,595
Other expenses	(313,638)	40,680	(272,958)
	182,637	-	182,637

44. EVENTS AFTER THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATE

There were no events occurring after 31 December 2022 that have a material impact on the operation and financial performance of the Bank and its subsidiary requiring adjustment to or disclosure in the consolidated financial statements.

The consolidated financial statements were approved by the Board of Management on 30 March 2023

Ho Dang Hoang Quyen
Chief Accountant

Pham Van Dau
Chief Financial Officer

Pham Quoc Thanh
General Director

HDBank

Cam kết lợi ích cao nhất

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